Literature Review Analysis of the Effect of Leadership, Organizational Culture, and Work Environment on Employee Productivity

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Abstract: The success of an organization to achieve its goals and objectives as well as the ability to face challenges and obstacles, both internal and external is determined by good human resources. Therefore the management of human resources is very important in an organization. Work productivity is one form of the ability of human resources in production that produces an output. The higher the level of work productivity in an organization is certainly very influential in achieving the goals of an organization. This article aims to explain the variables or factors that affect employee productivity in an organization. There are 3 variables that will be discussed in this article, namely leadership, organizational culture, and work environment. These three variables will be discussed from several points of view. Be it leadership, organizational culture, and work environment have an important influence in increasing employee productivity.

Keywords: Leadership, Organizational Culture, Work Environment, Employee Productivity

INTRODUCTION

The current era of globalization is experiencing many changes and competition between companies is getting tighter, so that only companies with competitive advantages are able to seize opportunities to develop. Increasing technological and economic progress cannot run smoothly without the support of qualified human resources. One of the efforts to increase competitiveness is to increase work productivity. But increasing productivity is not an easy thing to do. Organizations need a special approach to increase work productivity, especially from employees.

Productivity can be interpreted as a measure of the extent to which an employee is able to complete his work in accordance with the quality and quantity set by the organization or
company (Taiwo, 2009). The company's desire for profit is aimed at encouraging employees to work well and produce high or maximum inputs with low or minimum outputs. To achieve high productivity, leadership factors, work environment, and organizational culture are important factors that need to be considered.

To increase employee productivity, the conditions of the work environment and organizational culture must be guaranteed. Because the workplace involves an employee in influencing their desire to learn skills and their level of motivation to work. The success of an organization both formal and informal depends on the way a leader operates, to succeed a leader must adopt a certain leadership style or combine styles together to achieve the goals and objectives of the organization. An effective leadership style leads to the achievement of organizational goals and objectives. Therefore, the success of the organization depends on the ability of the leader to lead the organization.

Formulation of the problem

Based on the background, the problems to be discussed can be formulated in order to build hypotheses for further research, namely:

1. Does Leadership Affect Employee Productivity?.
2. Does work culture affect employee productivity?.
3. Does the work environment affect employee productivity?.

LITERATURE REVIEW

Leadership

Leadership is a psychological process in accepting responsibility for tasks, oneself and the fate of others (Simanjuntak, 2005). Meanwhile, according to (Suwatno, 2011) leadership is the ability to give constructive influence to others to make a cooperative effort to achieve the goals that have been planned.

Leadership style represents a set of behaviors of a leader, a leader adopts a certain leadership style in order to be successful. It also involves the variables that will be carried out by a leader in an organization such as planning, task management, control and relationship with staff under his jurisdiction. Leadership is the key to the progress and survival of any organization. A leader cannot work alone, he must have people to influence, direct, lead himself towards the achievement of organizational goals.

According to (Mukhtar & Ali, 2016) leadership is connected with emotions and feelings. Furthermore, that effective leaders are able to behave and act in different conditions or called adaptability. Several implications based on the assumption of leadership efforts in solving problems. The implications are:

a. Leadership effectiveness is the ability of leaders to influence others so that they can contribute;
b. Leadership effectiveness is a reminder of the institution's goals; and
c. Leadership effectiveness is when the leader guides and directs the group to achieve organizational goals or to complete missions.

Based on the theory of (Robbins, 2006) concluded the leadership style as follows:

a. Autocratic-self-defense
b. Is a leader who insists on doing things his own way without organizational goals or without the help of a set organizational pattern.
c. Autocratic – nomothetic style

d. A leader who emphasizes achieving organizational goals by ignoring or sacrificing the individual needs of group members. This style emphasizes more on organizational goals and accepts staff views, makes best use of them for more organizational goals and accepts staff views.

e. Democratic style – idiography

f. Is the type of leader who prioritizes the individual needs of the group. While meeting some of the demands of the organization. Leaders in this category seek personal relationships with their staff and care deeply about their general comfort and well-being to the detriment of organizational goals.

g. Democratic transactional style

h. Emphasizes the organizational and individual needs of its staff; in this situation the system maintains dynamic equilibrium and momentum.

i. Laissez-faire style

j. Is a leader who does not have clear goals and also does not provide professional leadership to his group, he does not have a pattern of working, supervising and initiating ideas. Laissez faire leadership refers to the type that allows the free contribution of ideas and opinions without interference by the leader.

