

# FACTORS AFFECTING EMPLOYEE PERFORMANCE IMPROVEMENT ON FINANCE COMPANIES

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**Abstract:** The purpose of this study is to examine and determine the factors that can affect employee performance improvement in finance companies. The research method used is a quantitative approach. Data were analyzed by Partial Least Square (PLS) statistic tool. This research was conducted at PT. Mandiri Tunas Finance Malang Branch and Pasuruan Satellite. The population in this study were all permanent employees, amounting to 82 people. Furthermore, the entire population became the respondents so that this research used the census method in the sample determination. Based on the result of the research, it can be concluded that the factors that can improve employee performance in finance company are motivation, especially motivation that comes from within the employees themselves (intrinsic motivation) and organizational culture, while leadership can influence the improvement of employee performance if mediated by work motivation. Some suggestions that can be put forward to improve employee performance in finance companies are building employee work motivation, by holding special education program for employees in order to get promotion, continuous training, provides a challenging task, and adequate working facilities; Create a good organizational culture so that it can help employees to make it easier to carry out their work; Recruiting employees who have work experience ranging from 5 years with educational background is a bachelor.

**Keywords:** Leadership, Organizational Culture, Work Motivation, Employee Performance.



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A car is one of the means of transportation that is the choice of every person in carrying out daily activities. Inadequate public transport facilities, less conducive safety factors, and extreme weather make many people tend to think about owning a car. People can buy cars in cash or credit. In the last few years, car loan enthusiasts in Indonesia increased quite rapidly. Along with the in-

creasing demand for car loans, car loan financial institutions are also increasingly emerging. With the increasing number of these finance companies are causing business competition becomes increasingly tight. Therefore, the company should be able to optimize the performance of its employees so that companies can survive in the face of competition.

The growth of car financing business in Indonesia has grown quite rapidly during 2009 to 2014, but in 2015 it decreased causing problems such as the closure of branch offices of finance companies as happened in PT. Adira Finance in 2015 PT. Adira Finance closed 44 branches (Bratadharma, 2015).

Komardi, D. (2009), revealed that in the face of intense competition, an organization needs to make changes from the achievement of low employee performance to the achievement of high employee performance. Komara, A. H. (2010), revealed that human resources (HR) is an important element in the organization, employees are the most valuable resources, the success of the company's performance is only possible by humans, otherwise the company's failure is also caused by humans. A similar opinion is expressed by Janma Karisoh, G. D. (2016), reveals that HR is the most important factor in determining the viability of an organization both individual organizations and public organizations, because HR is part of all organizational activities. HR is a very important role in achieving the target of an organization.

Sabir, et al. (2012), argued that employee performance is an important element of any organization and is the most important factor in determining organizational success and performance. In addition to employees who have high competence, leadership factors also have a very important role in supporting the success of a company. Supendy, R. (2012), states that the role of leadership is very strategic and important in an organization as one of the determinants of success in achieving the mission, vision, and goals of an organization. Schein (2004), states that organizational culture is a pattern of basic assumptions that are valid and work within the organization. A series of basic assumptions can be learned by the members of the organization. Organizational culture is able to act as a solution to organizational problems, acting as an adapter to factors that develop outside the organization, and in carrying out its internal integration from its members. This means that any improvement in work culture towards a more conducive will contribute significantly to the improvement of employee performance.

Robbins (2014), argued that indicators that can be used to measure employee performance in performing tasks are the quantity of work, quality of work, timeliness, independence, and efficiency of task implementation. Luthans (2011), poses some important leadership skills that leaders have in order to successfully lead an organization in the face

of the current era of globalization that is flexible to culture, good communication skills, human resource development capabilities, creative, and leaders must have the skills to motivate and affect others. Herzberg developed Maslow's hierarchy of needs theory into two factors about motivation, namely: the factors of satisfaction (motivation factor) and maintenance factor (maintenance factor). Herzberg's two-factor theory provides a new view of job satisfaction. According to Herzberg's theory, only challenging work has an opportunity to gain achievement, respect, responsibility, progress, and growth that will motivate employees (Luthans, 2011).

