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CORRESPONDING AUTHOR

Meila Rosanty Restutiani
Faculty of Economic and
Management,
Institut Pertanian Bogor,
Indonesia

EMAIL

meilarosanty@gmail.com

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INFLUENCE OF LEADERSHIP STYLE AND INCENTIVES ON AGENT PERFORMANCE IN SOCIAL SECURITY ACQUISITION WITH ORGANIZATIONAL CULTURE AS AN INTERVENING VARIABLE

Meila Rosanty Restutiani

Faculty of Economic and Management, Institut Pertanian Bogor,
Indonesia

Eko Ruddy Cahyadi

Jono Mintarto Munandar

Department of Management, Institut Pertanian Bogor, Indonesia

Abstract: The research objective of the study is to analyze and confirm the influence of leadership styles, incentives, and organizational culture on agents' performance in social security acquisition. The information was gathered from 190 BPJS Ketenagakerjaan agents across 21 branch offices in the East Java region. The research data obtained by filling out online questionnaires were then processed using a structural equation modeling (SEM) partial least squares (Smart PLS Version 4.0) approach. The findings show that there is an influence of leadership style and incentives toward organizational culture on agents, and leadership style is more dominant than incentives toward organizational culture. Furthermore, the effect of the incentives variable and organizational culture variable on performance has a positive and significant effect. The leadership style variable, however, has a negative effect on performance. Organizational culture affects performance more than leadership style and incentives. In addition, organizational culture as an intervening variable fully mediates the effect of the leadership style variable on performance. Furthermore, the organizational culture variable can partially mediate the relationship between incentives and performance. These findings are expected to provide direction for organizations to improve agents' performance by inspiring a shared vision, modeling the way, providing awards or recognition, and developing standards of attitudes that clearly and measurably describe the organization's vision and mission. Further studies are needed in the same model applied to the national level of samples.

Keywords: Incentive, Leadership Style, Organizational Culture, Performance, Structural Equation Modelling (SEM)

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INTRODUCTION

The new normal is raising awareness among companies to pay attention and improve aspects that can affect performance. Through the actions, plans, and routines, organizations are becoming increasingly conscious of adapting to their new normal issues (Loureiro et al., 2021). The global pandemic changes an organization's whole system, affecting organizational culture dynamics (Lane et al., 2020). Human Resource Management (HRM) plays a critical role in assisting all parties to deal with the immense problems caused by the pandemic's resulting changes. Specifically, management should function as essential strategic partners and develop a new culture of change that may drive employees to adjust to the new normal situation (Manuti et al., 2020). Indonesia confronts major issues due to low and insufficient social security contributions. Only 3.7% of non-wage earners, who comprise the 93 million workers, are protected by social security schemes by BPJS Ketenagakerjaan (later stated as BPJamsostek). According to the Badan Perencanaan Pembangunan Nasional (2019), the National Medium-Range Development Plan (RPJMN) for the years 2020-2024, the membership coverage of BPJamsostek was intended to be greater than 30% in 2024. In addition, it was projected that in 2029, universal involvement would be achieved (Badan Perencanaan Pembangunan Nasional, 2019). Due to the minimal number of participants, BPJamsostek found a way to expand social security collection by activating the Perisai agent program. The agent is in charge of assisting with membership expansion among non-wage earners. The existence of this program is expected to increase social security participation in Indonesia.

Table 1. Comparison of the number of agents and the acquisition

| Description | 2018 | 2019 | 2020 |
|--------------------|---------|---------|---------|
| Agents offices | 836 | 2,127 | 1,575 |
| Perisai agents | 3,598 | 7,453 | 4,694 |
| Agents acquisition | 407,328 | 555,497 | 523,540 |

Source: Annual report BPJS Ketenagakerjaan (2020)

