The Effect of Kaizen Culture and Leadership on Employee Performance with Work Satisfaction as an Intervening Variable: A Study on PT Bank Central Asia Main Branch Office of Medan

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Abstract
This research is motivated by the growing importance of maintaining and improving employees' performance amid the increasingly high business competition. Therefore, this study tried to examine the influence of kaizen culture and leadership on employees' performance with job satisfaction as intervening variable. Simple Random Sampling method was used with 73 permanent employees of Bank Central Asia (BCA) Main Branch Office of Medan as the respondents. Analysis of respondents using multiple linear regression analysis was used as data processing with the help of SPSS 21 to test the validity and reliability. Furthermore, how big the influence of kaizen culture, leadership and job satisfaction on hypothesis testing was tested. The results concluded that kaizen cultural variables significantly influenced the employees' performance with employees' job satisfaction as intervening variable. Meanwhile, leadership has a negative and significant influence on employees' performance with employees' job satisfaction as intervening variable. The results implied that kaizen culture and leadership are very necessary to be considered to improve employees satisfaction so that the employees will be able to reach better achievement for the realization of the company goals and able to survive in the midst of increasingly high business competition.

Keywords: AIC 2017, ICMR 2017, ICELTICs 2017, international conferences.

Introduction
Reliable human resources are one of the decisive factors in achieving corporate goals in all business and industry sectors. One of the industry sectors that have high challenges and threats is the banking industry. Bank is one form of service provided to the public in matters relating to financial. Banks are required to be able to provide good services in order to retain potential customers and obtain new customers in order to survive amid a very complex competition. Bank Central Asia Main Branch Medan is one of the most active daily transactions in Medan, with a large number of customers.

To keep customers and attract new customers, Bank Central Asia Main Branch Office of Medan should be supported by high performance employees. To improve employee performance, companies should pay attention to aspects of employee job
satisfaction, which is a person's attitude of employment as the difference between the number of rewards earned by the worker and the number of people believed to be acceptable to the employee. Many studies suggest that there is a reciprocal relationship between performance and job satisfaction. On the one hand it is said job satisfaction leads to improved performance so that satisfied workers will show good performance too. In addition to employee job satisfaction, organizational culture also has an important role in achieving high employee performance. The organizational culture applied to Bank Central Asia Main Branch Office of Medan is the Kaizen Culture. Kaizen culture is an ongoing improvement process to improve the way of work, improve the quality and performance of employees.

Employee performance will increase if the leadership that runs by the leader can motivate the employees to have a high performance. Leadership is an activity to influence the behavior of others, or the art of influences human behavior both individuals and groups. Leadership should not be limited by bureaucratic rules or manners. Leadership does not have to be bound to happen in a particular organization, but leadership can happen anywhere, provided someone shows his ability to influence the behavior of others towards the achievement of a certain goal.

The higher the authority that a leader exercises on his employees will result in the employee feeling restricted in using the potential that exists within himself in the pursuit of corporate goals. Based on observations made by researchers at Bank Central Asia Main Branch Office Medan, that there are still some problems that concerns the application of kaizen culture. Among them, because kaizen culture is still fairly new in the socialization of the company has a negative impact on employee performance and attitudes because there are many employees who feel too required to make improvements that are characteristic of kaizen culture.

This template is designed to assist author(s) in preparing their manuscript; it is an exact representation of the format expected by the editors. To use this template, just Save As to your document, then copy and paste your document here. Manuscript content should, in general, be organized in the following order: Abstract, Key words, Introduction, literature review (hypotheses development), research methods, Results and Discussion, Conclusions, Acknowledgments and References.

The purpose of this research is to:
1. To test how kaizen culture influence to job satisfaction of employees of Bank Central Asia Main Branch Office Medan
2. To test how the influence of leadership on job satisfaction of employees of Bank Central Asia Main Branch Office Medan
3. To test how the influence of job satisfaction on the performance of employees of Bank Central Asia Main Branch Office Medan
4. To test how kaizen cultural influences on employee performance of Bank Central Asia Main Branch Office Medan
5. To test how the influence of leadership on employee performance of Bank Central Asia Main Branch Office Medan
6. To test how kaizen cultural influence on performance with job satisfaction as intervening variable on employees of Bank Central Asia Main Branch Office Medan
7. To test how the influence of leadership on performance with job satisfaction as intervening variable on employees of Bank Central Asia Main Branch Office Medan.

