Leadership and Organizational Climate on Employee Performance: A Review of Literature Studies

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Article Info

ABSTRACT

This study aims to determine and analyze the influence of leadership and organizational climate on performance. This paper comes from a literature review of research articles found through Google Scholar and Semantic Scholar. The results of the literature review show that leadership and organizational climate have a significant effect on performance.

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1. INTRODUCTION

The performance of an employee is a very individual aspect, because each employee has a different level of ability and dedication in carrying out their duties. This performance depends on factors such as personal ability, effort exerted, and opportunities available to them. [1]. Performance that is considered good is optimal performance, that is, performance that is in accordance with the standards set by the organization and helps the organization achieve its goals. Improving employee performance can bring great benefits to organizations in undergoing fierce business competition. Therefore, performance measurement is important to evaluate whether there is a difference between actual performance and a predetermined plan, whether employees can carry out tasks according to a specified schedule, and whether performance results are in accordance with predetermined expectations.

Good performance is the key to success for any organization. Good performance, that is, performance that conforms to the standards set by the organization and helps the organization achieve its goals, becomes the foundation for progress in the competitive business world. Improving employee performance is a crucial factor in achieving this goal. High-performing employees not only perform their duties efficiently, but also contribute positively to the achievement of organizational goals. They not only achieve set targets, but also innovate, provide added value, and support business growth.

Performance measurement becomes important in this context, because through measurement, organizations can evaluate the extent to which performance conforms to a

predetermined plan. This helps to identify the difference between what is expected and what is actually achieved. In addition, performance measurement also helps in assessing whether employees can carry out tasks according to a predetermined schedule. Not only that, performance measurement also provides a clear view of the extent to which performance results are in line with predetermined expectations. This allows organizations to identify areas where improvement is needed, as well as provide feedback to employees to help them improve their performance.

Leaders in an organization play a key role in maintaining and improving employee performance. Highly effective leadership is a key requirement in achieving organizational goals. Leaders serve as guides, motivators, and prime movers in directing collective efforts toward achieving common goals. Leaders, in their roles, typically apply a variety of leadership styles to suit the situation and needs of the organization. Leadership style is a leader's behavior that a person uses when he wants to influence others. A leader's success lies in his or her ability to select and integrate leadership styles that fit the organization's situation and needs. An effective leader also has the ability to motivate and direct employees clearly, provide constructive feedback, and facilitate their professional development. With the strong role of a wise and open-minded leader, organizations can achieve optimal performance and contribute significantly to success in a competitive business environment.

Leadership is the ability that involves influence, motivation, and effective management to achieve quality results in accordance with predetermined goals. This is a key element in increasing productivity in the work environment and has an impact on individual performance [2]. Steinberg & Garrett in [3] It also suggests that the organization should adopt leadership principles to run its operations in order to achieve the desired effective and efficient performance.

In addition to leadership, organizational climate plays a key role in maintaining and improving employee performance. Organizational climate is a reasonable or assessable understanding, especially one that can trigger motivation, so that it directly affects the performance of members in the organization. When an organization has a supportive climate, along with high levels of job satisfaction, this will result in strong commitment from employees and impact on their performance (Wirawan in [1]. Organizational climate refers to the circumstances and conditions within an organization that are perceived by individual members, which have the potential to affect their level of performance. Findings that support this are found in research [4], which shows that the organizational climate has a positive and significant impact on performance levels. This understanding of organizational climate has been put forward by a variety of sources, including Davis and Newstrom in [5].

2. LITERATURE REVIEW

2.1 Leadership

Leadership refers to the ability of a leader or manager to influence the actions of individuals or groups in direct or indirect ways. It is an important part of the role of a manager and includes leadership style, that is, the approach used by a manager to influence the behavior of his subordinates. Leadership style is the standard of behavior used by a manager to influence the actions of his subordinates. The role of the leader in driving the organization is critical to its success. As an agent of change, a leader can influence others more than others can influence them.

In the view of experts, leadership refers to the strategies used by a leader to motivate his subordinates so that they are willing to work towards achieving organizational goals. They believe that the success and effectiveness of a leader can be measured by his ability to maintain the continuity of company operations and ensure the satisfaction of all parties involved [7].

Leadership is the skill of influencing a group to achieve a vision or set of goals (Robbins and Judge in [8]. In an organizational context, achieving clear goals is important, and the ability and intent of organizational leaders to guide each member of the organization has a significant impact on the successful achievement of these goals. Leadership, according to Richard in [9] defined as the ability to influence people to achieve a goal. From some of these definitions, it is clear that leadership is a component of management that is closely related to the achievement of organizational goals.

Leadership style describes the way a leader influences and directs members of a team or organization. Several leadership styles can be combined or integrated, depending on the needs and goals to be achieved depending on the situation and the individual he leads. Good leaders are also able to foster strong relationships with team members, listen and understand their needs, establish effective communication, and motivate team members to achieve good results. Flexibility and adaptability to change are also important qualities in a successful leadership style [10]

2.2 Organizational Climate

According to Maryati in [6] The quality of a positive and healthy work environment has an impact on the comfort level of employees. The climate within an institution or company is very important for employees because it can affect them directly or indirectly. Organizational conditions are components of the organizational climate, which includes attitudes, values, norms, and feelings that employees usually have related to the company they work for. Organizational conditions are very important for the behavior of employees in work activity. In addition, research shows that the work environment affects performance significantly Hidayat &; Latief, in [6].