The protocol's strictness during the pandemic limits agents' performance in socializing, con-

ducting presentations, and expanding membership. BPJamsostek is aware that a new strategy should be taken to increase the agent's performance. The decrease in acquisition can be influenced by various factors, including leadership style, incentives, and organizational culture, all of which impact the agent performance. Table 1 shows the decline in agent acquisition followed by the decline in membership acquisition. During the outbreak in 2020, BPJamsostek recruited 2,150 agents, bringing the cumulative number of agents to the end of the reporting period at 4,694 people, representing a growth of 37.02%. The total sum of the membership dues that can be collected has reached 205 billion Indonesian Rupiah (IDR). East Java accounts for the largest majority of newly enrolled participants in 2020 (21.03%). The perisai as an agent are scattered throughout Indonesia from organizations or institutions that are not affiliated with BPJamsostek and have their own organizational culture and leadership style. They are connected to BPJamsostek through ongoing incentive programs. In this article, the author seeks to address the issue of whether the organizational culture, leadership style, and incentive program affected the agent's performance.

The impact of organizational culture and leadership style on performance has been the subject of several studies in various organizations and businesses. Experts from various fields have found that specific leadership styles can boost employees' performance (Hoang et al., 2019; Nguyen et al., 2021; and Zainudin, 2021). Leadership and individual performance have a mutual relationship. Research from Kristanti and Harahap (2012), Febrian et al. (2016), and Khan et al. (2020) suggested that leadership has a significant impact on the performance of human resources (HR) in a positive direction. However, some research has found little evidence between leadership styles and performance (Jacobsen and Andersen, 2017). The success of an organization is also dependent on a strong relationship between the organizational culture and leadership (Ramos et al., 2016; Valdivia et al., 2019). Organizational culture has the ability to enhance organizational performance, problem-solving, and the individual satisfaction (Hellriegel et al., 2001). This statement is supported by the results of Irfan et al. (2019), Sihombing et al. (2018), and Pawiros-umarto et al. (2017). According to Raf et al. (2014),

corporate culture, work environment, and motivation can benefit and noticeably impact performance. However, research by Lembang et al. (2015) and Renyut (2017) found that organizational culture does not affect employee performance. Several studies have suggested that incentives are rewards to motivate and create good conditions for achieving organizational goals (Coccia, 2019). The extrinsic incentive (reward) system and the intrinsic incentive (reward) system have a direct and significant effect on performance (Taba, 2018). Research by Sihombing et al. (2018) showed that the leadership style significantly affected rewards and organizational culture but had no significant effect on employee performance.

Research in management studies remains appealing and expands our understanding of performance-enhancing aspects. The fact that the outcomes of previous studies on employee performance are inconsistent allows the opportunity to investigate how leadership style, incentives, and organizational culture influence performance with different subjects to the agents of the non-profit-based organization, namely BPJamsostek East Java regional office throughout 21 office branches. This study seeks to learn and analyze using statistical methods based on the events and theories given above. The researchers proposed a solution to the research gap by incorporating factors influencing agents' performance in Indonesian social security institutions. The findings of this research will lay a new foundation for important decisions that will be made in the future to enhance the agents' performance in BPJamsostek. Research is anticipated to be used as a material input to maintain or enhance the agent's performance.

LITERATURE REVIEW

Leadership Styles

Robbins and Judge (2013) stated that leadership is influencing a group toward achieving a vision and setting goals. A leadership style encompasses various aspects, such as how to lead, communicate, monitor, make choices, give orders, and divide duties. Leadership is the capacity to persuade people to assist the organization in achieving its goals (Ivancevich et al., 2008). According to Kouzes and Posner (2017), the context of leadership style identified five leadership behaviors: model-

ing the way, inspiring a shared vision, challenging a process, enabling others to act, and encouraging the heart. The results of the empirical studies by Febrian et al. (2016), Irfan et al. (2019), Khan et al. (2020), Manurung (2020), and Zainudin (2021) suggest that leadership has a significant impact on performance in a positive direction.

Organizational Culture

Organizations with a certain culture attract the individuals with certain characteristics to join. Wambugu (2014) defined organizational culture as what is communicated to the individual by the organization regarding employees' experiences while working for the company. Kreitner and Kinicki (2013) defined organizational culture as a pattern of fundamental assumptions that have been determined or developed to study successful integration strategies considered novel. Therefore, it must be taught to new members the correct way of thinking, perceiving, and caring about the issue. According to Robbins and Judge (2013), the dimensions used to distinguish organizational culture are seven primary characteristics that together capture the nature of organizational culture: innovation and risk-taking, attention to detail, result orientation, people orientation, team orientation, aggressiveness, and stability.

