“Antecedents of employee performance and the influence on employee job satisfaction in banking service sector in Indonesia”

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The purpose of this study is to determine the difference between three antecedent variables of performance and the impact on employee job performance through reward, compared with institutions led by men and women. The method used was survey method. Quantitative explanation method was also used to explain the relation, difference, and influence between the variables. The type of data in this research is quantitative data. The data used in this study are primary those from the respondents’ perception of the variables used. The population in this study was all bank employees in Jakarta in PT Bank X Tbk, PT Bank Negara Indonesia Tbk, PT Bank Rakyat Indonesia Tbk, PT Bank Tabungan Negara and Bank BCA. The research sample consisted of employees who directly worked under female and male middle managers in the same division. The sampling method was probability sampling according to which all population units have chance to be sampled because of the population's homogeneity. The sample was determined by simple random sampling. Sampling of male and female employees was proportion of multistage random sampling method and sampling using procedure. To solve the problems of this study Structural Equation Modeling (SEM) analysis tool was employed using Analysis of Moment Structures (AMOS) 5 software. The result showed that the performance of employees led by male middle managers was determined by organizational culture and employee work motivation, but transactional leadership style couldn't influence employee performance. Female managers' leadership style had reciprocal influence on organizational culture, while male managers' leadership style didn't have reciprocal influence on organizational culture. Employee work motivation was influenced by male and female middle managers' leadership style. The reward received by employees led by male and female middle managers was influenced by employee performance. The job satisfaction of employees led by male and female middle managers was determined by intrinsic and extrinsic rewards they received. Male middle managers generally applied transactional leadership style, while female used transactional and transformational leadership styles. Gender difference caused differences in behaviors, mentality, and emotional characteristics which are the results of socio-cultural constructs in the society which produced differences in leadership style, behavior and work attitude.

Keywords: gender, organizational culture, motivation, performance, employee job satisfaction

JEL Classification: M12, M51, M53

INTRODUCTION

Kolb (1999) and Yulk (2002) state that gender is an important factor for the leadership study development. Gender-centered model emphasizes that psychological differences between men and women produce different leadership style and work behaviors (Lewis & Eland, 1998). Gender-centered model also states that female leaders tend to emphasize consideration and personal relations with employees (people oriented), while men tend to be oriented toward outcome and objectives (task-oriented) (Eagly et al., 1995; Valentin & Godkin, 2000; Lewis & Eland, 1998; Muda et al., 2017).
Demographic and cultural changes in over 20 years have changed the public mindset to increase the role and status of women in the social environment (Cole, 2004). The influence of leadership style, organizational culture, employee work motivation, performance, reward, performance appraisal system, and subordinate job satisfaction were analyzed. Reward and performance appraisal systems were predicted to be the moderating variables to performance with job satisfaction. Rini and Absah (2017) discover that satisfaction is influenced by rational, emotional, and spiritual marketing. The orientation of global technological development shifts from merely providing functional benefits.

The inconsistency of research results, which create debates on the effect of leaders’ gender difference on leadership style and employee job satisfaction, motivated the author to study this topic. Several research results discover no significant difference between male and female managers in transformational and transactional leadership styles according to the subordinates’ appraisal (Carless, 1998; Maher, 1997; Engen et al., 2001; Manning, 2002; Mandell & Pherwani, 2003; Lubis et al., 2016; Gusnardi et al., 2016). Meanwhile, several research results show significant difference between male and female managers in transformational and transactional leadership styles (Bass, 1990; Rosener, 1990; Bass & Stodgill, 1991; Oshagbemi & Gill, 2003; Druskat, 1994; Doherty, 1997; Eagly et al., 2003; Walumbwa & Lucy, 2004). Inconsistency of research results on leaders’ gender differences related to employee job satisfaction, encouraged this subject studying. Several research results show no influence of leaders’ gender on employee job satisfaction. It means both male and female leaders don’t influence employee job satisfaction (Ponopulus, 1999; Manning, 2002; Walumbwa et al., 2004). Conversely, Smith et al. (1998) and Moore et al. (2005) state that male and female leaders influence employee job satisfaction differently.

