# Effect of Leadership Styles, Organizational Climate and Ethos of Work on Employee Productivity (PT. HP Metals Indonesia the Powder Coating)

Ade Parluangan Nasution<sup>1</sup>, Ponco Bambang Mahargiono<sup>2</sup> & Yoyok Soesatyo<sup>3</sup>

Correspondence: Priyono, Post Graduate Program PGRI Adi Buana University, Surabaya, Indonesia. E-mail: priyono.unu sidoarjo@yahoo.com

Received: November 26, 2015 Accepted: December 11, 2015 Online Published: January 23, 2016

doi:10.5539/ijbm.v11n2p262 URL: http://dx.doi.org/10.5539/ijbm.v11n2p262

#### **Abstract**

The aim of this study is to investigate and examine the effect of leadership style on employee productivity, identify and examine the effect of organizational climate on employee productivity, to identify and examine the effect of the work ethic on employee productivity, in order to know and examine the variables that have the most impact level dominant on employee productivity PT. HP Metals Indonesia part Powder Coating.

This research is an explanatory research or study the explanation, the research describes causal relationships between variables through hypothesis testing. The numbers of sample in this study are 98 respondents. The independent variables consist of: Leadership styles (X1), Organizational Climate (X2), Work Ethics (X3). The dependent variable in this study is Productivity employee (Y). While, the technique of analysis using multiple linear regression analysis

Based on the analysis in this study showed that the variables of leadership style, organizational climate, work ethic on employee productivity responded well by employees. Aspects of leadership style that followed targeted Climate employee srated the organization has also been rated as good, especially on the cooperation between employees and management, while at the work ethic of employee srated very high, especially on adherence to regulations, adherence to labor standards and work ethics. And employee productivity is also very positive response from almost all three elements, namely timeliness, quality of work and quantity of work.

Keywords: leadership style, organizational climate, work ethic, work productivity

# 1. Introduction

Factor in the company's leadership style is an interesting topic to continue to study, because little is understood but always observed. In the business world, leadership style big influence on the running of the organization, organizational climate and organizational survival. Strategic and leadership role is very important in an organization as one determinant of success in achieving the mission, vision and goals of an organization. Therefore, the challenge in developing a clear organizational strategy mainly lies in the organization and depends on the leadership (Porter, 1996).

Leadership is a relationship, authority and respect, which can be improved in various ways. Effective leaders maintain team work. That refers to all skills as a 'people person'. Therefore, the skills a manager in team work will generally be related to how well he/she as a leader. In other words, how 'to be a leader' is really a question of 'how one can lead the team'. To be an effective team builder, one must be very confident to command authority and respect of team members; People should also be able to give orders and ensure that the work will be done; He can coordinate and manage without forcing people to pay attention to him as a manager and also must be keen to inspire the team to greater labor productivity (Dewey, 2007).

Leadership Ethics Code (LWE) has been recognized as an integral part of strategic management, which contributes to the organization's long-term success and competitiveness (Steward, 2008, p. 123; Bandura, 2007, p. 193). Research has pushed the supervision of aspects related to the Ethics Code Model, and how a

<sup>&</sup>lt;sup>1</sup> Management Study Program, Faculty of Economics, University of Riau Island Batam, Indonesia

<sup>&</sup>lt;sup>2</sup> Management Study Program, College of Economics (STIESIA) Surabaya, Indonesia

<sup>&</sup>lt;sup>3</sup> Management Study Program, Faculty of Economics, State University of Surabaya, Indonesia

two-dimensional work ethic, namely energy and the individual, the influence of quality management and organizational strategy (Hariparsad, 2005). There is always a good case to advocate for LWE, which complements with the dignity of working life. Jackson (2004, p. 67) that from the view of ethics management should develop a strategy aimed at providing a road map to ensure sustainable development of the character of individuals and organizations. Cherrington (2003, p. 123) seems to be in the same line with Jackson and work ethic must be observed that comes from good policy, effective strategies, support of internal customers or staff and good leadership / supervision. In addition, Cherrington (2003) suggested that the inclusion of LWE cause greater satisfaction of employees and customers because of improved product quality, which in turn provides better value for money

Since Litwinetal (2001, pp. 63-170) propose an empirical study of the organizational climate, research in this field has been studied and discussed by researchers. However Climate Litwin organization has been defined as "a group of measurable characteristics, namely the members can feel directly in the work environment, and, as an illustration of environmental factors, the researchers ensure the environmental impact on employee motivation". In addition, organizational climate is the variable most frequently applied to the description of the organizational context. The Result Becker and Woessmann (2009) recognize that the work ethic is an elusive concept. Kanter (2006, p. 456) states: "This recognition is an important factor that drives productivity". He further stated that employees become more accountable, develop a sense of ownership and to act in the best interests of the workplace.