Organizational Culture

Organizational culture is a process of changing from one condition to the next or a process of changing a set of inputs into outputs in accordance with the vision and mission or goals of the organization (Widjaja, 2006). On the other hand, (Ndraha, 2003) defines organizational culture as follows: "A set of basic beliefs and beliefs that every member in the organization must share the same values as they learn to solve problems both within the organization and outside the organization". (Ardika Sulaeman, 2014) suggests that organizational culture will function as a competitive advantage. While culture must achieve internal integration among employees to be considered successful, it must also ensure an element of external adaptation, which ensures that the culture will change and evolve with the climate and external market environment.

It is possible that the introduction of a new culture can negatively affect organizational performance, as its effect on employees seems counterproductive. For example, if the introduction of a new culture also involves tighter controls over employees, such as setting up supervision to observe how work is done, this may decrease the rate of negligence. There are cultural values brought into the workplace that may not depend on the values of the organization. But behind the negative influence, this organizational culture will later build better cooperation within the organization. So that the existence of organizational culture makes it easier for employees and leaders to carry out their duties.

Work Environment

The work environment is a working condition to provide a comfortable working atmosphere and situation for employees in achieving the goals desired by a company. Poor working conditions have the potential to cause employees to get sick easily, get stressed easily, have difficulty concentrating, and decrease work productivity. If the work space is
uncomfortable, hot, air circulation is inadequate, the work space is too crowded, the work environment is not clean, noisy, of course this will affect the employee's work comfort. The work environment is a condition around the workplace both physically and non-physically that can give the impression of being pleasant, safe, convincing, and feeling at home at work (Purnama, 2008). So that the work environment has a positive influence on employee work productivity, meaning that the better the quality of the work environment, the higher the productivity.

The ability of employees in an organization to share knowledge across systems depends on the conditions of their work environment (A.M Hairo & Martono, 2019). The work environment enables increased collaboration, innovation and work effectiveness. It was also observed that employees tend to be more productive in a well-facilitated work environment. In addition, the quality of comfort obtained from the work environment determines the level of satisfaction and productivity of workers. Worker productivity cannot be optimal, if the working environment conditions are not supportive. An improved work environment will increase employee productivity.

**Employee Productivity**

The definition of productivity according to (Al-Omari & Okasheh, 2017) is the level of efficiency in producing goods or services. Today, productivity is seen as a more intensive use of resources. Productivity is a performance measure that includes efficiency and effectiveness. High-performing organizations tend to have a culture that encourages employee involvement in every decision making. So that employees are willing to be involved in every decision making, goal setting to problem solving. This employee engagement then results in higher employee performance. According to (Choi et al., 2013) job satisfaction increases productivity by presenting high-quality motivation and through increasing work ability at the time of application.

Employee Productivity has a strong influence on job satisfaction and productivity. Human resource policies that encourage worker involvement aim to provide opportunities for employees to have input in decisions, incentives to expend discretionary efforts and the means to acquire appropriate skills (Purnama, 2008). Among these policies, the participation scheme directly affects two aspects, namely opportunities and incentives. As a result increased incentives to acquire skills as well as work organization and information flow. This combined effect is expected to increase the efficiency and productivity of the company.

**RESEARCH METHODS**

The method of writing scientific articles is by using qualitative methods and literature review (Library Research). Assessing theory and the relationship or influence between variables from books and journals both offline in the library and online sourced from Mendeley, Scholar Google and other online media.

In qualitative research, literature review must be used consistently with methodological assumptions. This means that it must be used inductively so that it does not direct the questions posed by the researcher. One of the main reasons for conducting qualitative research is that the research is exploratory, (Ali & Limakrisna, 2013).
DISCUSSION

1. Leadership and Employee Productivity

(Shamaki, 2015) states that leadership included in the organizational environment is a potential factor in increasing work productivity. Furthermore (Choi et al., 2013) states that a leader is a person who applies principles and techniques that ensure motivation, discipline and productivity if working with people, tasks and situations can achieve company goals. For organizations to achieve higher levels of productivity, there are many steps and activities that leaders can take. The following highlights six steps to consider.

