

# The Effect of Leadership, Control System, and Motivation to Work on Effectiveness of Organization

Rorim Panday<sup>1</sup>, Samuel Rusen<sup>2</sup>, Chairudin Nasution<sup>3</sup>, Richo Rianto<sup>4</sup>

Universitas Bhayangkara Jakarta Raya, Jakarta, Indonesia<sup>1-4</sup>

{[indripan@gmail.com](mailto:indripan@gmail.com)<sup>1</sup>, [Samuel.rusen@gmail.com](mailto:Samuel.rusen@gmail.com)<sup>2</sup>, [chairud.nasut@gmail.com](mailto:chairud.nasut@gmail.com)<sup>3</sup>,  
[richorian@gmail.com](mailto:richorian@gmail.com)<sup>4</sup>}

**Abstract.** This causal study is aimed to obtain information related to the effect of leadership, control system, and motivation to work on the effectiveness of an organization, conducted at XYZ University. The research used 116 samples selected randomly. The data analyzed by path analysis after all variables are put into a correlation matrix. The investigation resulted that there are direct effects of (1) leadership on the effectiveness of an organization, (2) guidance on motivation to work, (3) control system on effectiveness of organization, (4) control system on motivation to work, and (5) motivation to work on the efficiency of organization. The result should be put into consideration in improving the effectiveness of the organization.

**Keywords:** leadership, control system, motivation to work, the effectiveness of the organization.

## 1. Introduction

The university plays a central role in generating economic benefits, and as an agent of change from a resource-based economy to a knowledge-based economy. In the end, it will be able to determine the welfare of the nation. The university has multi-stakeholders expected to accommodate and meet the needs and desires of all stakeholders, which consist of government, alumni, students, parents of students, teaching staff, users, donors, and the community. In response, XYZ University Top Management stakeholders have decided on Vision: To be an eminent nationally- recognized university with an emphasis on nationality perspective with security basis to produce human resources who can compete with good ethical behavior.

An organization can be effective if organization can get high performance with achieving its mission and goal. The level of organization effectiveness is important to know because can be used to measure the succes of any organization. To understand well manage organization, [1] propose four approach : Goal Attainment, Resource Acquisition, Internal Processes and Strategic Constituencies Satisfaction

The good university management should be excellence index in both administration and implementation of a higher education institution. To assure the quality of the education, the government of Indonesia has created the National Accreditation Board for Higher Education or Badan Akreditasi Nasional Perguruan Tinggi (BAN-PT) which is conducted under Ministry of Research, Technology, and Higher Education. Indonesia's higher education accreditation system awards three grades, according to their scoring on 7 points of best practice, those are:A

(Very Good) with a score between 361-400, B (Good) with a score between 301-360, C (Fair) with a score between 200-300 and Non Accredited institutions if a score less than 200.

Since July 4<sup>th</sup> 2015, XYZ University has succeeded to have B grade of institution accreditation while the grade of accreditation on study programs are as follows:

**Table 1.** Accreditation of Study Program of XYZ University

Level	Study Program	Accreditation
Bachelor degree	Law	B
Bachelor degree	Management	B
Bachelor degree	Communication Science	B
Bachelor degree	Accounting	B
Bachelor degree	Information Engineering	C
Bachelor degree	Chemical Engineering	B
Bachelor degree	Environmental Engineering	C
Bachelor degree	Industrial Engineering	C
Bachelor degree	Petroleum Engineering	C
Master degree	Management	B
Master degree	Law	B
Bachelor degree	Educational	Not Yet Accredited
Bachelor degree	Sport	Not Yet Accredited

XYZ University expects to obtain grade A (Very Good) on the next accreditation. From its experienced, to attain B grade accreditation institution XYZ University needs 18 years. We can imagine if the same period needed to achieve A grade accreditation, how much resources that must be prepared. Organization effectiveness is the keyword to accomplish such a goal.

According to [2], the effectiveness of an organization is effected by various factors, beginning from individualism as a motion spirit until external factor such as the economy, technology, etc. Organizational effectiveness is influenced by many variables, as describe the complex nature of the organizational effectiveness. Essentially the effectiveness of an organization depends on how accurately human design matches the structure of organized behavior.

The effectiveness of an organization is the achievement of an organization which accomplish toward its stated goals. An easy way to grasp this complex subject is to contemplate four generic approaches to evaluate an organization's effectiveness as follows :

- Goal Accomplishment: the achievement of organization goals.
- Resource Acquisition; the organization obtains the resources it needs.
- Internal Processes; the organization functions running with a minimum of internal tensity
- Strategic Constituencies Satisfaction; the claim and expectancy of certain key groups are at least minimally satisfied.