Benson (2006, p. 104). Porter (2005, p. 34) is the view that people work because of the positive feelings they get from doing a good job. According to Lawler (2005, p.79), there is no doubt that a raise is an important result. It is far more important than the benefits and promotions and basically just as important as the intrinsic rewards. Carnel (2008, p. 76) seems to agree with the above statement and said that people need money to live. Therefore, to get more money is desired gift to work. If the job does not pay well, no matter how intrinsically valuable it may be, a worker may be forced to leave it for some other form of more profitable work.

Theoretical Basis Leadership Style is the backbone of development organizations because without good leadership will be difficult to achieve organizational goals. If a leader is trying to influence the behavior of others, then that person needs to think about his leadership style. According Veitzhal Rival (2004), leadership is a process of influence or given examples to their followers through the communication process in order to achieve organizational goals. According to Ahmad Suyuti (2001) is the leadership is the process of directing, guiding and influencing our thoughts, feelings, actions and behavior of others to be moved in the direction of a particular purpose.

Hersey and Blanchard (1992) argues that leadership style is basically a manifestation of the three components, namely the leader himself, subordinates, as well as situations where the leadership is realized. In an organization, the subordinate has a strategic role, because the success or failure of a person depends on the leadership of these followers. Therefore, a leader is required to choose subordinates as precisely as possible. As for the situation (s) according to Hersey and Blanchard is a situation conducive, in which a leader trying at certain moments influencing the behavior of others in order to follow his will in order to achieve a common goal. According Heidjrachman and Husnan (2002, p. 173) a leader must possess means Perceptive able to observe and discover the reality of an environment. For that he should be able to see, observe, and understand the circumstances or situations where it works, in terms of how the subordinates, how the state of the organization, how the situation assignment, and also about the ability itself. He should be able to adjust to the environment. Therefore in choosing, a leadership style that will be used, to consider the various factors that influence it. Organizational Climate that is able to bring its members to improve performance in the achievement of organizational goals is not easy. This is because basically humans have characteristics different behavior according to the level of need. Further explained that if there is a difference or gap between the perceptions of members of the leadership on perceived and expected climate, it will allow the creation of job dissatisfaction, which can lead to abuse of rights and obligations that ultimately resulted in the organization's goals can't be met optimally. This issue will be piled up with the tendency of organizations to develop, and adjust to the surrounding environment so that members often lose personal identity, and leadership increasingly difficult to satisfy the needs of members and achieve organizational goals at once. Razali (1997) in Ong (1997) look at the organizational climate as a result of the behavior of the members of the organization. Relative organizational climate is the quality of the internal environment of the organization is maintained and differentiated the organization with other organizations, include: a. Results of the behavior and policies of members of the organization with other organizations. b. Something which is perceived and accepted by members of other organizations. c. Serve as a basis for interpreting something d. Act as a source of pressure for the actual activity. Simamora (2001, p. 81) noted that climate is the organization's internal environment or

organizational psychology. Organizational climate affect human resources practices and policies adopted by the members of the organization. Keep in mind that each organization will have a different organizational climate. Work Ethic According to Bob Black in Iga Manuati Goddess (2002, p. 2). The work is an activity that is carried out by someone to achieve the goals that wants fulfillment. The work ethic according to Chaplin (2001) says that the work ethic is the nature or character of a national group or any particular racial group. The work ethic in a company will not just show up, but must be pursued in earnest through a controlled process involving all human resources in a set of systems and supporting tools. Tasmara (2002) says that the work ethic is a totality of the personality of the individual and the way individuals express, look, believe and give meaning to one which encourages individuals to act and achieve optimal results (high performance).

Based on the understanding that the work ethic describes an attitude, it can be affirmed that the work ethic has meaning as evaluative aspects that are owned by the individual (groups) to provide an assessment of the work. Good work ethic within the company can help employees to understand how they work duties.