a. Employee Ownership and Accountability. Leaders must increase employee ownership and accountability. Multiple owners in one project create ambiguity and tension between them. Often multiple ownership also reduces work productivity. Therefore, sole proprietorship for a project is recommended. The person assigned with ownership will then own the success or failure of the project, and will be responsible for forming work teams, arranging meetings and setting schedules. Leaders can also then make public ownership assignments, to increase the owner's sense of personal accountability. Leaders should also set clear expectations to owners for updates and reports on project progress.

b. Defining Goals. It is very important for leaders to clearly define major projects and initiatives. When employees are unclear about what the team really wants to achieve, it often affects productivity. The ultimate goal or outcome of each project should then be emphasized and communicated to all employees. The current state of the situation should also be addressed. This will assist employees in identifying gaps and tasks that need to be done to achieve the goals.

c. Managing Employee Satisfaction. Leaders need to utilize their resources efficiently to maximize their productivity capabilities. Saving costs by hiring more unqualified, low-cost workers may not necessarily increase productivity. They must also show strong support in enabling their employees to acquire new skills and knowledge, and be productive on an individual basis. Leaders play an important role in maintaining or increasing the job satisfaction of their employees. They need to keep employee morale close at hand, and take special action to improve it if necessary. Leaders need to set the right example and inspire their subordinates to ensure that organizational goals are met. Inefficient leadership leads to job dissatisfaction, which leads to absenteeism, low morale and high employee turnover. This further impacts on the productivity of an organization, while employees who experience job satisfaction are more likely to be productive and less likely to leave the organization. In addition to organizing team building activities, taking time to celebrate key milestones or successful project completions will also help boost employee morale. This will ultimately lead to more engaged employees and better results on future projects.

d. Communication. Leaders must use open communication to increase trust between themselves and their employees. They need to help employees feel as if they are valued and trusted. Honest communication promotes a trustworthy relationship between the leader and his employees, which helps resolve issues quickly and competently. Leaders also need to show their appreciation for their employees. It is very important for leaders to listen to their employees to give them a better understanding of their feelings as well as
to gather their feedback or ideas that can be of benefit to the organization and can be considered.

e. Recognition and Incentives. Leaders can motivate their employees through recognition and incentives for a job well done. Through small gestures, such as having a "Best Employee" award will increase the employee's sense of self-worth and create a positive impact on productivity. Incentives, in the form of monetary rewards, can also be given to employees, based on their performance. Employees will be judged on the quality of their work, productivity, timeline and discipline.

f. Innovation. Innovation is one of the main factors that have an impact on productivity and organizational growth. Leaders must embrace innovation to stay ahead of their competitors. In the current economic scenario, innovation has become a major factor in influencing strategic planning. Leaders who actively support and promote innovation to their employees will create and reinvent new markets, products and services, which will contribute to the growth of the organization.

Leadership has been studied by many previous researchers including: (Limakrisna et al., 2016), (Bastari et al., 2020), (Anwar et al., 2020), (Ali et al., 2016), (Djoko Setyo Widodo, P. Eddy Sanusi Silitonga, 2017), (Chauhan et al., 2019), (Elmi et al., 2016).

2. Organizational Culture and Employee Productivity

(Lako & Irmawati, 1997) states that organizational culture is measured by an ordinal scale with respect to increasing employee productivity, the success of a company to implement aspects or values of its corporate culture can encourage the company to grow and develop in a sustainable manner.

According to (Siagian, 2000) in the future it will be increasingly important to have a proper understanding of the impact of organizational culture on work productivity and capabilities. In order for organizations to excel in facing future challenges, organizations must realize work based on basic to basic. Basic to basic is nothing but the obligation of employees to base work on quality that includes human resources, work methods or work processes, and work results or outputs. The main reason is the quality of the people, otherwise they will not be able to compete in the very tight global conditions of life.