**Literature Review**

**Employee Performance**
Understanding of performance is a description of the level of achievement of the implementation of an activity or policy program in realizing organizational goals,
objectives, vision and mission which poured through the strategic planning of an organization (Moeheriono, 2009). The performance can be known and measured if individual or group of employees already has criteria or standards of success benchmarks set by the organization. The performance is the result of work that can be achieved by a person or group of people in an organization both quantitatively and qualitatively, in accordance with the authority and duty of responsibility respectively, in an effort to achieve the objectives of the organization concerned legally, not violating the law and in accordance with the moral and ethics.

In relation to employee performance indicators, Performance Indicators are the aspects that are the measure in assessing performance. As for the indicators that become a measure of performance according to Mathis and Jackson (2006) is Quantity work, Quality work, Timeliness, Attendance and Ability to cooperate.

**Kaizen Culture**

Schein (Ivancevich et al, 2005) defines culture as a pattern of basic assumptions created, discovered, or developed by a particular group while learning to face the problem of external adaptation and internal integration that have been running good enough to be considered valid, and therefore, to be taught to new members as the correct way of perception, thinking and feeling in relation to the problems that it faces. The culture of Japanese work is known as Kaizen. Kaizen according to Imai (2008) is Progress and continuous improvement in one's life, married life, social life and work life. Kaizen is "a simple concept, formed by two characters: Kai means change and Zen means good, so that when combined into one word then literally means" improvement ". Kaizen culture is an ongoing process of improvement to improve the way things work, improve the quality and productivity of output by, among other things, instilling discipline to employees and creating a comfortable workplace for employees that involves all members in the hierarchy of companies, both management and employees. According to Wellington (1998), Kaizen principles often applied in companies in Japan are: Focusing on Customers; Perform Continuous Improvement; Recognizing Issues Openly; Encourage Openness; Creating Team Work; Managing Projects Through Cross-Functional Teams; Developing the Process of Right Relationship; Developing Personal Discipline; Provide Information to Every Employee; Make Every Employee Becomes Able.

The point of Kaizen is simple and right on target. In Kaizen principle it is said that our way of life, life in our workplace, or our social life must be constantly improved, (Imai, 2008). The Indicators of Kaizen Cultural include:

1. **Seiri or election.** This means arranging everything, sorting according to certain rules and principles. This means distinguishing between necessary and unnecessary
2. **Seiton or structuring.** Means saving goods in the right place or in the correct layout so that it can be used in urgent circumstances. This is also a way to eliminate search time.
3. **Seiso or Cleaning.** This term means cleaning things so that it becomes clean. This means cleaning up garbage, dirt and foreign objects and cleaning up everything. Cleaning as an inspection of the workplace and that has no defects and blemishes.
4. **Seiketsu or stabilization.** This means continuous and repetitive maintenance, sorting and cleaning. Thus, consolidation includes personal hygiene and environmental hygiene.
5. **Shitsuke or habituation.** This term means training and the ability to do things right. The purpose is to create a workplace with good habits and behaviors. By teaching everyone what to do and ordering everyone to do it, bad habits will be wasted and good habits will form. What do you want to do even though it's hard to do.
Leadership
Leadership in this case is the ability to influence others, subordinates or groups, the ability to direct the behavior of subordinates or groups, have the ability or special skills in the field desired by the group. Leadership is the process of directing and influencing members in terms of the various activities that must be done. Furthermore, Griffin (2000) divides the notion of leadership into two concepts, namely as a process, and as an attribute. As a process, leadership is focused on what leaders do, namely the process by which leaders use their influence to clarify the goals organizational for employees, subordinates, or who they lead, and motivate them to achieve that goal, and help create a productive culture within organization. Therefore, a leader can be defined as a person who has the ability to influence the behavior of others without the use of force, so that the people he leads accept him as a worthy figure to lead them. The indicators of leadership in this research taken from within Pamudji (1993) are Influence, Information, Decision Making, and Motivating Skills.