Simanjuntak (1998) in other words that the productivity of the two dimensions, namely: effectiveness and efficiency. According to Private and Sukotjo (2003), "Productivity is a concept that describes the relationship between the yield (the amount of goods and services produced) with the source (the amount of labor, capital, land, energy, etc.) are used to produce the results, existing resources more effectively and efficiently. According to Gomes (2002) in Ambar Teguh Sulistiyani and Rosidah (2003) states that the factors which affect work productivity is Knowledge, Skills, Abilities, Attitudes and Behavior

#### 2. Theoretical Basis

# 2.1 Leadership Style

Leadership is the backbone of development organizations because without good leadership will be difficult to achieve organizational goals. If a leader is trying to influence the behaviour of others, then that person needs to think about his leadership style. According Veitzhal Rival (2004), leadership is a process of influence or give examples to their followers through the communication process in order to achieve organizational goals. According to Ahmad Suyuti (2001) is the leadership is the process of directing, guiding and influencing our thoughts, feelings, actions and behaviour of others to be moved in the direction of a particular purpose. Leadership can be defined as a process in which, on contact, the human influence each other's behaviour. Successful leadership or important to take part when a guy really changed the other men in a way that is intended (Bass, 1960). Fiedler, one of the researchers of the most important and influential in the investigation of leadership defines leaders as follows: "The person who is appointed, elected or informal chosen to direct and coordinate the work of others in the group" (Fiedler, 1995, p. 7). Leadership can be thought of as a personal quality, behaviour, style and decisions adopted by the leaders (Arnold, 1998).

Besides theories and opinions are expressed about the emergence of the leadership style, Hersey and Blanchard (1992) argues that leadership style is basically a manifestation of the three components, namely the leader himself, subordinates, as well as situations where the leadership is realized. In an organization, the subordinate has a strategic role, because the success or failure of a person depends on the leadership of followers. Therefore, a leader is required to choose subordinates as precisely as possible. As for the situation (s) according to Hersey and Blanchard is a situation conducive, in which a leader trying at certain moments influencing the behaviour of others in order to follow his will in order to achieve a common goal.

According Heidjrachman and Husnan (2002, p. 173) a leader must possess means Perceptive able to observe and discover the reality of an environment. For that he should be able to see, observe, and understand the circumstances or situations where it works, in terms of how the subordinates, how the state of the organization, how the situation assignment, and also about the ability itself. He should be able to adjust to the environment. Therefore in choosing, a leadership style that will be used, to consider the various factors that influence it.

## 2.2 Organizational Climate

Climate organization that is able to bring its members to improve performance in the achievement of organizational goals is not easy. This is because basically humans have characteristics different behaviour according to the level of need. Further explained that if there is a difference or gap between the perceptions of members of the leadership on perceived and expected climate, it will allow the creation of job dissatisfaction, which can lead to abuse of rights and obligations that ultimately resulted in the organization's goals can't be met optimally. This issue will be piled up with the tendency of organizations to develop, and adjust to the surrounding environment so that members often lose personal identity, and leadership increasingly difficult to satisfy the needs of members and achieve organizational goals at once.

Razali (1997) in Ong (1997) look at the organizational climate as a result of the behavior of the members of the organization. Relative organizational climate is the quality, of the internal environment of the organization are maintained and differentiate the organization with other organizations, include:

- a. Results of the behavior and policies of members of the organization with other organizations.
- b. Something which is perceived and accepted by member other organizations.
- c. Serve as a basis for interpreting something
- d. Act as a source of pressure for the actual activity.

Simamora (2001, p. 81) noted that climate is the organization's internal environment or organizational psychology. Organizational climate affect human resources practices and policies adopted by the members of the organization. Keep in mind that each organization will have a different organizational climate.

#### 2.3 Work Ethic

According to Bob Black in Iga Manuati Goddess (2002, p. 2), the work is an activity that is carried out by someone to achieve the goals that wants fulfilment. The work ethic according to Chaplin (2001) says that the work ethic is the nature or character of a national group or any particular racial group. The work ethic in a company will not just show up, but must be pursued in earnest through a controlled process involving all human resources in a set of systems and supporting tools.