A good organization mixes and matches effectiveness criteria to suit the unique needs of the situation. Managers must be able to identify and seek input for the institution. This information, allows management to obtain the right combination of effectiveness criteria [1].

By [3] defined effectiveness of organization is the degree to which an organization attains its short-(ends) and longterm goals, the selection of which reflects strategic constituencies, the self-interest of the evaluator, and the life stage of the organization. According to [4] the organization is created to build value that is useful for various stakeholders to achieve organizational goals. Therefore the contribution of all stakeholders is needed in order to be able to achieve its mission. In order to be effective, the organization must at least fulfill the interests of all groups that have shares in the organization.

Leadership is an attempt to use influence to motivate individuals to accomplish some goals [5]. Leadership is needed in a more competitive and rapidly changing business world. Strong relationships between leaders and followers are needed in achieving organizational goals [6]. Leadership is a process of interaction between leaders and followers, which involves social influence. Leadership is at various levels in the organization and always focuses on achieving organizational goals [1].

Leadership is related to motivation, interpersonal behaviour and process of communication according to [2] leadership is vitally important at all levels within the organization, the most vital thing the leader does is to create team spirit around him and near him. In [7], leadership as a set of interpersonal influence process that refers to the behaviors that leaders use to get others to do things. Typical goals for leader's influence attempts include; maintaining or rising subordinate motivation, effort, and performance, shaping how subordinate interpret the work situation, defining and selecting specific work related goals, determining how work activities will conducted and organized, and creating a work environment where teamwork and cooperation are embraced.

There are five essential elements in an organizational control system as follow :

- Planning what is desired;
- Establishing standards of performance;
- Monitoring actual performance;

- Comparing actual achievement against the planned target; and
- Rectifying and taking corrective action [2].

Organizational control includes determining organizational standard specifications in aligning employee actions to achieve organizational goals, as well as monitoring and rewarding the extent to which these standards can be met. In [8], as practice, control can consist of a combination of formal and informal controls. Formal control refers to the rules on official documents and is always carried out by managers while informal controls refer to norms and are usually applied to peers. By [9], there are three kinds of controls, first, control over the achievement of goals and results, second, process control is related to compliance with procedures, and third, normative control is the alignment of values between employees.

By [10], the aim of control practices is generally to ensure that employees are provided with information on relevant performance standard, to correct deviant behavior, and to stimulate effective organization or performance. There is an argument that control can contribute to achieving better results, because control is a process of feedback and continuous learning, made to be seen as a form of procedural justice. Control facilitate coordination within and among teams as they define essential common goals and common rules of engagement [11].

Motivation is defined as an energetic power from within and outside the employee, to start work, determine direction, intensity, and perseverance [12]. In other definitions, motivation is the level of individual involvement in certain behaviors that are determined.[2]

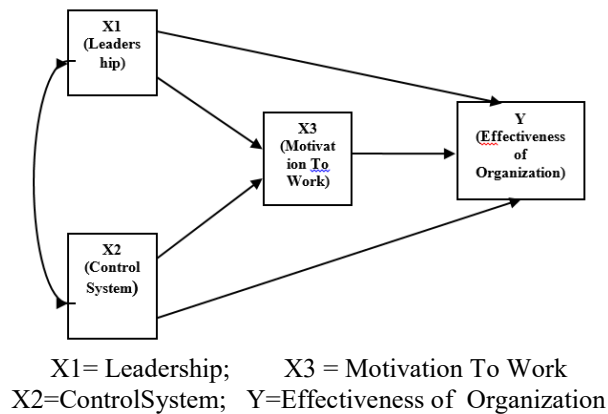
Motivation causes passion, direction and perseverance from voluntary actions directed at the goal [1]. In [13] describe motivation as a force that strengthens the route of behavior, and triggers a tendency to continue. This explanation identifies that to achieve a certain target; individuals must be energetic and clear about their goals.

According to [14] motivation is a set of ways to improve performance and are directed to achieve definite goals.

In this research, we have examined the effect of leadership, control system and motivation to work on the effectiveness of organization. Hopefully, this research will give benefit to all parties in the management, especially to the top management of XYZ University to accomplish the strategic goal, grade A in accreditation institution.

## 2. Method

This research conducted at XYZ University located at Bekasi City West Java, used two kinds of data, primary data, and secondary data. Primary data is the data collect from employees as respondent used Likert scale questionnaire. Secondary data collected through scientific papers, journals and collection of information from newspaper and magazines. Model of analysis is shown in **figure 1**.