Incentives

Incentives are rewards to motivate and create good conditions for achieving organizational goals (Coccia, 2019). There are two types of incentives. Intrinsic and extrinsic incentives have different characteristics and produce different organizational effects. Dessler (2011) stated that the incentives are divided into direct financial payment, indirect compensation, and non-financial reward. According to Bernardin and Russel (2010), rewards encompass all sorts of monetary outcomes and tangible benefits from employees as part of the job relationship. Personal needs can be directly satisfied by intrinsic incentives by generating an intrinsic reward for those who complete the tasks (Frey and Jegen, 2001). O'Reilly et al. (1991) stated that extrinsic incentives are more likely to impact employees' commitment to an organization over time. Extrinsic incentives are important in relation to organizational commitment.

Performance

In an organizational context, performance is typically measured by the degree to which organizational members contribute to achieving organizational objectives (Khosla, 2016). Meanwhile, according to Mathis and Jackson (2006), performance is a productive starting point for an organization to achieve its goals. The more successful employees are in their role within the organization, the more successful it is. Employee performance

is very comprehensive, and the key performance indicators that can be accepted and recognized from the organization's success are interpreted as indicating performance toward achieving organizational goals and objectives (Masa'deh et al., 2017). Five indicators can be used to evaluate performance more accurately based on Bernardin and Russel (2010): work quality, labor quantity, time Efficiency, need for supervision, and interpersonal impact.

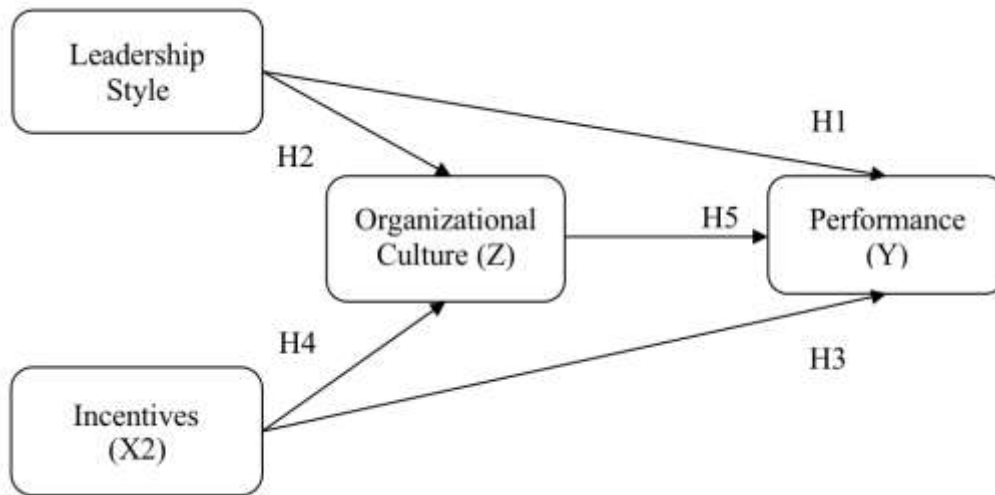


Figure 1. Conceptual Framework

HYPOTHESIS DEVELOPMENT

A ton of conflicting and confusing writing on leadership can be found in the literature. Additionally, there are numerous approaches to explaining leadership. The understanding of leadership is pervasive with references to leadership-related contingency theories. Pham and Kim (2019) defined leadership as an attempt made by the leader to influence others (interpersonally) while leveraging communication to achieve particular goals. According to a study, leadership philosophies can favor how employees behave (Berraies and Abidine, 2019).

H1: Leadership style has an influence on the performance of agents.

Khan et al. (2020) discovered that leadership has a strong favorable relationship with business culture. Schein and Schein (2004) asserted that a leader's responsibility is to establish and maintain an organization's culture. According to this no-

tion, the efficiency of leadership determines how people behave in organization (Soomro and Shah, 2019). The leader must be able to influence employee behavior in a positive manner, which will eventually cause subordinates to enjoy their work.