Tasmara (2002) says that the work ethic is a totality of the personality of the individual and the way individuals express, look, believe and give meaning to one which encourages individuals to act and achieve optimal results (high performance). Based on the understanding that the work ethic describes an attitude, it can be affirmed that the work ethic has meaning as evaluative aspects that are owned by the individual (groups) to provide an assessment of the work. Good work ethic within the company can help employees to understand how they work duties. The work ethic is a feeling, speech and human actions that work in the company, so it can be said that everything that is in the company including ways of thinking, acting and behaving influenced by the work ethic at the company. Aspects of measurement in the work ethic according to Handoko (1993) among other things: Aspects of the, social motives aspects, aspects of perception

# 2.4 Work Productivity

Productivity implies comparison between the results achieved (outputs) with the overall resources used (input) (Simanjuntak, 1998). In other words that the productivity of the two dimensions, namely: effectiveness and efficiency

According to Private and Sukotjo (2003), "Productivity is a concept that describes the relationship between they (the amount of goods and services produced) with the source (the amount of labour, capital, land, energy, etc.) are used to produce the results".

From the opinions above, it can be concluded that productivity is the ratio between the overall results achieved with existing resources more effectively and efficiently.

According to Gomes (2002) in Ambar Teguh Sulistiyani and Rosidah (2003) states that the factors which affect work productivity is Knowledge, Skills, Abilities, Attitudes and Behavior.

#### 3. Conceptual Framework

This conceptual frame work is to systematically describe the relationship between concepts or variables of the study, among the variables X or Y variable independent variable or the dependent variable. The conceptual frame work is as follows:

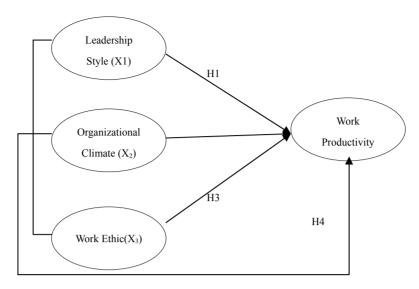


Figure 1. Conceptual framework

#### 4. Research Methods

This research is a descriptive and quantitative research approach with survey method. According Singarimbun, (1995) is a research survey method that takes a sample of the population using a questionnaire as a way of collecting data.

Then this research is there to determine the effect of leadership style among the variables that have been defined in explaining the effect of leadership style, work environment, job satisfaction on the performance of employees at PT. HP Metals Indonesia the Powder Coating

The population in study was130 people. The samples have been taken to 98 people with a stratified random sampling technique, whereas the data retrieval. Using the survey method and using questionnaires.

The instruments used in data collection must me two requirements, namely the validity and reliability. And the results are all valid and reliable. So, the instrument can be used in research. The method of analysis in this research is the analysis of descriptive and inferential statistical analysis using linear regression analysis and hypothesis testing (test F and test t).

# 4.1 Variables

#### 4.1.1 Independent Variables

The independent variables (independent) are variables that affect that can be interpreted as a cause variable (Arikunto, 2006, p. 119). The independent variables are: Leadership Style (X1), Yeh, Quey-Jen (1996) in Mas'ud (2004, p. 386), e.a.:

- a. Tops establish good relationships with subordinates (X1.1).
- b. Bosses give the task to be done by direct subordinates (X1.2).
- c. Bosses stressed the importance of completing the task in accordance with the specified schedule (X1.3).
- d. Tops stressed to subordinates to maintain good relations with partners (X1.4).
- e. Boss gives orders explicitly when giving assignments (x1.5).
- f. Bosses stressed the importance of carrying out the task with optimal as possible (X1.6).

### 4.1.2 Organizational Climate

Organizational climate is the perception of the policies, practices and procedures are perceived and received by the individuals in the organization. The organizational climate indicator according to Litwin and Meyer (1971) are:

- 1. Conformity (X2.1).
- 2. Responsibility (X2.2).

- 3. Standard (X2.3).
- 4. Reward (X2.4).
- 5. Clarity (x2.5).
- 6. Team Spirit (x2.5).
- 4.1.3 Work Ethics

Tasmara (2002) work ethic of employees can be measured by several indicators which are as follows:

- 1. Appreciate the time (X3.1).
- 2. Tough and unyielding (X3.2).
- 3. The desire to be independent (X3.3).
- 4. Adjustment (X3.4).
- 4.2 Dependent Variables

The dependent variable (dependent) is variable due which is also often referred to as a result of or dependent variable (Arikunto, 2006: 119). The dependent variable in this research is the employee performance (Y).