A study that examines the causality link between leadership and employee performance in the banking industry and in finance companies on a continuous basis. Some research proves that organizations that have leaders who have good managerial competence, have high integrity, have the ability to motivate, and can direct employees who can be accepted by individuals within the organization will be able to improve employee performance (Yildiz, S. et al., 2014; Asrar-ul-Haq and Peter, K., 2016; Karisoh, GD, 2016; and Maharani, V. et al., 2013). Previous research has also linked many organizational cultures with employee performance. Good organizational culture will create a conducive working atmosphere, commitment, and discipline in work so that employee performance will increase. Research that connects organizational culture with employee performance among others done by Mousavi, S. A., et al. (2014), proving that organizational culture has an influence on the performance of bank employees in Iran. Research conducted by Muhdar, H. M. (2015) and Melisa I. M. (2015), also shows the result that organizational culture has a significant effect on the productivity of bank employees.

Other research proves that to be able to improve employee performance required motivation. The research that correlates work motivation with employee performance conducted by Springer, G. J. (2011), shows that work motivation is a factor that positively affects the performance of bank employees in America. Similar results were also presented by Alalade, S. Y. and Oguntodu, J. A.

(2015); Omollo, P. A. (2015); and Sleimi, M. T. (2015), they show empirical evidence that work motivation can lead to improved employee performance in the bank.

The results of different studies were put forward by Admiral, D. A., et al. (2015), shows that leadership has no significant effect on employee performance in Bank Syariah Mandiri. So also the results of research conducted by Kharis, I. (2015), shows that leadership style owned by the leader directly has not been able to improve employee performance in Bank Jatim. The results of research conducted by Supendy, R., et al. (2012), indicates that the leadership applied by the leadership of the Bank Pembangunan Daerah (BPD) of Southeast Sulawesi indirectly can improve employee perfor-

mance through work motivation first. These studies are research gaps that color this research.

Based on previous theoretical and research studies, the issues raised in this study will include the influence of leadership and organizational culture on employee performance through work motivation as a mediating variable.

**CONCEPTUAL FRAMEWORK**

This study will examine and analyze the influence of leadership variables and organizational culture on work motivation and employee performance in finance companies. Here is a conceptual framework of research that shows the relationship model between variables as shown in Figure 1.