H2: Leadership style has an influence on the organizational culture of agents.

In management, incentives are a reward used to inspire employees and create ideal conditions for attaining certain goals and fostering organizational growth. Taba (2018) asserted that both incentive systems have a direct, significant effect on performance.

H3: Incentives has an influence on the performance of agents.

O'Reilly et al. (1991) found that incentives are more likely to have a long-term effect on employees' involvement in a firm. Marwan (2011) also discovered a link between incentives and corpo-

porate culture.

H4: Incentives has an influence on the organizational culture of agents.

Jie et al. (2020) and Sabani et al. (2021) observed that organizational culture is established via experience with members when the problem-solving process influencing the organization's existence is going well. According to the findings of this study, an organization's culture significantly impacts agent performance.

H5: Organizational culture influence the performance of agents.

Pawirosumarto et al. (2017) found that leadership and organizational culture are inextricably linked, as every aspect of leadership practice im-

pacts organizational culture. Leaders must set a good example that their subordinates will follow. Employees who work following the leadership's instructions will produce positive results. This employee's good behavior will influence performance.

H6: Organizational culture mediates leadership style and performance.

Sihombing et al. (2018) stated that there was a significant effect of incentives (rewards) on organizational culture and performance. Lumbantobing (2019) suggested that when organizational members possess organizational culture, boosting incentives might increase employee performance.

H7: Organizational culture mediates the incentives and performance.

METHOD

Table 2. Variable and Indicator

| No | Variable | Indicator | Source |
|----|------------------------|---|-----------------------------|
| 1. | Leadership Styles | 1. Modeling the way 2. Inspired by a shared vision 3. Challenge a process 4. Enabling others to act 5. Encouraging the heart | Kouzes and Posner (2017) |
| 2. | Incentives | Intrinsic incentives Extrinsic incentives | Coccia (2019) |
| 3. | Organizational Culture | 1. Innovation and risk-taking 2. Attention to detail 3. Result orientation 4. People orientation 5. Team orientation 6. Aggressiveness 7. Stability | Robbins and Judge (2013) |
| 4. | Performance | Work Quality Labor Quantity Time Efficiency Need for Supervision Interpersonal Impact | Bernardin and Russel (2010) |

This study used quantitative methods. This study's population consisted of all agents from the BPJamsostek East Java Regional Office's 21 offi-

ce branches. The data collection method used in this study is the distribution of questionnaires through Google Forms. The East Java regional office

was selected because the highest concentration of agent offices in 2020 will be in the East Java region, with a total of 915 active agents. The sampling technique used in this study was quota sampling. The sample in this study was composed of 190 agents. The variables to be measured are converted into indicator variables using a Likert scale. Each instrument is classified into five categories and assigned a score from 1 - 5: strongly agree (score 5), agree (score 4), neutral (score 3), disagree (score 2), and strongly disagree (score 1). The data analysis technique used in this study was structural equation modeling (SEM) with partial least squares (SmartPLS 4.0). The variables used in this study consist of exogenous variables (leadership style and incentives), intervening variables (organizational culture), and endogenous variables (performance). The indicators of each variable are presented in Table 2.

RESULTS

This study obtained 190 respondents from the total number of people in the research sample. The characteristics of respondents from the study

were classified according to gender, education level, age, length of employment as an agent, and type of other income sources. The data processing results indicate that men are more prevalent as agents, with a total of 64% men compared to 36% women. Characteristics of respondents based on their level of education showed that 49% of respondents had a high school diploma, 45% had a bachelor's degree, 5% had a diploma degree, and only 1% of respondents had a junior high and a master's degree. According to the analysis, agents aged 17 to 25 made up 7% of the total, followed by 23% of agents aged 26 to 35, 39% of agents aged 36 to 45, 29% of agents aged 46 to 55, and 2% of agents aged 56 to 65. Characteristics of the respondents based on their time spent working as agents showed that 53% of respondents had worked for one to two years, 27% had worked for three to five years, and 21% had worked for less than a year. Furthermore, 91% of respondents indicated that they have income sources other than serving as agents. Being an agent can be considered work performed outside the respondent's normal working hours.