### 4.2.1 Work Productivity

Labor productivity, Dharma (1995) found a way of measuring the productivity of labor need to consider the following matters:

- a. Quantity (Y1.1).
- b. Quality (Y1.2).
- c. Timeliness (Y1.3).

## 5. Results and Discussion

# 5.1 Characteristics of Respondents

Table 1. Characteristics of respondents by gender

Number	Gender	frequency	percentage
1	Man	98	100,00%
2	Women	0	0,00%
Total		98	100%

Source: Data processed.

Table 2. Characteristics of respondents by age

Number	Ages	frequency	percentage
1	17 – 25 Years old	55	56,50%
2	26 – 35 Years old	36	36,30%
3	35 – 45 Years old	7	7,20%
Total		98	100%

Source: Data processed.

Based on the table above, the respondents in this study were aged between 17-25 years as many as 55 respondents, and then aged 26-35 were 36 people, aged 37-45 and as many as seven respondents. From these data shows that most respondents are young, young age employees tend to be considered more flexible, more productive, adaptable and open to change.

Table 3. Characteristics of respondents by work period

Number	Years of service	frequency	percentage
1	1 – 5 Year	72	73,50%
2	6 – 10 Year	26	27,50%
Total		98	100%

From the above table obtained the majority of respondents working lives 1-5 years, to 72 the number of employees or in the form of a percentage of 73.5%, the respondents working period 6-10 years, the number of 26 people or as a percentage of 27.5%.

### 5.2 Data Analysis Research

#### 5.2.1 Data Analysis

The analysis technique used in this research is multiple linear regression, the Work Productivity as a dependent or dependent variable (Y), and the independent variables or independent namely Leadership Style (X1), Organizational Climate (X2), and Work Ethic (X3). Results of regression analysis note in the following table:

Table 4. Multiple regression analysis

Coefficients <sup>a</sup>				
	Unstandardiz	ed		
	Coefficients			
Model	В	Std. Error	t	Sig.
1 (Constant)	9.982	1.460	6.839	.000
Leadership Style	155	.046	-3.405	.001
Organizational Climate	.090	.042	2.155	.034
Work ethic	.282	.097	2.919	.004

a. Dependent Variable: Work Productivity

Source: Data processed.

Table 5. Regression analysis

ModelSi	ummary <sup>b</sup>	ı						
			<b>Change Statistics</b>					
Model	R	R Square	R Square Change	F Change	df1	df2	Sig. F Change	<b>Durbin-Watson</b>
1	.705ª	.614	.614	6.165	3	94	.001	2.053

a. Predictors: (Constant), Work Ethics, Organizational Climate, Leadership Style.

Source: Data processed.

Based on the analysis in the above table, the model obtained regression equation as follows:

$$Y = 9.982 + -0.155 X1 + 0.090 X2 + 0.282 X3$$

The multiple linear regression models explain things as follows:

- 1. Constant of 9.982 is the intersection of the regression line with the Y-axis shows the level of work productivity when all the independent variables, namely the Leadership Style (X1), Organizational Climate (X2), and Work Ethic (X3) to 0.
- 2. Variable Leadership Style (X1) has a regression coefficient is negative, meaning that if the variable Leadership Style decreased by one unit then the Work Productivity (Y) decreased by the value of regression coefficient is 0.155; assuming other variables remain.
- 3. Organizational Climate Variables (X2) has a positive regression coefficient, meaning if Organizational Climate variable increases by one unit the Work Productivity (Y) experienced a rise in the value of regression

b. Dependent Variable: Work Productivity.

coefficient is 0.090; assuming other variables remain.

4. Variable Work Ethic (X3) has had a positive regression coefficient, meaning that if the variable Work Ethic increased by one unit then the Work Productivity (Y) increased by the value of regression coefficient is 0.282; assuming other variables remain.

The coefficient of determination (R-Square) in table 5.18 was obtained a value of 0.614. This indicates that the variable Leadership Style, Organizational Climate and Work Ethic affect employee productivity amounted to 61.4% and 38.6%, there are still labor productivity levels are still determined by other variables not examined.

# 5.3 Hypothesis Testing

#### a. Test F

F test used in this study to test the truth of the hypothesis simultaneously or in dependently of the independent variable on the dependent variable, or dependent, table output from the analysis using SPSS version 20.0 as follows:

Table 6. Test F

ANO	VA <sup>b</sup>					
		Sum of		Mean		
	Model	Squares	df	Square	F	Sig.
1	Regression	33.532	3	11.177	6.165	.001ª
	Residual	170.427	94	1.813		
	Total	203.959	97			

a. Predictors: (Constant), Work Ethics, Organizational Climate, Leadership Style.