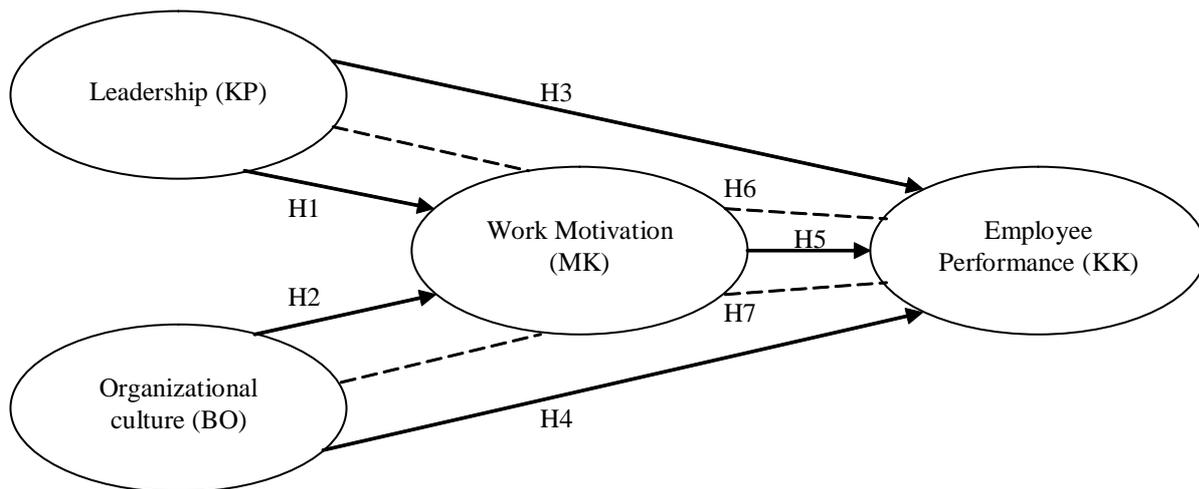


Figure 1 Conceptual Framework

**RESEARCH HYPOTHESES**

**The Influence of Leadership on Work Motivation**

Luthans (2011), suggests that one of the most important leadership skills to successfully lead an organization in the face of today’s globalization era is the skills to be able to motivate and influence others. Some previous research results have proven that better leadership will increase employee work motivation (Supendy, R., et al., 2012; Saputra, GA,

et al., 2016; and Sambiran, B., et al., 2012). Based on the study of theory and some of the results of this study, this research proposes the first hypothesis that is:

H1: Leadership has a significant direct effect on work motivation.

**The Influence of Organizational Culture on Work Motivation**

Robbins (2014), argued that the organizational culture is a system of shared meanings embraced

by members that differentiate the organization from other organizations. Organizational culture can be a reference for members of the organization in the interaction between members of the organization, and interact with other organizations. Good organizational culture will create a conducive working atmosphere so that employee motivation will increase. The linkage between organizational culture and work motivation is explained by Zehir, C., et al. (2011), shows empirical evidence that organizational culture has been shown to influence work motivation. The same results are presented by Julingrum, E. and Sudiro, A. (2013) and Gunawan. K. (2009), indicating that organizational culture can improve work motivation. Based on the study of theory and some of the results of the above research, this research proposes a second hypothesis that is:

H2: Organizational culture has a significant direct effect on work motivation.

### **The Influence of Leadership on Employee Performance**

Grimes (1998), reveals that leaders have a great role in improving skills, commitment, skills, understanding of organizational values and teamwork for achievement in organizations. A similar opinion is expressed by Syafii, L. I., et al. (2015), which revealed that one of the important factors that determine employee performance is leadership. Several previous research results have proved that better leadership will improve employee performance (Yildiz, S., et al., 2014; Hrrrrr-ul-Haq and Peter, K., 2016; Hendriani, S., et al., 2014; Janma Karisoh, GD, 2016). Based on the study of theory and some of the results of this study, this research proposes a third hypothesis that is:

H3: Leadership has a significant direct effect on employee performance.

### **The Influence of Organizational Culture on Employee Performance**

Thoyib (2005), states that the high performance that exists in individuals within the organization indicates that what the individual does is in accordance with the programmed by the organization, this is also in accordance with the basic assumptions of the

organization. Thus, high performance, of course, exists in the good organizational culture. There have been many research results proving that an improved organizational culture will improve employee performance (Mousavi, S. A., et al., 2014; Zehir, C., et al., 2011; and Muhdar, H. M., 2015). Based on the expert opinion and the results of the research, the fourth hypothesis proposed in the study is:

H4: Organizational culture has a significant direct effect on employee performance.

### **Effect of Work Motivation on Employee Performance**

In Herzberg's two-factor theory it is argued that one's motivation comes from within the person (intrinsic) and comes from outside the worker's self or the work itself (extrinsic). According to Robbins (2014), states that a motivated person will bend over backward to do something to produce the best job performance that is beneficial to the organization. There has been much empirical evidence that work motivation significantly affects employee performance (Springer, G. J., 2011; Alalade, S. Y. and Oguntodu, J. A., 2015; Omollo, P. A. 2015; and Sleimi, M. T., 2015). Based on the study of theory and some of the results of this study, this research proposes the fifth hypothesis that is:

H5: Work motivation has a significant direct effect on employee performance.