**Figure 1.** Model of Research

**Hypothesis :**

- H1: There is a positive direct effect of *Leadership* on *Effectiveness of Organization*;
- H2: There is a positive direct effect of *Leadership* on *Motivation to Work*
- H3: There is a positive direct effect of *Control System* on *Effectiveness of Organization*;
- H4: There is a positive direct effect of *Control System* on *Motivation To Work*
- H5: There is a positive direct effect of *Motivation To Work* on *Effectiveness of Organization*

The population of this research is all employees from XYZ University which consist of administration, lecturers, manager, and submanager at XYZ University. Populations around 400 people. The sampling method used simple random sampling for 116 employees at XYZ University.

This research uses interpretive paradigm through a qualitative approach, case study type. The analytical tool used is a qualitative analysis model of Miles and Huberman. This study examines 1) the background of the birth of regional regulations on mandatory *madrasah diniyah*; 2) describe strategy implementation strategies starting from (a) concepts, (b) set in local regulations, (c) followed by regent regulations, (d) socialization and (e) controls; and describes 3) the implications experienced in implementing this policy. Data collection techniques are interviews, observation, and documentation, data analysis through stages: data presentation, data reduction, and conclusion drawing. Data checking was carried out through triangulation tests.

**3. Result and discussion**

The data processed using multiple regression with path analysis to test the hypotheses by using SPSS software. First, validity and reliability were applied. Then, the valid and reliable data were tested into further step normality test, homogeneity and linearity, and regression coefficients significance

Model test by using path analysis :

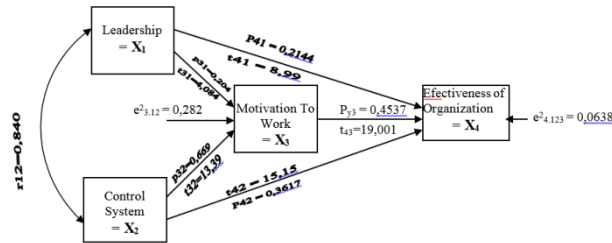


Figure 2. Analysis of substructure model and path coefficient

Table 2. Result of overall hypotheses test

No.	Hypothesis	Statistics test	Decision	Conclusion
1.	Leadership (X <sub>1</sub> ) direct effect on effectiveness of organization (Y)	H <sub>0</sub> : p <sub>41</sub> ≤ 0 H <sub>i</sub> : p <sub>41</sub> > 0	H <sub>0</sub> reject	Positive direct effect
2.	Leadership (X <sub>1</sub> ) direct effect on motivation to work (X <sub>3</sub> )	H <sub>0</sub> : p <sub>31</sub> ≤ 0 H <sub>i</sub> : p <sub>31</sub> > 0	H <sub>0</sub> reject	Positive direct effect
3.	Control system (X <sub>2</sub> ) direct effect on effectiveness of organization (Y)	H <sub>0</sub> : p <sub>42</sub> ≤ 0 H <sub>i</sub> : p <sub>42</sub> > 0	H <sub>0</sub> reject	Positive direct effect
4.	Control system (X <sub>2</sub> ) direct effect on motivation to work (X <sub>3</sub> )	H <sub>0</sub> : p <sub>32</sub> ≤ 0 H <sub>i</sub> : p <sub>32</sub> > 0	H <sub>0</sub> reject	Positive direct effect
5.	Motivation to work (X <sub>3</sub> ) direct effect on effectiveness of organization (Y)	H <sub>0</sub> : p <sub>43</sub> ≤ 0 H <sub>i</sub> : p <sub>43</sub> > 0	H <sub>0</sub> reject	Positive direct effect

The objective of this study was to examine the causal relationship between leadership, control system, and motivation to work on the effectiveness of organization of XYZ University. The finding of this study indicate:

- That leadership is a significant predictor of effectiveness of the organization, as was hypothesized (H1). That is mean that by improving leadership on every level of organization, we can improve the effectiveness of the organization.
- That leadership is a significant predictor of motivation to work, as was hypothesized (H2). That is mean that by improving leadership on every level of organization, we can improve motivation to work.
- That control system is a significant predictor of effectiveness of the organization, as was hypothesized (H3). That is mean that by improving the control system on every level of organization, we can improve the effectiveness of the organization.
- That control system is a significant predictor of motivation to work, as was hypothesized (H4). That is mean that by improving the control system on every level of organization, we can improve motivation to work.
- That motivation to work is a significant predictor of effectiveness of the organization, as was hypothesized (H5). That is mean that by improving motivation to work on every level of organization, we can improve the effectiveness of the organization.

## 4. Conclusion

Based on path analysis, all hypothesis was supported. These results provide more understanding of the effect of leadership, control system and motivation to work on the Effectiveness of organization. From research findings give the importance of studying and improving leadership, control systems and motivation to work to improve the effectiveness of Organization of XYZ University

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