Source: Data processed.

Based on the analysis in Table 5 obtained significance value of 0.001<0.05. These results indicate that leadership style variable(X1), Climate Organization (X2), and Work Ethic (X3) which is already in the test, an effect simultaneously to variable working productivity.

## b. T Test

T test was used to test the significance of the relationship between variables X and Y, whether variable X1, X2, and X3 (style of leadership, organizational climate and work ethic) really affect they variables (labor productivity) simultaneously or partially. Tables on the analysis using SPSS version 20.0 as follows:

Table 7. Test T

	Unstandardized Coefficients								
	Model	В	Std. Error	t	Sig.				
1	(Constant)	9.982	1.460	6.839	.000				
	Leadership Style	155	.046	-3.405	.00				
	Organizational								
	Climate	.090	.042	2.155	.03				
	Work ethic	.282	.097	2.919	.00				

Dependent Variable: Work Productivity.

Source: Data processed.

Based on the above table it can be seen that leadership style variable(X1), Climate Organization (X2), and Work Ethic(X3) effect on employee productivity. It is obtained from the value obtained in the variable significance Leadership Style, organizational Climate, and Work Ethic less than alpha (0.05). Values obtained in the variable Leadership Style is 0.001 < 0.05, the Organizational Climate variables 0.034 < 0.05, as well as the variable Work

b. Dependent Variable: Work Productivity.

Ethics 0.004 < 0.05.

#### 6. Discussion

Based on the analysis performed using multiple linear regression with the help of statistical program version 20.0 is obtained in the model table summary that the correlation coefficient of R = 0.705 indicating that there is a strong relationship between leadership style variable (X1), Organizational Climate (X2), and Work ethic (X3) to variable Y islabour productivity.

The model in table summary is R2 (R Square) of 0.614. This shows that the independent variables that style of leadership, Organizational Climate and Work Ethics dependent variables that can affect the Work Productivity by 61.4%.

In table coefficients can be seen that the value for the variable Leadership Style is equal to -0.155; Climate variables of the Organization for 0.090; and Work Ethos of 0,282. Of the value indicates that the variable Work ethic has a strong influence than the other independent variables of the productivity of employees at PT. HP Metals Indonesia Powder Coating section.

The results also showed that a significant count value f, which amounted to 0.001 <0.05. This means that there are influences together variable between Leadership Style, Organizational Climate and Work Ethics on work productivity.

Furthermore, based on the results of research and discussion, we can conclude several things in accordance with the following hypothesis:

The first hypothesis that leadership style variable positively and significantly affect employee productivity PT. HP Metals Indonesia Powder Coating section, it is shown with sig t 0.001> 0.05, this is in accordance with the results of previous studies conducted by Zumala Laili (2010) on the influence of leadership style and organizational climate on work productivity.

Results of this study are also consistent with the opinion of (Porter, 1996) which states factor in the company's leadership style is an interesting topic to continue to study, because little is understood but always observed. In the business world, leadership style big influence on the running of the organization, organizational climate and organizational survival. Strategic and leadership role is very important in an organization as one determinant of success in achieving the mission, vision and goals of an organization. Therefore, the challenge in developing a clear organizational strategy mainly lies in the organization and depends on leadership. And the second line with the opinion (Dewey, 2007), which states that to be an effective team builder, one must be very confident to command authority and respect of team members; People should also be able to give orders and ensure that the work will be done; He can coordinate and manage without forcing people to pay attention to him as a manager and also must be keen to inspire the team to greater labour productivity.

*The second hypothesis* is that the organizational climate variables positively and significantly affect employee productivity PT. HP Metals Indonesia Powder Coating section, it is shown with sig t 0.034> 0.05, and this is in accordance with the results of previous studies conducted by Zumala Laili (2010) on the influence of leadership style and organizational climate on work productivity.

Results of this analysis also in line with the opinion Lewin, K., Lippit, and White(1939), which defines the organizational climate as "a group of measurable characteristics that members can feel directly in the work environment, and as a description of environmental factors, can help researchers ensure the environmental impact on employee motivation. In addition, the organizational climate is variable. The most commonly applied to the description of the context of the organization. As an illustration of the individual's perception of the organization, organizational climate is more similar to the actual behaviour of the real environment.