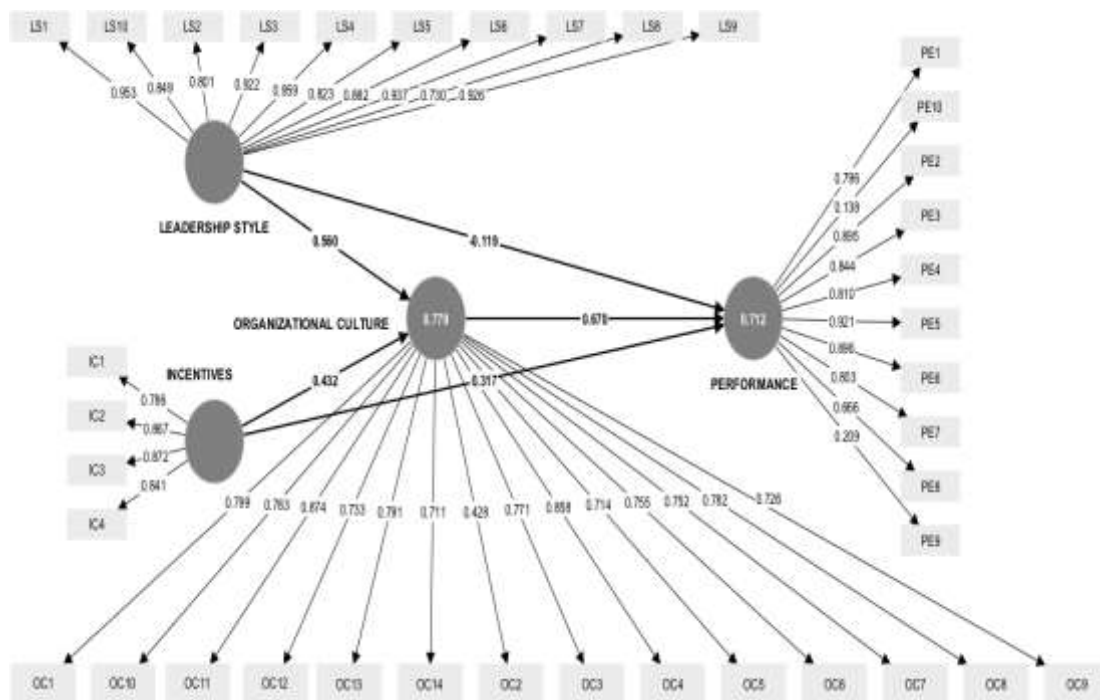


Figure 2. Research Model Path

Convergent Validity Test

When the loading factor value >0.7, a construct's optimum measure or validity is reached (Ghozali, 2014), this study excluded certain research indicators with a loading factor <0.7. This method uses a reflective model on all variables to remove

ozali, 2014), this study excluded certain research indicators with a loading factor <0.7. This method uses a reflective model on all variables to remove

the indicator without affecting the construction. Indicators OC2, PE8, PE9, and PE10 were deleted from the research model.

Discriminant Validity Test

The OC5, OC9, and LS8 indicators are eliminated from the test findings because their loading factor values are less than those of the other

variables. Hair (2019) stated that the Fornell-Larcker criterion approach compares the square root of the AVE for each construct to the correlation value between the components in the model to assess discriminant validity. The diagonal value between the constructs must be bigger than the correlation values in other constructs. The test result of discriminant validity test shown in Table 3.

Table 3. Discriminant validity test results with the Fornell-Larcker Criterion

| | Incentives | Leadership Style | Organizational Culture | Performance |
|------------------------|------------|------------------|------------------------|-------------|
| Incentives | 0.842 | | | |
| Leadership Style | 0.569 | 0.900 | | |
| Organizational Culture | 0.749 | 0.779 | 0.790 | |
| Performance | 0.722 | 0.559 | 0.781 | 0.863 |

Source: PLS output results (2020)

Construct Reliability Test

Average Variance Extracted (AVE) is greater than 0.5, and Composition Reliability (CR) is greater than 0.7, indicating that the construction is

good or dependable (Hair, 2019). All variables in this study are reliable since their composite reliability value is greater than 0.70 and their Cronbach's alpha values are greater than 0.60.