### **The Influence of Leadership on Employee Performance through Work Motivation**

Schein (2004), argued that in order to be a good leader then the leader must be able to motivate members of the organization. Some research proves that organizations that have leaders who have good managerial competence, have the ability to motivate and direct employees in the organization will be able to improve employee performance. This is in accordance with the results of research conducted by Supendy, R., et al. (2012) and Kharis, I. (2015), where the results obtained that leadership cannot directly improve performance without motivating the workers. Based on the study of theory and some of the results of this study, this research proposes the sixth hypothesis that is:

H6: Leadership has an effect on employee performance through work motivation as mediator.

### **The influence of Organizational Culture on Employee Performance through Work Motivation**

Schein (2004), states that organizational culture is capable of acting as a solution to organizational problems, acting as an adapter to factors that develop outside the organization, and in carrying out its internal integration from its members. Basically, the organizational culture within the company is a tool to unite every individual who performs activities together. Juliningrum, E. and Sudiro, A (2013), proves that organizational culture indirectly influences employee performance through work motivation. An organizational culture that includes innovation and risk-taking, attention to detail, result orientation, human orientation, team orientation, aggressiveness, stability, in its application has been able to motivate employees. With the motivation that is formed, both from within the employees themselves or from the environment, can make the self-employed enthusiastic, enthusiastic and not easily give up in work. Finally, the growing spirit of employees in the work will also affect the performance that will be generated by the employees themselves. Based on the description, the seventh hypothesis developed in this research is as follows:

H7: Organizational culture has an influence on employee performance through work motivation as a mediator.

### **OPERATIONAL DEFINITION OF RESEARCH VARIABLES**

#### **Leadership**

Leadership indicator in this research refers to the theory proposed by Luthans (2011) and research result of Asrar-ul-Haq and Peter, K (2016) that is leader's ability, managerial skills, and organizational skills.

#### **Organizational culture**

Indicators of organizational culture in this study refers to the theory of organizational culture char-

acteristics suggested by Robbins (2014) and the results of research Mousavi, S. A., et al. (2014), which are organizational values, management support, reward systems, fault tolerance as opportunities for learning, orientation on job details, and team orientation.

#### **Work motivation**

The indicator of work motivation variable in this study refers to the theory of two factors Herzberg and Sleimi research, M. T. (2015), which are the motivation factor, this factor is also called intrinsic motivation, and maintenance factor, this factor is also called the extrinsic motivation.

#### **Performance**

Employee performance indicators in this study refer to the theory of performance indicators put forward by Robbins (2014) and research results Kharis, I. (2015), which are Quality, Quantity, Timeliness, Cost Effectiveness, Need for supervision, and interpersonal impact.

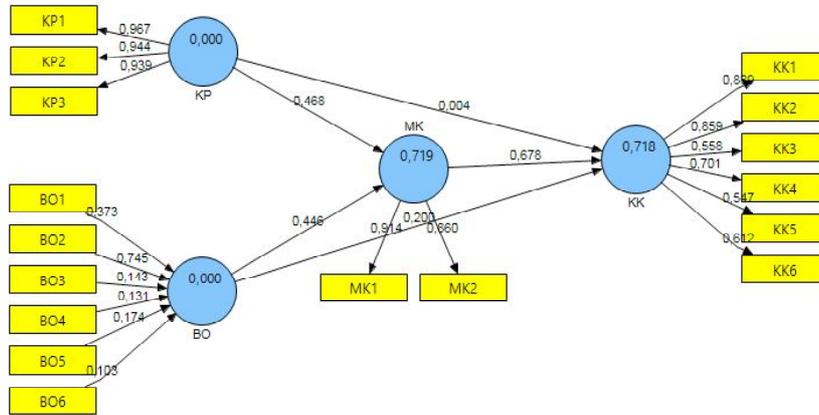
### **RESEARCH METHODS**

This research is done by using a quantitative method. Place of this research at PT. Mandiri Tunas Finance Malang Branch located at Jl. Tumenggung Suryo No. 98 Malang and PT. Mandiri Tunas Finance Pasuruan Satellite Office is located at Jl. Panglima Sudirman no. 11 Pasuruan. The study took place for two months (January 2017 - February 2017). The population in this study are permanent employees who work in MTF Branch Malang and MTF Satelit Pasuruan which amounted to 82 people who have worked for more than 2 years. Furthermore, the entire population was made respondent so that this research used the census method in determining the sample. Data collection techniques in this study using questionnaire techniques. This study uses the scale of measurement by Likert scale method as the basis for determining the score with the weight of 1 to 5. Instruments said to be valid if the correlation coefficient  $r > 0.3$ . Reliability test in this research is done by using Cronbach's Alpha test where if  $\alpha > 0.6$  shows the