The third hypothesis that the work ethic variables positively and significantly affect employee productivity PT. HP Metals Indonesia piece Powder Coating with sig t 0.004> 0.05, this is in accordance with the results of previous research carried out by Muhammad Zama'syari (2010) on the effect of the work ethic and culture of Islamic work on work productivity.

Results of this analysis are also consistent with the opinion of Becker and Woessmann (2009), which states that the concept of a work ethic that revealed two directions of thought, one of the entities theoretical and one empirical nature. The theoretical approach with a more definitive work ethic and has been widely studied in the social sciences of psychology to economics. However, empirical approach to analyse complex work ethic and remains open to debate among those in academia, in research and in practice.

The fourth hypothesis that variable leadership style most dominant influence to variable labour productivity this can be evidenced by the results in the table coefficients that significant value for the variable to its lowest Leadership Style is 0.001> 0.05, this is in accordance with the results of previous studies conducted by Zumala Laili (2010) on the influence of leadership style and organizational climate on work productivity. The more effective the leadership style of work productivity will increase.

Results of this analysis are also consistent with the opinion of Kanter (2006, p. 456) states: "The recognition is an important factor that drives productivity". He further stated that employees become more accountable, develop a sense of ownership and to act in the best interests of the organization if they are involved in the decision-making process. Payand take pride in their work seems to be the most desirable outcome that makes employees more productive and happy (Benson, 2006, p. 104). Porter (2005, p. 34) is the view that people work because of the positive feelings they get from doing a good job.

# 7. Conclusions and Suggestions

#### 7.1 Conclusion

Based on the analysis and hypothesis testing using statistical program SPSS version 20.0 of 98 respondents can be concluded that the hypothesis that the researchers propose that:

- 1. Leadership Style significant influence on employee productivity PT, HP Metals Indonesia Powder Coating section.
- 2. Organizational Climate and significant positive effect on labor productivity PT, HP Metals Indonesia Powder Coating section.
- 3. Work Ethic and significant positive effect on labor productivity PT, HP Metals Indonesia Powder Coating section.
- 4. Of the three independent variables that have been studied, variable work ethic is the most dominant variable to influencing work productivity.

This can be evidenced by the results of data analysis showed a correlation value (R) of 0.705 which fall into the category has strong influence, and the value of determination R Square (R2) of 0.614 which means it has the effect of 61.4%.

In the test results f there is positive and significant correlation between leadership styles, organizational climate, and work ethic to work productivity. F evidenced by the test results obtained F count = 6.165 with sig. = 0.000. To test the hypothesis using the t test that produces a value of significance (Sig.) Of 0.001 for leadership style, 0.034 for organizational climate, and 0.004 for the work ethic with a significance level of 5% or 0.05 so that the value of significance (Sig.) <Significance level (0.001 < 0.05 for leadership style, 0.034 < 0.05 for organizational climate, and 0.001 < 0.05 for the work ethic). These results indicate reject Ho and accept Ha.

### 7.2 Suggestion

From the above conclusion, researchers will provide advice to the PT. HP Metals Indonesia especially in the Powder Coating so that the company may consider in carrying out operational activities of the company. As for the suggestion that the researchers pointed out, among others:

- 1. The role of a leader is very important in the survival and success in realizing the vision and mission of the company, so that the leader should be able to influence subordinates to help achieve these goals without ignoring the wishes of subordinates. With a style that is both positive and owned by a leader of the expected level of labor productivity can be increased subordinates.
- 2. To create a conducively organizational climate within the company, the company should pay attention and maintain organizational conditions remain stable so that the level of employee productivity in the work fixed maximum.
- 3. The attitude that reflects the personal of each individual is expected to provide good ethics in carrying out duties and, therefore, policy makers should be able to read and respond to the attitudes and ethics of their respective subordinates to be able to and may be invited to cooperate in order to be able to increase productivity.
- 4. According to the results of this study that the leadership style of a manager of high contributed to the level of labor productivity, by why need to be considered by the managers to always provide a positive role model and sporty subordinates, and able to provide the motivation so that the level of labor productivity is expected to increase.

#### References

Agus, D. (1995). Job Performance Management. Erlangga, Jakarta True amber.