The new things in this study were as follows: 1) The variables used have been studied extensively but previous researchers don’t discuss them from gender perspective. 2) The proposed research model is developed completely, while the previous model was more partial. 3) Any differences in leadership style, organizational culture, motivation, employee performance, performance appraisal system, reward and employee job satisfaction when led by men and women are studied. 4) The research objects were SOE and National Private Banking Services whereas previous researchers studied hospital, governments, private companies, department store, schools, and universities.

1. LITERATURE REVIEW

1.1. Organizational culture

Robbins (1998) defines organizational culture as “a system of shared meanings embraced by members which distinguishes the organization from others”. Furthermore, Muda and Dharsuky (2015), Nurzaimah et al. (2016) and Lubis et al. (2016) point out that corporate culture or management culture, or also known as work culture are dominant values widely spread within the organization as the employee’s work philosophy.

1.2. Job satisfaction

Luthans (2002) gives a comprehensive definition of job satisfaction as involving cognitive, affective, and evaluative reactions or attitudes and states it is “a pleasurable or positive emotional state resulting from the appraisal of one’s job or job experience”. Job satisfaction is a result of the employees’ perception of how well their job provides those things that are viewed as important.

1.3. Literature study

1.3.1. The influence of leadership style, organizational culture and work motivation on employee performance

Leadership style influences performance (Elenkov, 2000; Metha et al., 2003; Gani, 2006). Organizational culture influences performance (Kotter & Heskett, 1997; Onken, 1998; Gani, 2006). Kotter & Heskett (1997) prove that strong culture is related to high performance. Organizational culture must be able to harmonize and motivate employees and adaptive
culture will produce high performance. Employee work motivation influences employee performance (Warsono, 2004; Samsi, 2006; Gani, 2006).

Intrinsic motivation can be reached if people have feeling they have choices in selecting works they can perform, competence which includes achievements, meaningful meaning opportunity to chase valuable task objective, and progress which is making meaningful step forward. The four components of intrinsic motivation are tightly related to improved performance (Tyagi, 1985; Millier, 2002 in Karatepe & Tekinkus, 2006) and job satisfaction (Lu, 1999; Low et al., 2001 in Karatepe & Tekinkus, 2006; Thomas & Tymon, 1997 in Robbins, 2006).

1.3.2. Leadership style has reciprocal influence on organizational culture

Leadership style has a significant positive influence on organizational culture, as shown by Gani (2006). Gani states that the correct leadership style will support the correct implementation of organizational culture. Meanwhile, Lok and Crawford (2004) prove that organizational culture influences leadership style.

1.3.3. Leadership style influences work motivation

Leadership style influences work motivation, according to Masi and Cooke (2000) and Metha et al. (2003). They prove that the correct and effective leadership style will have significant positive influence on employee motivation.

1.3.4. The influence of performance on reward


1.3.5. The influence of reward on job satisfaction

Porter and Lawler (1968), and Umar (2006) show that employee job satisfaction is determined by employee performance and the reward received. Morris and Niebuhr (1994) in Umar (2006), Rini and Absah (2017) state that good employee performance can improve the job satisfaction of internal-oriented individuals. Vroom (1964), Porter and Lawler (1968), Walker et al. (1977) show that employee performance had indirect influence on employee job satisfaction through an intervening variable, i.e. reward.

1.3.6. Leadership style, motivation, performance, performance appraisal, performance appraisal system, reward, and employee job satisfaction from gender perspective

Moore et al. (2005) state that female leaders give more job satisfaction, higher advantage, social support, lower conflict level, and lower depression level to subordinates than male leaders. Manning (2002), Endarwati and Muhson (2000), and Smith et al. (1998) show that there is no gender influence on employee job satisfaction.