instrument is reliable. Hypothesis testing in this research using Partial Least Square (PLS) method.

**RESULT**

**Partial Least Square Analysis (PLS)**



*Figure 2 Line diagram with PLS*

**Validity Evaluation of Formative Construct Model**

Validity Evaluation of formative construct model is done by calculating weight value (weight). An

instrument is valid if the value of T-Statistics  $\geq$  T-table (1.96). Convergent validity test results are presented in the following table:

**Table 1 Validity Evaluation of Formative Construct Model Test Result**

Variable	Indicator	Original Sample (O)	T Statistics ( O/STERR )	Description
Organizational culture	BO1	0.373	8.167	Valid
	BO2	0.745	12.905	Valid
	BO3	0.143	3.798	Valid
	BO4	0.131	3.041	Valid
	BO5	0.174	3.299	Valid
	BO6	0.103	1.968	Valid

Source: Data processed 2017

Based on the above table it can be seen that all indicators of organizational culture variables produce T-statistics values greater than T-table (1.96). Thus the indicator is declared valid to measure the organizational culture variable.

and discriminant validity. Convergent validity is known through loading factor. An instrument is said to meet the convergence validity test if it has a loading factor above 0.5. Convergent validity test results are presented in the following table:

**Validity Evaluation of Construct Reflective Model**

Validity Evaluation of the construct reflective model is done by calculating the convergent validity

**Table 2 Validity Evaluation of Construct Reflective Model Test Result**

Variable	Indicator	Original Sample (O)	T Statistics ( O/STERR )	Description
Leadership	KP1	0.967	279.074	Valid
	KP2	0.944	135.862	Valid
	KP3	0.939	149.445	Valid
Work motivation	MK1	0.914	110.750	Valid
	MK2	0.860	28.351	Valid
Employee performance	KK1	0.889	93.172	Valid
	KK2	0.859	43.702	Valid
	KK3	0.558	9.337	Valid
	KK4	0.701	13.446	Valid
	KK5	0.547	7.798	Valid
	KK6	0.612	10.049	Valid

Source: Data processed 2017

Based on the above table it can be seen that all indicators that measure leadership variables, work motivation, and employee performance is greater than 0.5. Thus the indicator is declared valid to measure the variable.

**Reliability Test Results Variable**

Calculations that can be used to test construct reliability are Cronbach alpha and composite reliability. The test criteria state that if the composite reliability is greater than 0.7 and the Cronbach alpha is greater than 0.6 then the construct is declared reliable. The results of composite reliability and Cronbach alpha can be seen in the summary presented in the following table 3.

Based on the above table it can be seen that the value of composite reliability on all variables shows a value greater than 0.7. Thus based on com-

**Table 3 Evaluation of Reliability Results**

Variables	Composite Reliability	Cronbach's Alpha
Leadership	0.965	0.946
Work motivation	0.881	0.734
Employee performance	0.853	0.808

Source: Data processed 2017

posite reliability calculation, all indicators are declared reliable in measuring the latent variable. Furthermore, the value of Cronbach's Alpha on all variables indicates a value greater than 0.6. Thus based on calculations of Cronbach's Alpha all indicators are declared reliable in measuring latent variables.