Table 4. Construct Reliability

| | Average Variance Extracted (AVE) | Cronbach's Alpha (CA) | rho_A | Composite reliability |
|------------------------|----------------------------------|-----------------------|-------|-----------------------|
| Incentives | 0.709 | 0.863 | 0.865 | 0.907 |
| Leadership Style | 0.810 | 0.970 | 0.975 | 0.974 |
| Organizational Culture | 0.624 | 0.939 | 0.942 | 0.948 |
| Performance | 0.745 | 0.942 | 0.944 | 0.953 |

Coefficient of Determination (R2)

Table 5. R-Square

| Variable | R Square (R ²) |
|------------------------|----------------------------|
| Organizational Culture | 0.770 |
| Performance | 0.676 |

According to Hair (2019), R square value ≥ 0.67 is considered strong (significant), a value of 0.33 to 0.67 is moderate, and less than 0.19 is weak. According to Table 5, the R-Square Adjusted value for organizational culture variable is 0.770,

indicating that the proportion of the effect of leadership styles and incentives is 77.0% and that the model is rated as strong. R-Square Adjusted value for the performance variable is 0.676, indicating that the proportion of the effect of leadership styles, organizational culture, and incentives is 68.0%, and the model is categorized as good.

Predictive Relevance (Q2)

Q2 equals the determination coefficient (R-Square). The value of Q Square (Q2) of 0 indicates that the model has predictive relevance; the value of Q2 of less than 0 suggests that the model has less predictive relevance; or, where all Q2 values

are greater, the model can be deemed more fitted to the data (Hair, 2019). The following computation reveals the value of Q2 in the study:

$$Q2 = 1 - (1-R1^2) (1-R2^2) \dots (1-Rn^2)$$

$$Q2 = 1 - (1-0.770) (1-0.676)$$

$$Q2 = 0.925$$

The outcome of the calculation indicates that at Q2 equals 0.925. This value suggests that the variables evaluated can be described by this model to the extent of 0.925, with the remaining 0.075 being impacted by the factors that were not examined.

Table 6. Result of Direct Effect Test

| Hypothesis | Variable Relationship | Path Coefficient | Estimate t-statistic | p-value | Result |
|------------|---|------------------|----------------------|---------|-----------------|
| H1 | Leadership Style → Performance | -0.115 | 1.280 | 0.201 | Not Significant |
| H2 | Leadership Style → Organizational Culture | 0.521 | 6.478 | 0.000 | Significant |
| H3 | Incentives → Performance | 0.308 | 2.847 | 0.004 | Significant |
| H4 | Incentives → Organizational Culture | 0.452 | 5.799 | 0.000 | Significant |
| H5 | Organizational Culture → Performance | 0.640 | 4.788 | 0.000 | Significant |

Source: SmartPLS 4.0 (2022)

Table 7. Result of Indirect Effect Test

| Hypothesis | Variable Relationship | Path Coefficient | Estimate t-statistic | p-value | Result |
|------------|---|------------------|----------------------|---------|-------------|
| H6 | Leadership Style → Organizational Culture → Performance | 0.290 | 3.869 | 0.000 | Significant |
| H7 | Incentives → Organizational Culture → Performance | 0.334 | 3.720 | 0.000 | Significant |

Source: SmartPLS 4.0 (2022)