2. CONCEPTUAL FRAMEWORK

The conceptual framework of this study was made based on combination and modification of several concepts and theories. The variables used in this study referred to the grand theory of leadership style, which is path goal theory by Robert House (1971), grand theory of expectancy motivation by Vroom (1964) which is developed by Porter and Lawler (1968), then by Walker et al. (1977). The variables used in this study also referred to several prior studies, such as Marina (1998), Stoeberl et al. (1998), Masi and Cooke (2000), Block (2003), Lund (2003), Metha et al. (2003), Poon (2003), Walumbwa et al. (2004), Warsono (2004), Currall et al. (2005), Gani (2006), Samsi (2006), Ndambakuwa and Mufunda (2006), and Umar (2006).

Many research results show unclear relation between satisfaction and performance. Some workers are satisfied with their job but have low achievement. Conversely, employees who are not satisfied with their work have high achievement. When performance and satisfaction have weak relation and no relation (Vroom, 1964; Laffadano & Muchinsky, 1985 in Jones, 2002), there is a view that performance will produce job satisfaction or
Intervening variables which connect performance with job satisfaction, such as contingency of reward (Lawler, 1973; Jacobs & Salomon, 1977), self-esteem (Jacobs & Salomon, 1977; Lopez, 1982), situational constraints (Herman, 1973; Bhagat, 1982) influence the relation between performance and job satisfaction. So, it is concluded that performance is not caused by satisfaction or satisfaction is not caused by performance but because of intervening variables. In the motivation model of Porter and Lawler, reward is the intervening variable, which connects performance and job satisfaction. Walker et al. (1977) state that motivation, ability, and intelligence influence performance.

3. RESEARCH METHOD

The method used is survey method because it measures respondents’ perceptions. Quantitative explanation method was also used to explain the relation, difference, and influence between the variables. The type of data in this research is quantitative data. The data used in this study are primary data from the respondents’ perception of the variables used (Muda et al., 2016). Any form of communication with the respondents in this study used questionnaires submitted directly to the respondent. The population of this study was all bank employees in Jakarta in PT Bank X Tbk, PT Bank Negara Indonesia Tbk, PT Bank Rakyat

<table>
<thead>
<tr>
<th>H</th>
<th>Independent variable</th>
<th>Dependent variable</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1a</td>
<td>Leadership style</td>
<td>Employee performance</td>
<td>0.012</td>
<td>0.323</td>
</tr>
<tr>
<td>H1a</td>
<td>Organizational culture</td>
<td>Employee performance</td>
<td>0.349</td>
<td>0.372</td>
</tr>
<tr>
<td>H1a</td>
<td>Employee work motivation</td>
<td>Employee performance</td>
<td>0.553</td>
<td>0.110</td>
</tr>
<tr>
<td>H2a</td>
<td>Leadership style</td>
<td>Organizational culture</td>
<td>–1.116</td>
<td>–0.681</td>
</tr>
<tr>
<td>H2a</td>
<td>Organizational culture</td>
<td>Leadership style</td>
<td>1.048</td>
<td>0.831</td>
</tr>
<tr>
<td>H2b</td>
<td>Leadership style</td>
<td>Employee work motivation</td>
<td>0.295</td>
<td>0.775</td>
</tr>
<tr>
<td>H3a</td>
<td>Employee performance</td>
<td>Intrinsic and extrinsic rewards</td>
<td>0.448</td>
<td>0.783</td>
</tr>
<tr>
<td>H3b</td>
<td>Intrinsic and extrinsic rewards</td>
<td>Employee work motivation</td>
<td>0.719</td>
<td>1.155</td>
</tr>
</tbody>
</table>
Indonesia Tbk, PT Bank Tabungan Negara and Bank BCA. The research sample consisted of employees who directly worked under female and male middle managers in the same division.

The sampling method was probability sampling according to which all population units have chance to be sampled because of the population homogeneity. The sample was determined by simple random sampling, meaning giving the same unlimited change for every population element to be selected as a sample (Lutfi et al., 2016). Sampling of male and female employees was proportion by multistage random sampling method by sampling using procedure. To solve the problems in this study Structural Equation Modeling (SEM) analysis tool was applied using Analysis of Moment Structures 5 software.