**HYPOTHESIS TESTING**

**Table 4 Direct Effect Testing**

Exogenous Variables	Endogen Variables	Direct Coefficient	Standard Error	Description
KP	MK	0.468	0.046	Significant
BO	MK	0.446	0.054	Significant
KP	KK	0.004	0.061	Not significant
BO	KK	0.200	0.055	Significant
MK	KK	0.678	0.048	Significant

Source: Data processed 2017

**Table 5 Indirect Effect Testing**

Exogenous Variables	Endogen Variables	Intervening Variables	Indirect Coefficient	Standard Error	Description
KP	KK	MK	0.468	0.046	Significant
BO	KK	MK	0.446	0.054	Significant

Source: Data processed 2017

**DISCUSSION**

**Influence Leadership (KP) on Work Motivation (MK)**

The results of hypothesis testing show that leadership has a significant effect on work motivation. This illustrates that the better the leadership of employee work motivation will increase.

The results of this study are supported by Luthans (2011) and Schein (2004), who argued that to be successful in leading an organization, one of the skills that leaders must have is the skill to motivate and influence others. A similar opinion is also expressed by Yukl, G (2010), which reveals the skills that must be possessed by the leadership, among others, is the ability to motivate and inspire. These findings support the empirical research conducted by Sambiran, B., et al. (2015), conducted at PT. Adira Finance where the results showed that leadership variables simultaneously have a positive effect on work motivation. The better the leadership, the employee’s work motivation will increase. The results of this study also support research conducted by Supendy, R., et al. (2012), which shows the result that the leadership applied by the leadership in the Regional Development Bank (BPD) of Southeast Sulawesi can increase employee work motivation and subsequently employee work motivation can improve employee performance. The findings in this study are in line with research conducted by Saputra, G. A., et al. (2016), where research conducted at Bank Mandiri shows the result that leadership has a significant positive effect on employee work motivation.

Based on the findings of this research can be interpreted that the leadership in MTF Branch Malang and Pasuruan Satellite has made efforts well

enough to motivate employees to work with the maximum.

**The influence of Organizational Culture (BO) on Work Motivation (MK)**

The result of hypothesis testing shows that organizational culture has a significant effect on work motivation. This illustrates that the better the organizational culture then the work motivation of employees will increase.

The findings of this study support the theory put forward by Schein (2004), which states that organizational culture is a pattern of basic assumptions that are valid and work within the organization. Organizational culture is able to act as a solution to organizational problems, acting as an adapter to factors that develop outside the organization, and in carrying out its internal integration from its members. This means that any improved work culture towards the better will make a significant contribution to the improvement of employee work motivation. The findings of this study also support the empirical research conducted by Zehir, C. et al. (2011), who found that organizational culture variables contribute to employee motivation so that it will contribute positively to employee performance. Similarly, research conducted by Gunawan, K. (2009), which proves that organizational culture has a positive and significant impact on employee work motivation.

Based on the results of research and based on the support of theory and previous research, the management of MTF should continue the special education programs for employees so that every employee has the opportunity to be able to develop themselves and have the opportunity to be able to

get a promotion so that employee motivation can be increased.

### **Influence Leadership (KP) on Employee Performance (KK)**

The result of hypothesis testing shows that leadership has an insignificant effect on employee performance. This illustrates that in the presence of the leadership does not automatically guarantee the performance of employees will increase.

These findings support the Substitutes for leadership theory proposed by Luthans (2011), which states that in the work environment there are factors that can replace leaders so that the presence of leaders is considered unimportant. Factors that can be a substitute for the existence of leaders that are the presence of experienced, professional, and educated employees. In addition, job characteristics such as standard operating procedures, routine work structures, and a conducive work environment can also be a substitute function for leaders. These findings are also in line with Admiral D. A. (2015) research, which shows that leadership has no significant effect on employee performance in Bank Syariah Mandiri. These findings also support the results of research conducted by Kharis, I. (2015) and Supendy, R., et al. (2012), which states that leadership owned by leaders directly has not been able to improve employee performance.

These findings are not in line with the results of research conducted by Asrar-ul-Haq and Peter, K. (2016); Hendriani, S., et al. (2014); Maharani, V., et al. (2013); and Karisoh, G. D. (2016), which states that leadership has a positive and significant impact on performance improvement.