Arnold, J., Cooper, C. L., & Robertson, J. T. (1998). Work Psychology. Harlow: Financial Times.

Bandura, M. (2007). Organization Change and Development: Systems View. Santa Monica, California: Good year.

Bass, B. M. (1960). Leadership, Psychology and Organizations. New York.

Basu S., & Ibn, S. (2002). Introduction to Modern Business (6th ed.), Yogyakarta: Liberty,

Becker, S. O., & Woessmann, L. (n. d.). Weber Was Wrong? A Human Capital Theory of Protestant Economics History. *The Quarterly Journal of Economics*.

Benson, H. (2006). Workplace Ethics. Thousand Oaks, CA: Sage.

Carnel, M. (2008). Incentive Pay: Impact and Evolution. London, Institute of Personnel Management.

Chaplin, J. P. (2001). Dictionary of Psychology. Translation: Kartono, K. Bandung: CV. Pioneers Java.

Cherrington, D. J. (2003). The Work Ethic: Working Values and Values That Work. New York: AMACOM.

Connor, A. (2009). It's not about the Work Ethic. Stanford Social Innovation Review, 7(4), 1.

Dewey, R. C. (2007). Productivity and the new work ethic. In W. B. Jr. Dickenson (Ed.), *Editorial Research Reports on the American Work Ethic* (pp. 1-20). Washington, DC: Congressional Quarterly.

Fiedler, F. E. (1995). Cognitive resources and leadership performance. *Applied Psychology: An International Review*, 44, 5-28.

Forehand, G. A., & Glimer, B. H. (1964). Environmental variation in studies of organizational behavior. *Psychological Bulletin*, *62*, 127-143.

Hani, H. (1993-2001). Personnel Management and Human Resource. Yogyakarta: BPFE-Yogyakarta.

Hariparsad, I. D. (2005). *The Work Ethic of the Principal as an Aspect of Management*. PhD Thesis. Johannesburg: University of Johannesburg.

Heidrajrahcman, & Husnan, S. (2002). Personnel Management. Yogyakarta, BPFE.

Hersey, P., & Blandchard, K. H. (1992). *Organizational Behavior Management, Home Utilizing Resources*. Englewood Cliffs, New Jersey: Prentice Hall, Inc.

Iga, M. G. (2002). Why and For What People Work? Bali's Udayana University.

Jackson, H. (2004). Sociology and Work. New York: New Jersey

Kanter, H. (2008). Dynamics of Management. New York: Thosolon University Press.

Lawler, N. (2007). Management Attitudes. New Jersey: McGraw-Hill.

Lewin, K., Lippit, R., & White, R. K. (1939). Patterns of aggressive behavior in experimentally created "social climates. *Journal of Social Psychology*, 10, 271-299.

Litwin & Mayer. (1971). Motivation Research Group. Mc. Beer Company, Original from GH.

Mas'ud, F. (2004). Survey of Organizational Diagnosis (Concepts and Applications). Semarang: Publisher Agency Diponegoro University.

Ong, B. P. (1997). Organizational Climate and Teachers Job Satisfaction in Residential and Non-Residential School. Department of Extension Education Faculty of Educational Studies. University Putra Malaysia.

Payaman, J. S. (1998). Introduction to Economics Human Resources. FEUI.

Porter, M. E. (1996a). Competitive advantage, agglomeration economies, and regional policy. *International Regional Science Review, 19*(1&2), 85-90.

Sayuti A. (2001). Basic Leadership Training (Leadership) of the Ethics and Moral Aspects. Pekalongan: Love Science.

Simamora, H. (2004). Human Resource Management (3rd ed.). First Printing. Yogyakarta.

Steward, J. A. (2008). New work ethic is frightening. Personnel Journal, 69(6), 28-36.

Sulistiyani & Rosidah. (2003). Human Resource Management. Yogyakarta, Science Graha.

Sunarsih. (2001). Leadership Transformational in the Era of Organizational Change.

Toto, T. (2002). Islamic Work Ethic. Jakarta: Gema Humanities Press.

Veithzal, R. (2004). *Human Resource Management Company: From Theory to Practice*. PT. Grafindo Persada. Jakarta.

Yukl, G. (1994). Leadership Organization, third edition. Prentice Hall, Englewood Cliffs.

### Copyrights

Copyright for this article is retained by the author(s), with first publication rights granted to the journal.

This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (http://creativecommons.org/licenses/by/3.0/).