3. Work Environment and Employee Productivity

Physical Components

a. Air factor. Air in the work environment, especially its components, can play a considerable function in relation to work behavior, especially job performance. As demonstrated by (Robbins, 2006) indoor air quality is very significant for health, comfort, and job performance among employees. Indoor contamination levels often exceed open air levels and most of the time workers may spend up to 90% of the time alone inside. The most likely hazardous indoor air pollutants are radon, asbestos, inorganic materials, environmental tobacco smoke, organics, biological and non-ionizing radiation. Other pollutants such as odors and dust can cause critical discomfort and feelings of unwillingness, which can lead to decreased productivity and job performance.

b. temperature factor. Good room temperature increases productivity and reduces stress on workers as it plays an important role in the workplace environment. High temperatures
can affect employee performance, especially tasks required for cognitive, physical, and perceptual tasks. However (Sukma, 2018) states that high temperatures can have a direct impact on health and cause heat stress and heat exhaustion. According to lean people, higher temperatures may be better. However, for someone who is not as thin, a lower temperature may work better

**c. Sound factor.** Noise, defined as unwanted sound, is the most common complaint in the workplace office. Many researchers have shown that noisy places and exposing employees to such conditions can affect the quality of their performance. (Astrid Meutia Hairo & Martono, 2019) asserted that exposure to high sound levels can cause several diseases such as cardiovascular disease, endocrine and digestive reactions, especially in complex work rather than direct work. Companies today tend to use open office designs to improve teamwork, productivity, and communication; However, the researchers' research shows that these open interactive spaces increase noise in the workplace. Noise can affect task performance by office workers. Noise can distract office workers more likely when workers have no control over the noise source and it is unpredictable. Increased noise in the workplace is caused by common office equipment, for example, PCs, printers, telephones, copiers, unified heating and air conditioning, and office worker conversations.

**d. Light and color factor.** Regardless of the design or type of building, light is considered the number one desirable natural feature in the workplace as researchers have always found that exposure to natural light in office spaces has an impact on employees' quality of life. The amount of light required in the workplace depends on the type of task being performed, whether outdoors or indoors, or when it is performed, during the day, or at night. As a consequence, it will increase or decrease performance. Uncomfortable lighting is a source of distress, thus leading to poor job performance. It occurs when employees are exposed to an uncomfortable work environment where there is high glare, or mass dimming, or lack of natural light in the office. The brightness of office lights affects concentration, alertness and task performance. Changing the quality and nature of light can improve work experience and productivity. In addition, color has been found to increase productivity and performance, and raise employee morale. Several mental health journals have shown that color can affect an individual's mood and stimulate feelings. Cool colors may evoke feelings of unhappiness and depression, while warm colors generally motivate warming and positive emotions (Massoudi & Hamdi, 2017).

**e. Space factor.** The actual physical layout of the office is very important when it comes to maximizing productivity among employees. Today, the work environment supports new ways to work and flexible workplaces that feature ease of communication and interpersonal access in contrast to fully enclosed private offices, and this shift to an open plan office has increased employee productivity that is paralleled by a closed office space. (Taiwo, 2009). Individual workspaces that are too crowded and limited, will lead to stress, pressure, and other psychological effects. An individual employee may feel unstable and lack freedom and motivation in the short term, this can lead to a very stressful environment, which lowers the quality of an employee's productivity. Employees adapt to uncomfortable workspaces when the layout of the space doesn't suit them, and they may not even realize their environment could be better. Space components such as
office furniture such as chairs, tables, shelves, drawers, etc., play an important role in increasing employee productivity and efficiency.

**Behavioral Component**

a. Transparent and Open Communication. Basically, a transparent and open form of communication addresses the need for employees to feel that what they have to say has value. This is what makes employees feel that they belong to the organization. Work then becomes meaningful because employees know that what they contribute affects the organization to which they are affiliated. It is therefore important for staff to discuss the philosophy, mission and values of the organization, from time to time during retreats, meetings, etc. To make sure that everyone knows what they are doing apart from their paycheck. Having open discussions keeps people engaged and allows them to share views and perspectives on how to achieve company goals. After that, the management will provide their own perspective on how to fulfill the mission of the organization.

b. Balance between Work and Life. There has to be some kind of balance between work and personal life. In general, having a sense of balance will increase job satisfaction among employees because they will feel that they are not neglecting other areas of their lives that are, if not more, important to them than work. When employees fulfill their various needs and goals in life, such as family, friends, spiritual pursuits, self-growth, etc., they can then feel more confident about themselves and do their best at work. In addition, employees who are exposed to more experiences in life outside of work can use what they gain and apply it to their work. In other words, work-life balance can promote creativity and unconventional thinking.