Based on the research in the field, it is known that the majority of employees working in MTF Malang and Pasuruan Satellite are employees aged between 30-40 years with experience working between 5-10 years where the majority of male employees with the educational background is S1. This condition provides more value to the company in the implementation of daily duties and obligations of employees where employees with these characteristics already have sufficient work experience, pro-

fessional, easy to learn new things and still have a high morale to continue to excel.

### **The Influence of Organization Culture (BO) on Employee Performance (KK)**

The result of hypothesis testing shows that organizational culture has a significant effect on work motivation. This illustrates that the better the organizational culture then the performance of employees will increase.

The results of this study support the theory put forward by Thoyib, A. (2005), which states that the high performance existing in individuals in the organization indicates that what is done by individuals has been in accordance with the programmed by the organization, it is also in accordance with basic assumptions organization. Thus, high performance, of course, exists in the good organizational culture. These findings support the empirical research conducted by Mousavi, S. A., et al. (2014), which proves that organizational culture has a positive influence on the performance improvement of bank employees in Iran. The results of research conducted by Muhdar, H. M. (2015), showed empirical evidence that organizational culture has a positive and significant effect on the performance improvement of Islamic bank employees in Makassar. Similarly, the results of research conducted by Zehir, C., et al. (2011), also shows the result that organizational culture has a significant effect on the productivity of bank employees.

Based on the results of field research is known that the performance of employees increased because MTF always provide ongoing training to employees so that employees of MTF Branch Malang and Pasuruan have confidence or confidence in him to be able to complete the job better. In terms of addressing the error in carrying out the work, MTF has a culture to tolerate mistakes in work as opportunities for learning. Warning systems provided to employees also use a gradual system of SP1, SP2, and SP3. This makes employees able to perform the job more quietly so that employees are not easy to quickly despair and give up, and employees will provide the best and more eager in work. Each

employee has the value and understanding that every employee has the ability to work into values that affect employee performance. Therefore, the management of MTF should continue to maintain and strengthen its work culture to be more strongly embedded in every employee so that employee performance can be increased.

### **Effect of Work Motivation (MK) on Employee Performance (KK)**

The results of hypothesis testing showed that the motivation of work has a significant effect on employee performance. This illustrates that the better the work motivation the employee performance will increase.

The findings of this study are in accordance with the theory put forward by Robbins (2014), that work motivation is a process that will produce a direction, intensity, and perseverance of an individual as a form of effort to achieve a goal. People who have high motivation will be more active work, while people with low motivation will be otherwise. Thus high work motivation will certainly result in high employee performance. The results of this study also support the two-factor Herzberg theory. According to Herzberg in Luthans (2011), argued that employees will be more motivated to work well if from within the employee there is a strong motivation. According to Herzberg's theory, only challenging work has an opportunity to gain achievement, respect, responsibility, progress, and growth that will motivate employees. These findings support the empirical research conducted by Springer, G. J. (2011), which shows that work motivation is a factor that positively affects the performance of bank employees in America. The results of similar research are also presented by Alalade, S. Y. and Oguntodu, J. A. (2015); Omollo, P. A. (2015); Sleimi, M. T. (2015), which shows empirical evidence that work motivation can lead to improved performance of bank employees.

Based on the findings of this research, the most dominant motivation factor in motivating employees of MTF Branch Malang and MTF Satellite Pasuruan to improve its performance is intrinsic

motivation factor which means sourced from within the employees themselves. Factors that motivate employees of MTF Branch Malang and Pasuruan Satellite for achievement is the opportunity to develop a career (promotion), duties and responsibilities are quite challenging, the existence of appreciation of employees who are able to exceed the target, as well as the existence of job satisfaction and recognition/award from superiors.

### **Influence Leadership (KP) on Employee Performance (KK) through Work Motivation (MK)**

Based on the results of the test results obtained that the influence of leadership on employee performance is positive but not significant, while the test results of leadership influence on employee performance through work motivation has positive and significant results. Therefore, work motivation is declared to be a perfect mediation between the influences of leadership on employee performance.