Hypothesis Testing

The direct effect test results are reported in Table 4. The first hypothesis indicates that the value of the coefficient of the determination is -0.115, with the values of the t-statistic $1.280 < t\text{-table } 1.96$ and a P-value of $0.201 > 0.05$. There is no correlation between leadership quality and performance. Based on the results, H1 was not accepted because it has no effect and is insignificant. The second hypothesis, which reads that leadership styles have a positive effect on organizational culture, is accepted because the p-value < 0.05 and the t-statistic value > 1.96 , meaning that leadership styles improve organizational culture. Therefore, H2 was accepted because it has an effect and is significant. The effect of incentives on the performance obtained a value of 0.308 with t-statistics of $0.308 > t\text{-tables } 1.96$ and a P-value of $0.004 < 0.05$, leading to the conclusion that incentives had a significant benefi-

cial impact on performance. H3 accepted that incentives had a positive correlation and significant impact on performance. The effect of incentives on organizational culture obtained a value of 0.452, t-statistics of $5.799 > 1.96$, and a P-value of $0.000 < 0.05$. The presence of incentives toward organizational culture plays a vital role in shaping individuals' styles and behavior and helps develop behavior standards among agents. Thus H4 was accepted. Calculating the original sample shows the result (0.640), where t-statistic $4.788 > t\text{-table } 1.96$, and P-value $0.000 < 0.05$. Consequently, the interpretation of the results demonstrates that organizational culture has a favorable and significant effect on the performance, and H5 was accepted. Table 5 showed that organizational culture as a mediating variable fully mediated relationships between leadership style and performance. The indirect effect had a positive 0.290, t-statistic of $3.869 > 1.96$,

and P-value of $0.000 > 0.05$ correlation and was statistically significant. Therefore, H6 was accepted. The indirect effect of organizational culture as a mediator is partially mediated between incentives toward performance. The value of the coefficient of the determination is 0.334, the t-statistic of 3.720 is greater than the t-table (1.96), and the P-value of $0.000 > 0.05$. Therefore, H7 was accepted.

DISCUSSION

Leadership Style and Performance

The results of hypothesis testing demonstrated that direct leadership to agents does not affect performance enhancement. There is no effect between the leadership quality and performance. This conclusion contradicts the findings of the previous study by Febrian et al. (2016), Ababneh (2020), Manurung (2020), Ferine et al. (2021), and Zainudin (2021), but the results of the scientific study by Tobing and Syaiful (2018) and Manikottama et al. (2019), found that leadership does not have a significant effect on employee performance. The perisai agent office leadership is unable to boost agent performance significantly. The most prevalent characteristic of the leadership style is inspiring a shared vision and modeling the path. After that, create an environment of mutual trust, respect, and admiration for one another. The question is whether the agent's office needs more authority to design the main tasks and functions of how to conduct acquisition and achieve the given target or whether the leadership that has been operating between the agent and the staff as an instructor from BPJamsostek is sufficient to improve the agent's performance in social security acquisition. This issue indicates that the management of BPJamsostek must reassess the leadership implementation process. The necessity of granting wider authority by management must therefore be evaluated. It will impact the time required to make decisions, ultimately slowing the resolution of a work-related issue.

Leadership Style and Organizational Culture

The leadership role has a significant impact on the organizational culture at BPJamsotek. The leadership role is crucial in shaping and developing the current organizational culture, specifically by setting a positive example regarding integrity and effort. These findings corroborate Khan et al.

(2020) earlier findings, which found that leadership has a substantial positive association with organizational culture. This result demonstrates that the behavior of individuals in an organization is contingent on the effectiveness of the leadership (Somro and Shah, 2019). Bass et al. (2003) emphasized relationship-oriented leadership behavior and the quality of relationships a leader develops with his members. According to these results, the Inspired a shared vision leadership style has a high loading factor value compared to other agent offices, directly influencing organizational culture as the dominating indicator in producing latent variables with positive and significant correlations.

Incentives and Performance

Incentives had a positive correlation and a significant impact on the agent's performance in social security acquisition. Taba (2018) asserted the same thing that was discovered, namely, that both the extrinsic incentive (reward) system and the intrinsic incentive (reward) system have a direct, significant effect on performance. Based on the findings, there is a connection between performance and the level of incentives provided: the greater the incentives, the higher the performance quality. Providing appropriate incentives as an extrinsic incentives and recognition to individuals of excellence as intrinsic incentives is highly recommended. The results of this research were consistent with research conducted by Armstrong (2007) and Prendergast (2008). It is consistent with the efforts undertaken by the management of BPJamsostek to enhance the current percentage of incentives to stimulate acquisition.