### Table 2. Hypothesis test of the model of relations between variables on male and female middle managers

<table>
<thead>
<tr>
<th>No</th>
<th>Variable</th>
<th>Influence</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Leadership style → Employee performance</td>
<td>+</td>
<td>Not significant</td>
</tr>
<tr>
<td>2.</td>
<td>Organizational culture → Employee performance</td>
<td>+</td>
<td>Significant</td>
</tr>
<tr>
<td>3.</td>
<td>Employee work motivation → Employee performance</td>
<td>+</td>
<td>Significant</td>
</tr>
<tr>
<td>4.</td>
<td>Leadership style → Organizational culture</td>
<td>–</td>
<td>Not significant</td>
</tr>
<tr>
<td>5.</td>
<td>Organizational culture → Leadership style</td>
<td>+</td>
<td>Significant</td>
</tr>
<tr>
<td>6.</td>
<td>Leadership style → Employee work motivation</td>
<td>+</td>
<td>Significant</td>
</tr>
<tr>
<td>7.</td>
<td>Intrinsic and extrinsic rewards → Employee job satisfaction</td>
<td>+</td>
<td>Significant</td>
</tr>
<tr>
<td>8.</td>
<td>Employee performance → Intrinsic and extrinsic rewards</td>
<td>+</td>
<td>Significant</td>
</tr>
</tbody>
</table>

4. RESULTS AND DISCUSSION

4.1. Results

The result of SEM analysis as a Path diagram is shown in Figure 2 (see Appendix).

The results of construct test showed that the model was not appropriate to use. All Goodness of Fit criteria did not meet the requirements. The results of SEM analysis as a Path diagram are shown in Figure 3 (see Appendix).

The result of construct test showed that the model was not appropriate to use. All Goodness of Fit criteria did not meet the requirements. Final model test on male middle managers can be seen in Figure 4.

![Figure 4](image-url)
Table 1 presents the comparison of the relations of variables between male and female middle managers.

Based on Table 2 it was found that out of 8 tested paths, there were significant and insignificant relations between variables, based probability value \( p > 0.05 \), \( t \) value above \( t \) table \( (t > 1.98) \). Based on employees’ perception on male middle managers, the hypotheses accepted and supported by empirical data were as follows:

- **H1a**: Organizational culture influenced employee performance.
- **H1b**: Employee work motivation influenced employee performance.
- **H2a**: Organizational culture influenced leadership style.
- **H2b**: Leadership style influenced work motivation.
- **H3a**: Employee performance influenced intrinsic and extrinsic rewards.
- **H3b**: Reward influenced job satisfaction.

Other hypotheses were rejected because they were not supported by empirical data. They were as follows:

- **H1a**: Leadership style influenced employee performance.
- **H2a**: Leadership style influenced organizational culture.

Based on employees’ perceptions on female middle managers, the hypotheses supported by empirical data and accepted were as follows:

- **H1a**: Leadership style influenced employee performance.
- **H1b**: Organizational culture influenced employee performance.
- **H2a**: Leadership style influenced organizational culture.

4.2. Discussion

4.2.1. On male middle managers

Employees led by male middle managers consider employee job satisfaction to be determined by intrinsic and extrinsic rewards they received. The amount of extrinsic reward received by the employees was determined by employee performance. Meanwhile, employee performance was influenced by work motivation and organizational culture applied by banking. The research result is supported by Bass (1990), Rosener (1990), Bass and Stodgill (1991) in Oshagbemi and Gill (2003), Druskat (1994), Doherty (1997), Eagly et al. (2003), Walumbwa and Lucy (2004). They state that men are oriented toward tasks, achieving objectives, more commanding and autocratic, directive, which are elements in transactional leadership style.

