

# The Influence of Leadership and Motivation on Employee Performance of Document Control Division PT Mcdermott Indonesia Batam

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## Abstract

This study aims to analyze the effect of leadership and motivation on employee performance, with organizational culture as an intervening variable. This study was conducted on employees of the document control division at PT McDermott Indonesia Batam. The research method used is quantitative with multiple regression approach to test the relationship between variables. The results showed that leadership has a significant influence on employee performance with a significance value of 0.040 ( $<0.05$ ). In contrast, motivation has no significant effect on employee performance with a significance value of 0.694 ( $> 0.05$ ). Organizational culture is proven to have a significant influence on employee performance with a significance value of 0.004 ( $<0.05$ ). The R Square test shows that leadership, motivation, and organizational culture together explain 41.5% of the variation in employee performance, while 58.5% is influenced by other factors outside of this research model. These findings indicate that effective leadership and strong organizational culture play an important role in improving employee performance. Therefore, companies need to strengthen leadership and build a positive organizational culture to create a productive and highly competitive work environment.

Keywords : Leadership, Motivation, Organizational Culture, Employee Performance

## Introduction

In today's global and competitive business landscape, improving employee performance is critical for organizations seeking a competitive advantage. Effective employee performance management includes setting clear goals, exemplifying performance, and providing constructive feedback, which are critical to improving productivity and efficiency (Rahman & Hermina, 2025). Leadership style significantly influences employee motivation and performance; transformational leadership, for example, can foster a positive work environment that increases engagement and productivity (Musa et al., 2024). Additionally, understanding work motivation theories, such as Maslow's Hierarchy of Needs, allows organizations to develop strategies that enhance job satisfaction and performance (Kalaivani & Subramanian, 2024). Implementing a robust performance appraisal system can better identify areas for improvement and facilitate regular feedback, thereby enhancing employee motivation and job satisfaction (Marhendra & Wahyuningtyas, 2025). Finally, effective employee engagement strategies, including recognition and reward programs, are critical to cultivating a committed workforce that is aligned with organizational goals (Banu et al., 2024). Together, these factors create a comprehensive approach to improving employee performance in a competitive environment. Effective leadership is essential in fostering a conducive work

environment and motivating employees to achieve organizational goals. Transformational leadership, in particular, inspires and empowers employees, aligning their aspirations with the organization's vision, which increases job satisfaction and performance (Musa et al., 2024). Additionally, developing leadership programs that focus on coaching and mentoring can significantly improve leaders' ability to communicate and make decisions, further supporting employee engagement and performance (Sharma et al., 2025). A positive organizational culture, shaped by leaders who model desired behaviors and recognize accomplishments, also plays a significant role in motivating employees and promoting innovation (Putri et al., 2024). Additionally, applying motivational theories, such as Maslow's Hierarchy of Needs, can help leaders understand and address the factors that drive employee motivation, ultimately leading to higher productivity and loyalty (Firdaus & Muttaqin, 2024). Thus, interaction style, effective leadership, employee engagement, and supportive culture are critical to organizational success.

Work motivation is a critical factor influencing employee productivity, as suggested by Herzberg's Two-Factor Theory, which distinguishes between motivational and maintenance factors. Motivational factors, such as recognition, responsibility, and opportunities for development, are intrinsic elements that increase employee engagement and drive optimal performance (Mustafakulova et al., 2024). In contrast, maintenance factors, including salary and working conditions, are extrinsic elements that, if inadequate, can lead to dissatisfaction and decreased productivity (Yuliana et al., 2024). High motivation hinders increased productivity, while lack of motivation can lead to higher turnover rates, as employees seek a more satisfying work environment (Rozi et al., 2024). In addition, effective leadership plays a critical role in fostering motivation by creating an environment that supports both intrinsic and extrinsic motivational factors, ultimately improving overall organizational performance (Khawaja & Karimi, 2024). Thus, addressing both types of factors is critical to optimizing employee productivity and reducing turnover..

A study of the Document Control Division of PT McDermott Indonesia Batam highlights the important role of leadership and motivation in improving employee performance. Effective leadership strategies are essential to fostering an environment that enhances employee productivity and performance, as they directly impact motivation levels (Samsi & Marina, 2024). Understanding work motivation theories, such as Maslow's Hierarchy of Needs, can help organizations design tailored motivation strategies that align with employee needs, thereby increasing job satisfaction and performance (Fauji & Nurhadian, 2024). Additionally, utilizing employee performance metrics allows companies to assess the impact of these strategies on productivity and efficiency (Getnet & Fujie, 2024). By integrating insights from leadership styles and motivation theories, organizations can create a cohesive approach that not only increases employee engagement but also drives overall organizational success (Fauji & Nurhadian, 2024). This comprehensive understanding is critical to

developing effective policies that lead to sustained improvements in employee performance.