According to Herman et al., in [7] Organizational climate can be explained as a combination of environmental patterns that have an impact on the emergence of

motivation, focus on perceptions that are reasonable or can be evaluated, and exert a direct influence on individual performance in the organization. Organizational Climate is the quality of the internal environment of the organization that takes place in a sustainable manner and is perceived by the members of the organization, which in turn affects their behavior, and can be identified through a series of characteristics or attributes inherent in the organization or institution.

Organizational climate is a concept that describes the internal atmosphere in an organizational environment that is perceived by members of the organization as they participate in activities aimed at achieving organizational goals [8]. Organizational climate is the conditions, situations, and attributes of the work environment that reflect the unique identity of an organization.

According to Alfian and Susanti in [9], the existence of an organizational climate is very important for companies because it will affect the way employees see and act towards their work. In addition, organizational climate is also a characteristic or unique identity of an organization that distinguishes it from other organizations.

2.3 Employee Performance

According to Herman et al. [7] Performance refers to the execution of tasks and the results obtained from the implementation of those tasks. Performance includes the elements of what is done and how the task is completed. Work outcomes have a strong correlation with organizational strategic objectives, customer satisfaction, and economic impact. According to Hasibuan in [8] Performance is the achievement of results by a person in carrying out tasks based on ability, experience, and dedication, and in accordance with predetermined standards and criteria.

Sudaryono in [9] states that performance indicates the extent to which a person achieves results while performing his duties and responsibilities, including successful achievements and shortcomings. Performance, according to Mangkunegara in [9], is a work achievement obtained by an

employee in carrying out duties in accordance with his responsibilities, both in terms of quality and quantity. Performance is a representation of what a person or work group does in an organization. Given that an organization's performance is highly dependent on the performance of its employees, each team member is expected to have a positive impact through superior performance.

3. METHODS

The research method used is literature review, with steps between; Article identification through searching various sources of information such as journal databases, libraries, search engines, and other sources. Article Selection, evaluating each article to determine whether it meets the inclusion and exclusion criteria that have been set. Analysis and Synthesis of Articles, extracted and synthesized to look for patterns, findings, or differences in relevant research. Results Analysis, compile an objective summary based on the findings found in the studies that have been analyzed. Conclusion, presents conclusions that summarize the main findings of the analysis of the articles.

4. RESULTS AND DISCUSSION

The systematic review focused on discussing the impact of leadership and organizational climate on performance levels. Based on findings in several research journals, there are several positive effects that arise when leadership and organizational climate are implemented properly, which significantly improves employee performance, and ultimately has a positive impact on overall performance.

Leadership has a significant effect on performance [4]; [11]; [2]; [12]; [13]; [14]; [15]; [16]; [1]; [17]; [8]; [7]; [18]; [6] and [19]. Leadership is at the core of any organization's success, and its impact on performance cannot be ignored. Strong and effective leadership not only guides the team towards the desired goals, but also plays a key role in motivating team members, increasing productivity, and

creating a positive and competitive work environment. In the context of innovation, growth, and organizational resilience, the role of the leader is crucial. Strong leadership encourages a clear vision and direction. A leader who has a clear vision and is able to communicate it effectively to his team will help team members to understand the goals that need to be achieved. This creates a strong framework for cooperation and goal achievement. An inspiring leader can motivate team members to strive harder, innovate, and achieve great results.

In addition, effective leadership also creates a positive work culture. Leaders who provide support, pay attention to the well-being of team members, and create an inclusive and supportive work environment will result in happier and more productive teams. Leadership that focuses on individual development also helps team members to grow and develop, which in turn will improve the overall performance of the organization. Leaders also have an important role in wise decision making. Timely and smart decisions are the key to organizational success. Leaders who are able to analyze information well, make strategic decisions, and manage risk wisely will lead to better organizational performance. Effective leaders also play a role in managing conflict and promoting productive cooperation. They can help overcome disagreements and facilitate collaboration that brings positive results. This allows teams to work together efficiently, which ultimately affects overall performance.

Organizational Climate has a significant effect on performance [4]; [11]; [12]; [13]; [14]; [20]; [15]; [16]; [1]; [17]; [18]; [6] and [19]. Organizational climate is the set of factors and elements that make up the atmosphere, values, and culture within an organization. A positive, inclusive, and healthy organizational climate has a significant impact on overall organizational performance. Let's talk more about this. A positive organizational climate creates high motivation and engagement among team members. When employees feel accepted, valued, and supported, they tend to be more

motivated to give their best in their jobs. A climate that provides trust and opportunities for employees to develop and contribute will increase their productivity and creativity.

An organizational climate that supports work-life balance also has a major impact on performance. Employees who feel their organization understands their needs outside of work and provides appropriate flexibility are more likely to work passionately. This reduces stress and fatigue that can hinder performance. Organizational climate also affects effective communication. Organizations with an open culture and honest communication are better able to address problems, pursue common goals, and avoid unnecessary conflict. Employees feel more comfortable talking about their ideas, feelings, or concerns in a supportive environment, which in turn allows for better cooperation.

An organizational climate that focuses on career development and opportunities for employee personal growth will support long-term performance. Employees who feel their organization provides opportunities to improve their skills and abilities will be more likely to remain loyal and contribute significantly. An organizational climate that upholds ethics, integrity, and social responsibility also creates a strong reputation. This can affect the perception of customers, business partners, and society as a whole, which in turn can have an impact on the performance of the organization in terms of growth and sustainability.

5. CONCLUSION

Leadership has a very significant influence on organizational performance. Strong and effective leaders play a key role in guiding teams, motivating team members, increasing productivity, creating a positive work environment, and fostering growth and innovation within the organization.

Organizational climate plays a very important role in influencing the overall performance of the organization. A positive, inclusive, and healthy organizational climate creates motivation, engagement, high productivity, and work-personal balance that positively impacts employees.

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