4.2.2. On female middle managers

The research result supported the statements of several researchers that women lead with orientation toward employees, more democracy, power delegation, increased subordinates’ trust and participatory, which are elements of transformational leadership (Bass, 1990; Rosener, 1990; Bass & Stodgill, 1991 in Oshagbemi & Gill, 2003; Druskat, 1994; Doherty, 1997; Eagly et al., 2003; Walumbwa & Lucy, 2004). The final model for female middle manager didn’t support Path Goal Theory, showing that the leadership style of female middle managers influenced motivation, but motivation didn’t
influence performance. It was found that motivation couldn’t influence performance, not supporting the theories of Vroom and Porter and Lawler.

4.2.3. Comparison between male and female middle managers

Female middle managers tended to apply transformational leadership style more than male middle managers. Most male middle managers applied transactional leadership style. This research result was supported by Bass (1990), Rosener (1990), Bass and Stodgill (1991) in Oshagbemi and Gill (2003), Druskat (1994), Doherty (1997), Eagly et al. (2003), Walumbwa and Lucy (2004). Difference of leadership style is due to basic biological differences causing psychological differences between men and women which eventually produce difference in leadership style (Gur & Gur, 1999). Men emphasize orders and monitoring and lean toward military leadership (Rosener, 1990). This research result is supported by Bass Avolio, Lowe et al., Judge, and Bono in Robbins (2006). In this study, transformational leadership tended to be implemented by female middle managers, while transactional leadership style tended to be implemented by male middle managers. This research result is supported by Bass Avolio, Lowe et al., Bass and Stodgill (1991) in Oshagbemi and Gill (2003), Druskat (1994), Doherty (1997), Eagly, Schmidt, and Engen (2003), Walumbwa and Lucy (2004) and gender-centered model viewed.

The following is partial discussion of the relations between variables of male and female middle manager leaderships.

4.2.4. The influence of leadership style on employee performance

The leadership style of male middle managers had insignificant positive influence on employee performance. It meant the performance of banking employees was not influenced by the leadership style of male middle managers. Meanwhile, the performance of banking employees was influenced by the leadership style of female middle managers. The research result is supported by Detelin (2000), Masi and Cooke (2000), Metha et al. (2003). They state that leadership style will determine employee performance or job achievement.

Transformational leadership style produced lower rate of resignation, low rate of turnover, high rate of productivity, and greater job satisfaction (Bass Avolio, Lowe et al., Judge, & Bono in Robbins, 2006). In banking, transactional leadership style dimension was the strongest in shaping the leadership style of male middle managers. This research result is supported by Waldman and Yammarino (1999) in Gani (2006) who show that leadership style influences performance.

4.2.5. The influence of organizational culture on employee performance

The research result illustrates that the culture developing in banking is a culture oriented toward innovation and outcome. Male middle managers tended to emphasize the implementation of innovation-oriented organizational culture, while female middle managers tended to emphasize the implementation of outcome-oriented organizational culture, thus producing high quality performance. The research result is supported by Marina H. (1998), Gani (2006), Ouchi (1982), Deal and Kennedy (1982), Miller (1982), Miller (1987), Dennison (1990), Kotter and Haskett (1997) in Gani (2006). They state that organizational culture has significant influence on employee performance. Organizational culture is believed to be the main determinant of the organization’s economic performance (Kotter & Heskett, 1992; Hofstede, 1991; Wilhelm, 1992; Martin, 1992; Mondy & Noe, 1996; Kreitner & Kinicki, 1995; Luthans, 1998 cited from Lako Andreas, 2004).

4.2.6. The influence of work motivation on employee performance

According to the perceptions of employees led by male middle managers, work motivation had significant positive influence on employee performance, as shown and supported by facts. It meant employee performance was determined by employee work motivation. This research result is supported by Vroom (1964), Maier (1965), Porter and Lawler (1967), Walker et al. (1977), Masyitoh (1998), Wagimin (2001), Hamid (2002), Mehta et al. (2003), Warsono (2004), Gani (2006), Karatepe and Tekinkus (2006), Samsi (2006), Umar (2006). They state that employee work motivation had positive influence on employee performance.
4.2.7. The influence of leadership style on organizational culture

This research result opposed the theory of Block (2003), Lok and Crawford (2004), Eppard (2004), Gani (2006). They proved that leadership style had significant positive influence on organizational culture. This research result is supported by Bass (1990), Rosener (1990), Bass and Stodgill (1991) in Oshagbemi and Gill (2003), Druskat (1994), Doherty (1997), Eagly, Schmidt, and Engen (2003), Walumbwa and Lucy (2004) and gender-centered model viewed.