Incentives and Organizational Culture

Incentives have a positive and significant effect on organizational culture. Thus, hypothesis 4 (H4) is accepted. Incentive systems are used by management to inspire workers, achieve strategic goals, and enhance the organization. According to O'Reilly et al. (1991), extrinsic incentives are more likely to have a long-term effect on employees' engagement in an organization. Research by Marwan (2011) found that there is a relationship between incentives and organizational culture. Providing appropriate incentives happen to be the sign indicator. That is because the presence of incentives helps shape the style and behavior of individu-

als (agents). It turns out that the recognition of individuals of excellence indicator was found to be the most significant indicator in this research. Organizational culture-related incentives are crucial in determining the personality and behavior of individuals (agents) and aid in creating standards of conduct for agents. It is so because the availability of incentives influences how people act and behave (agents). In addition, with increasing incentives, management must inspire confidence in agents to take advantage of an opportunities and continue to grow.

Organizational culture and performance

Organizational culture has a positive effect on the performance of agents in social security acquisition. The research of Agwu (2014) and Somro and Shah (2019) demonstrated that company culture considerably influences employee performance. Jie et al. (2020) and Sabani et al. (2020) noted that organizational culture is formed on experience with members when the problem-solving process affects the survival of the organization is going smoothly. The practice of being enthusiastic about work and paying enough attention to acquisition detail, the highest indication value, are two additional criteria of attitudes that management has to build. Create standards of behavior that, through aggressiveness and attention to detail, accurately and quantitatively express the organization's vision and mission. Agents have access to the organization's vision and mission to internalize them.

Indirect Relationship

Leadership and organizational culture are interconnected, as every facet of leadership practice inevitably impacts organizational culture. Organizational culture consists of values and behaviors that contribute to psychological environment (Stone et al., 2007). Moreover, organizational culture as a mediator partially mediates between incentives toward the performance. Xenikou and Simosi (2006) and Stajkovic et al. (2001) stated that organizational culture positively impacts performance and demonstrate that incentives significantly positively impact performance.

IMPLICATIONS

This study has various implications for how human resource management theory is developed.

The agent at BPJamsostek may use the following significant factors as management implications: First, perisai agent office leadership cannot significantly improve agent performance. The second application is that organizational culture is influenced by leadership style. The third inference is that both intrinsic and extrinsic rewards have a direct, considerable impact on performance. The fourth implication is that rewards have an impact on organizational culture. The fifth implication is that organizational culture affects performance. Therefore, to increase employee performance, organizational culture must be improved.

RECOMMENDATIONS

There are still limitations in this research; however, it is hoped that these gaps will allow for advancements in further studies. The study has certain limitations, such as the fact that it only included samples from perisai agents in the East Java regional office in 21 different cities. It also offers suggestions for future research, such as expanding sample collection to the entire country rather than just one regional office to boost response rates and ensure BPJamsostek agents in Indonesia are properly represented.

The first recommendation is to add additional factors to the equation to help explain how they affect performance. Future research needs to be carried out with additional new variables. Several other parameters, such as motivation, job satisfaction, knowledge management, and workload, can be used as variables. It may be needed for the future research, especially by collaborating with more specific secondary data.

CONCLUSIONS

In this study, the proposed hypotheses influence the enhancement of agent performance in social security acquisition. There is an effect of leadership style and incentives toward the organizational culture of the agent. Leadership style is more dominant than incentives toward organizational culture. Setting excellence in terms of integrity and effort could increase the value of organizational culture. The effect of incentives and organizational culture on performance has a positive influence and is significant, except the leadership style variable has a negative and insignificant effect on the performance variable. The organizational culture

influences performance more than leadership style and incentives. The result implies that the management of BPJamsostek needs to evaluate the existing leadership process comprehensively. This review is not designed to expose flaws or failures in leadership; rather, it is intended to select the most appropriate leadership style to implement. The organizational culture fully mediates the effect of leadership style toward performance and partially mediates incentives toward performance. Developing standards of attitudes that describe the vision and mission of the organization clearly and measurably through the practice of enthusiasm about work and paying enough attention to acquisition detail as part of organizational culture can enhance the agent's overall performance.

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