## **Literature Review**

### **Leadership**

Leadership is indeed a critical factor in organizational success, as it directly influences employee productivity, job satisfaction, and loyalty. Different leadership styles, such as transformational and transactional leadership, can significantly impact employee engagement and overall organizational performance. Transformational leadership, in particular, inspires and motivates employees by creating a compelling vision and fostering trust, which increases job satisfaction and loyalty (Pradana & Indiyati, 2025). Additionally, effective leadership development programs are essential to fostering these skills, ensuring leaders can effectively guide their teams toward achieving organizational goals (Nawaz et al., 2024). High levels of employee engagement, driven by supportive leadership, lead to increased retention and commitment, which ultimately contribute to organizational success (Owolabi, 2025). Thus, understanding and implementing effective leadership styles is critical for organizations aiming to thrive in today's competitive environment (Uripan & Mahendra, 2025).

### **Motivation**

Motivation is an important driver of employee performance. According to Herzberg's Two Factor Theory, motivation can be influenced by hygiene factors and motivator factors, which include the work environment, incentives, and performance recognition (Nasution et al., 2024). A positive work environment significantly increases employee motivation, as it provides the resources and conditions necessary for productivity (Farantika et al., 2024). In addition, performance recognition serves as a vital motivator, boosting morale and dedication through rewards and recognition for accomplishments (JANOŠIK et al., 2024). Furthermore, offering career development opportunities fosters intrinsic motivation by allowing employees to grow and advance in their roles, which is essential for maintaining high levels of engagement (Lakshmi et al., 2024). By addressing these factors, organizations can create a motivational climate that encourages employees to strive for their goals and improve overall performance.

### **Employee Performance**

Employee performance is fundamentally assessed through various metrics that reflect an individual's effectiveness in meeting organizational standards. Key indicators include quality of work, which includes accuracy and timeliness in completing tasks, and quantity of work, representing the output produced within a certain time period (Rahman & Susanto, 2024). In addition, punctuality is critical, as it measures adherence to a set schedule, while teamwork highlights the ability to work

collaboratively with colleagues and leaders (Luthfiah, 2024). Organizations set work standards to establish benchmarks for these performance indicators, ensuring that employees are evaluated fairly and consistently (Saranya & Deva, 2024). Performance appraisals play a critical role in this process, providing structured feedback on strengths and areas for improvement, ultimately guiding employee development (Meswantri & Lukito, 2024). By focusing on these metrics, organizations can increase overall productivity and foster a culture of continuous improvement.

## Methods

This study uses a quantitative method with a descriptive and causal approach. The descriptive approach is used to describe the characteristics of leadership, motivation, and employee performance, while the causal approach aims to analyze the influence of leadership and motivation on employee performance. The population in this study were all employees working in the Document Control Division of PT McDermott Indonesia Batam. The sample was determined using a saturated sampling technique, where all members of the population were used as respondents, considering that the number of employees in this division was still within an affordable number to be studied as a whole. The respondents in this study were 40 people. The variables in this study used Independent Variables (X), Leadership ( $X_1$ ), Motivation ( $X_2$ ), Dependent Variable (Z), Employee Performance (Y), Moderation Variable (Y), Organizational Culture.

## Results and Discussion

- Validity & Reliability Test

Table Validity Test

Correlations		
	Sign	Information
Leadership	0.001	Valid
Motivation	0.000	Valid
Organizational Culture	0.000	Valid
Employee Performance	0.000	Valid
**. Correlation is significant at the 0.01 level (2-tailed).		

Interpretation

The calculation results from SPSS 25 show that all items in this study have a significance value below 0.005, thus it can be stated that the items in this study are valid.

Table Reliability Test

Reliability Statistics	
Cronbach's Alpha	N of Items
0,781	4

Interpretation

The results of the SPP calculation show that the Cronbach`s Alpha value is 0.781 (>0.70), thus the items in this study are declared Reliable and can be continued in this study..

- F Test & T Tes

Model 1

Table F Test Model 1

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	51,408	2	25,704	14,844	,000 <sup>b</sup>
	Residual	79,653	46	1,732		
	Total	131,061	48			
a. Dependent Variable: Organizational Culture						
b. Predictors: (Constant), Motivation, Leadership						

Interpretation

F value = 14.844, Sig. = 0.000, which is smaller than  $\alpha = 0.05$  (or 5%). which shows the strength of the relationship between the independent variables and the dependent variables in the regression model. Because the Sig. = 0.000 < 0.05, the overall regression model is significant. This means that the Leadership and Motivation variables together have a significant influence on Organizational Culture. In other words, the combination of the two independent variables is able to explain the changes that occur in the dependent variable significantly..

Table T Test Model 1

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4,310	1,292		3,335	0,002
	Leadership	0,124	0,117	0,135	1,060	0,295
	Motivation	0,399	0,091	0,557	4,386	0,000
a. Dependent Variable: Organizational Culture						

Interpretation

1. Leadership Variable (X1)

B = 0.124, t = 1.060, Sig. = 0.295 (> 0.05), every 1 unit increase in Leadership will increase Organizational Culture by 0.124 units, assuming other variables remain constant. The Leadership variable does not have a significant effect on Organizational Culture because the Sig. value is 0.295 > 0.05. This shows that in this model, Leadership individually does not have a strong enough influence on Organizational Culture.