The theoretical study of leadership used in this study rests on the theory put forward by Robbins (2014), defining leadership as the ability to influence a group to achieve a set of goals. While Yukl, G. (2010) defines leadership as a process to influence others so that the person is able to understand and agree on what to do and how to do it, including the process of facilitating individual or group efforts in meeting common goals. Based on these opinions can be concluded that leaders are individuals who are able to influence and motivate members of groups or organizations to encourage the group or organization to achieve its goals. The findings also support research conducted by Supendy, R., et al (2012), which conducts empirical research at the Regional Development Bank of Southeast Sulawesi. The results of his research prove that leadership can indirectly improve performance as long as mediated by work motivation. Similarly, the results of research conducted by Kharis, I. (2015), obtained empirical evidence that leadership leaders indirectly can improve performance by mediated by work motivation.

Based on the findings of this study can be concluded that the leadership should pay attention to employee motivation to improve employee performance.

### **The influence of Organizational Culture (BO) on Employee Performance (KK) through Work Motivation (MK)**

Based on the results of the test results obtained that the organizational culture has a positive and significant impact on employee performance either directly or through the motivation of work as a mediator. Therefore, work motivation is able to mediate the influence of organizational culture on employee performance.

The findings in this study support the opinion of Thoyib, A. (2005), which states that the high performance that exists in individuals within the organization indicates that what the individual does is in accordance with the programmed by the organization, this is also in accordance with the basic assumptions of the organization. Thus, high performance, of course, exists in the good organizational culture. The findings of this study support the empirical research conducted by Juliningrum, E. and Sudiro, A. (2013), which proves that organizational culture contributes to employee work motivation so as to contribute positively to employee performance. Based on the results of this study can be concluded that the influence of organizational culture on employee performance so increasing after being mediated by employee motivation. Working culture applied in MTF proved able to make employees motivated so that employee performance also increased.

The above mentioned should be the attention of policymakers within the organization that the steps to be done to obtain good performance is to give attention to the factors that affect employee motivation, especially work motivation that comes from within the employees themselves (intrinsic motivation) accompanied by nurturing improvements to create calmness for employees in doing the work so that employees will continue to be motivated to improve their performance.

## **CONCLUSIONS AND RECOMMENDATIONS**

### **Conclusion**

Based on the results of research and discussion that has been described then it can be concluded that the factors that can affect employee performance improvement in finance companies are the work motivation and organizational culture. While the new leadership can affect the improvement of employee performance if mediated by work motivation. Therefore, work motivation is declared to be a perfect mediation between the influences of leadership on employee performance.

Based on the results of research can also be concluded that leadership and organizational culture have a positive effect on employee work motivation which they have a very positive impact on employee performance. In addition, organizational culture has a positive and significant impact on employee performance both directly and indirectly through work motivation as a mediator.

### **Recommendations**

Based on the process and the results of research that have been done, some suggestions that can be put forward that is with the findings that the work motivation and organizational culture can improve employee performance than the management of PT. Mandiri Tunas Finance can focus attention to build employee motivation, especially work motivation that comes from within employees (intrinsic motivation). This can be done, among others, by organizing special education programs for employees to be able to get promotions, provision of continuous training, provide adequate work facilities and continue to maintain and strengthen the work culture to be more strongly embedded to each employee so that employee performance will increase.

With the findings that leadership can influence the improvement of employee performance is mediated by the motivation of work then the leaders in MTF Malang Branch and Pasuruan Satellite can build employee motivation by providing tasks and responsibilities are quite challenging and promote employees who excel.

To improve the performance, the finance company is advised to recruit employees who already have work experience ranging from 5 years and educated at least S1. This condition gives more value to the company in the execution of duties and obligations of daily employees where employees with these characteristics already have sufficient work experience, professional, easy to learn new things and still have a high morale to continue to excel.

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