c. Focus Training in Development. In a time when change is more rampant than ever, organizations need to keep up with change and train their employees accordingly. For example, technology is evolving so fast that what organizations used to use ten years ago may become obsolete today (eg Zip drives, dial-up modems, etc). Adapting to change has never been more important in this era because those who don't, are being replaced. This applies to both the individual and the organization itself. Organizations focused on training and development have a clear roadmap for training their employees to maintain and increase the overall productivity of the organization. Basically, there are two types of skills that can be developed: hard skills and soft skills.

d. Incentives for Hard Work. Rewards are needed to induce certain behaviors in people. This is known as positive reinforcement under operant conditioning in psychology. It is used in organizational behavior management as well: by rewarding employees who put in the effort for their work, it will promote similar behavior in the future. The prizes here don't have to be monetary; sometimes even a simple verbal acknowledgment by the supervisor is all that is needed to spur employee motivation. When hard work is properly rewarded and recognized by management, employees will naturally feel valued by the organization for what they put in. Such a mentality is healthy for the organization because employees will be willing to work harder without worrying about getting nothing in return.

e. Strong Team Spirit. As social beings, we naturally seek support from our friends and strive to be part of a group. Coming in tough times, the team has to come together to
tackle whatever issues are out there. This is where a sense of unity emerges within the team and employees no longer just feel that they are working for themselves. They are now working towards something bigger than themselves, and as a team.

**Conceptual Framework**

Based on the formulation of the problem, theoretical studies, relevant previous research and discussion of the influence between variables, the framework for thinking in this article is as follows.

![Conceptual Framework](image_url)

**Figure 1: Conceptual Framework**

Based on the conceptual framework picture above, then: x1, x2, and x3 affect Work Productivity. Apart from these three exogenous variables that affect Work Productivity, there are many other variables that influence it, including:

1) Creativity (x4): (Desfiandi et al., 2017), (Yacob et al., 2020), (Richardo et al., 2020), (Christina Catur Widayati et al., 2020), (Prayetno & Ali, 2020b), (C.C. Widayati et al., 2020).

2) Motivation (x5): (Riyanto, Sutrisno, et al., 2017), (Prayetno & Ali, 2017), (Chauhan et al., 2019), (Rivai et al., 2017), (Prayetno & Ali, 2017), (Bastari et al., 2020), (Masydzulhak et al., 2016), (Aima et al., 2017),

3) Knowledge (x6): (Desfiandi et al., 2017), (Prayetno & Ali, 2020a), (Mukhtar et al., 2016), (Brata, Husani, Hapzi, Baruna Hadi Shilvana AliBrata, Husani, Hapzi, 2017 ), and (Toto Handiman & Ali, 2019).

4) Organizational Commitment (x7): (Limakrisna et al., 2016), (Harini et al., 2020), (Prayetno & Ali, 2017), (Riyanto, Yanti, et al., 2017), and (Masydzulhak et al., 2016)

**CONCLUSIONS AND SUGGESTIONS**

**Conclusion**

Based on the theory, relevant articles and discussions, hypotheses can be formulated for further research:

1. Leadership has an effect on Employee Productivity. Leadership can certainly affect organizational performance, especially employee productivity. Leaders, regardless of
their actions and personal influence, must be empowered to make important decisions and keep operations running smoothly and effectively. They also need to constantly update the information with the current situation and situation. It is critical for leaders to be aware of and able to identify new emerging markets, which could present new business opportunities that they can consider venturing into the organization to achieve higher levels of productivity.

2. Work Culture has an effect on Employee Productivity. We can see that there is a relationship between organizational culture and employee productivity in terms of overall performance. The culture that is brought into the organization, both individual and group, can increase or decrease the strength of the organizational culture, and in turn, its performance. Organizational culture is one of the strategic ways to deal with future challenges, this is because organizational culture can change the attitudes and behavior of human resources in the organization into productive behavior to achieve organizational goals.

3. Work environment affects employee productivity. The work environment has a big influence in supporting employee productivity. Components of the work environment include physical components and behavioral components. Physical components consist of air, temperature, light, space and sound factors. While the behavioral component consists of transparent communication, balance between work and personal life, recognition for hard work, and team spirit.

Suggestion

Based on the conclusions above, the suggestion in this article is that there are many other factors that affect Employee Productivity (y) apart from x1, x2, and x3 in all types and levels of organizations or companies, therefore further studies are still needed. to find out what other factors can affect Employee Productivity (y) other than the variables studied in this article. Other factors such as x4, x5 and x6.

BIBLIOGRAPHY