2. Motivation Variable (X2)

B = 0.399, t = 4.386, Sig. = 0.000 (< 0.05), every 1 unit increase in Motivation will increase Organizational Culture by 0.399 units. The Motivation variable has a significant effect on Organizational Culture because the Sig. value is 0.000 < 0.05. This means that the higher the employee motivation, the better the organizational culture in the company.

Table R Square

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,626 <sup>a</sup>	0,392	0,366	1,316
a. Predictors: (Constant), Motivation, Leadership				

Interpretation

The calculation results from SPSS show that the RSquare value is 0.392, thus the influence of the Leadership and Motivation variables on Organizational Culture is 39.2%, and the rest is contributed by other variables outside this study.

- Model 2

Table F Test Model 2

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	55,947	3	18,649	10,646	,000 <sup>b</sup>
	Residual	78,828	45	1,752		
	Total	134,776	48			
a. Dependent Variable: Employee Performance						

Interpretation

F value = 10.646, Sig. = 0.000, which is much smaller than 0.05 ( $\alpha = 5\%$ ). shows the strength of the regression model in explaining the dependent variable.

Table T Test Model 2

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,263	1,448		1,563	0,125
	Leadership	0,252	0,119	0,270	2,118	0,040
	Motivation	0,043	0,109	0,059	0,397	0,694
	Organizational Culture	0,456	0,148	0,449	3,073	0,004
a. Dependent Variable: Employee Performance						

Interpretation

1. The Influence of Leadership on Employee Performance

B = 0.252, meaning that every 1 unit increase in Leadership will increase Employee Performance by 0.252 units, assuming other variables remain constant. t = 2.118 and Sig. = 0.040 (<0.05), meaning that Leadership has a significant effect on Employee Performance.

2. The Influence of Motivation on Employee Performance

B = 0.043, meaning that every 1 unit increase in Motivation only increases Employee Performance by 0.043 units, which is very small. t = 0.397 and Sig. = 0.694 (>0.05), meaning that Motivation does not have a significant effect on Employee Performance in this model.

### 3. The Influence of Organizational Culture on Employee Performance

B = 0.456, meaning that every 1 unit increase in Organizational Culture will increase Employee Performance by 0.456 units, assuming other variables remain constant.  $t = 3.073$  and  $\text{Sig.} = 0.004 (<0.05)$ , meaning that Organizational Culture has a significant effect on Employee Performance.

Table R Square Model 2

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,644 <sup>a</sup>	0,415	0,376	1,324
a. Predictors: (Constant), Organizational Culture , Leadership, Motivation				

#### Interpretation

- The results of model 2 from the RSquare test are known to have a value of 0.425, thus together the variables of Leadership, Motivation and corporate culture contribute to Employee Performance by 41.5% and the rest is contributed by other variables outside this study, thus it can be stated that the Organizational Culture variable influences the relationship between independent variables and Employee Performance variables.

#### Conclusion

Based on the results of the regression analysis that has been conducted, this study concludes that Leadership and Organizational Culture have a significant influence on Employee Performance, while Motivation does not show a significant influence in this model. The results of the T test show that Leadership plays an important role in improving Employee Performance, with a significance value of 0.040 ( $<0.05$ ). This indicates that the more effective the Leadership style applied in the company, the higher the level of Employee Performance. Good leadership is able to provide direction, support, and inspiration for employees, so that they can work more optimally. On the other hand, the results of the analysis also show that Motivation does not have a significant influence on Employee Performance, with a significance value of 0.694 ( $> 0.05$ ). This finding indicates that Motivation alone is not enough to drive increased performance, and other factors, such as the work environment, reward system, or employee welfare, may play a greater role in determining how well employees work. Therefore, companies need to review their Motivation improvement strategies to be more effective in supporting productivity. Meanwhile, Organizational Culture is proven to have a significant influence on Employee Performance, with a significance value of 0.004 ( $<0.05$ ). The

stronger the Organizational Culture applied in the company, the higher the level of Employee Performance. A positive Organizational Culture can create a conducive work environment, increase employee loyalty, and strengthen the values of cooperation and professionalism within the company. From the results of the R Square test, it was found that Leadership, Motivation, and Organizational Culture together were able to explain 41.5% of the variation in Employee Performance. This means that there are still 58.5% of other factors outside this research model that also influence Employee Performance, such as compensation, work environment, and other individual and organizational factors.

Overall, this study confirms that effective Leadership and strong Organizational Culture have a strategic role in improving Employee Performance. Therefore, companies need to focus on developing Leadership and strengthening Organizational Culture in order to create a more productive and highly competitive work environment.

Thus, this study confirms that Organizational Culture plays a strategic role in driving Employee Performance. To increase productivity and work effectiveness, companies need to strengthen Organizational Culture through effective Leadership, good communication, and consistent implementation of company values. In addition, companies must also evaluate and develop more appropriate Motivation strategies so that employees can work optimally.

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