4.2.8. The influence of organizational culture on leadership style

According to the perceptions of employees led by male and female middle managers, organizational culture had significant positive influence on leadership style, as shown and supported by facts. This research result supported contingency view of Pillai and Meindel (1998), Stoeberl et al. (1998), Wilderom and Van Den Berg (2000).

4.2.9. The influence of leadership style on work motivation

According to the perceptions of employees led by male and female middle managers, leadership style had significant positive influence on employee work motivation, as shown and supported by facts. It meant employee work motivation was influenced by leadership style. This research result supported the theory of Widodo (1996), Masi and Cooke (2000), Kuswiyanto (2001), Metha et al. (2003), Walumbwa et al. (2004), Gani, (2006). This research result is supported by Marry Billard (1992) in Robbins (2006) who show that female leaders are better in motivating employees than male leaders. This research result is not supported by Walumbwa et al. (2004) and Ebrahimi (1999) who show that male and female managers are as good in motivating employees.

4.2.10. The influence of employee performance on intrinsic and extrinsic rewards

The performance of employees led by male and female middle managers had significant positive influence on intrinsic and extrinsic rewards, as shown and proven by facts. This research result is supported by Vroom (1964), Currall et al. (2005), Karatepe and Tekinkus (2006).

4.2.11. The influence of reward on employee job satisfaction

Intrinsic and extrinsic rewards had significant positive influence on the job satisfaction of employees led by male and female middle managers, as proven and supported by facts. This research result is supported by Walker et al. (1977), Bagozzi (1980), Netemeyer et al. (2004) in Karatepe and Tekinkus (2006), Warsono (2004), Karatepe and Tekinkus (2006), Umar (2006). This research result is supported by Moore et al. (2005) who state that female leaders give more job satisfaction, higher level of excellence, social support, low conflict level, and low depression level to the subordinates than male leaders. This research result is not supported by Manning (2002), Endarwati and Muhson (2000), and Smith et al. (1998) who prove that leaders’ gender do not influence employee job satisfaction.

**CONCLUSION AND SUGGESTION**

**Conclusion**

The performance of employees led by male middle managers was determined by organizational culture and employee work motivation, but transactional leadership style could not influence employee performance. Female managers’ leadership style had reciprocal influence on organizational culture, while male managers’ leadership style did not have reciprocal influence on organizational culture. Employee work motivation was influenced by male and female middle managers’ leadership style. The reward received by employees led by male and female middle managers was influenced by employee performance. The job satisfaction of employees led by male and female middle managers was determined by intrinsic
and extrinsic rewards they received. Male middle managers generally applied transactional leadership style, while female used transactional and transformational leadership styles and gender differences cause differences in behaviors, mentality, and emotional characteristics which result from socio-cultural constructs in the society producing differences in leadership style, behavior and work attitude.

**Suggestion**

There should be further studies, especially to determine the influence of the relations between variables, which oppose the theory, such as the influence of the relation between leadership style and performance, the influence of motivation and performance relation, the influence of leadership style on organizational culture. The research result should be tested in other service and non-service fields to check whether it can be generalized.

**Research limitation**

All banks which were studied didn’t allow the researcher to distribute the questionnaires directly to employees but through contact person in every bank who was directed by the researcher. Respondent sampling did not follow simple random sampling method and sampling of male and female employees was not proportional.

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Figure 2. The results of early test of the relation between variables and male middle managers
Figure 3. The results of early test of the relation between variables and female middle managers.