Job Satisfaction
According to Hariandja, (2002) job satisfaction is defined by the extent to which individuals perceive positively or negatively various factors or dimensions of tasks in their work. In the opinion of Robbins (2003) the term job satisfaction refers to the general attitude of an individual to the work he does. A person with a high level of job satisfaction shows a positive attitude towards the work; A person who is dissatisfied with his work shows a negative attitude toward the job. Because in general when people talk about employee attitudes, more often they mean job satisfaction. According Hasibuan (2006) job satisfaction is a pleasant emotional attitude and loves his job. This attitude is reflected by work morale, discipline, and work performance. Job satisfaction is enjoyed in work, out of work, and Combination between the two. According to Robbins (2003) there are four factors that are conducive for high employee satisfaction level, that is: The work that is mentally challenged; Reasonable rewards; The condition of a supportive work environment; Supportive coworkers The benchmark of Job satisfaction is absolutely difficult to find because each individual employee different standards of satisfaction. The indicators of job satisfaction according Hasibuan (2006) are: Loyalty of employees; Ability of Employees; Honesty of Employees Creativity of employees; Leadership ;Salary Level; Indirect compensation and Working Environment.

Figure 1. Theoretical framework.

H1: There is a significant influence of Kaizen Culture on the Satisfaction of employees of Bank Central Asia Main Branch Office of Medan
H2: There is a significant influence of leadership on employee satisfaction of Bank Central Asia Main Branch Office of Medan.
H3: There is significant influence of Job Satisfaction on Employee Performance of Central Asia Main Branch Office of Medan.
H4: There is significant Kaizen Culture influence on employee performance of Bank Central Asia Main Branch Office of Medan.
H5: There is a significant influence of leadership on employee performance of Bank Central Asia Main Branch Office of Medan
H6: Suspected job satisfaction is an intervening variable between kaizen cultures with the performance of Bank Central Asia employees of Medan Main Branch Office.
H7: Suspected job satisfaction is an intervening variable between leadership and employee performance of Bank Central Asia Main Branch Office of Medan

Research Method
The type of this research is explanatory research, which is a research to determine whether or not the influence of a variable in a situation. This research uses quantitative method (Sugiyono, 2009). The sample is part of the number and characteristics possessed by the population (Sugiyono, 2009). Sampling technique used in this research is Judgment Sampling, which is a sampling of the population based on a criterion in the form of a consideration (Sugiono, 2009). The characteristics of members of the population to be sampled are:
1. Employee that chooses as a sample has to work as a permanent employee in Bank Central Asia Main Branch Office Medan. This is because the performance to be seen is the performance of permanent employees, not the leaders and contract employees.
2. Have worked as an employee for a year or more. Employees who work at least one year are expected to understand the matters relating to the employee profession and have adapted to their corporate culture.
3. The sample in this research is 73 employees of Bank Central Asia Main Branch Office Medan.

Data Analysis Method
1. Normality Test, The normality test is used to test whether the regression model has a normal distribution or not.
2. Descriptive Analysis Descriptive analysis is used to Interpret the data and information obtained by collecting, compiling, and classifying the data obtained and then analyzed to obtain a description of the variables studied.
3. Multiple Linear Regression Analysis, multiple linear regression analysis is used to predict how far the influence of independent variables to the dependent variable.

Dependent variable (bound) in this research is Employee Performance and independent variable (free) that is kaizen culture, leadership and job satisfaction. Furthermore, the above equation is derived in the form of geometric equations identical to the Cobb Douglas function, that is by the following equation:

\[ Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + e \]

Y = Employee Performance  \( X_1 = \) Kaizen Culture
\( \beta_0 = \) Constants  \( X_2 = \) Leadership
\( X_3 = \) Work satisfaction  \( e = \) Standard error
\( \beta_1, \beta_2, \beta_3 = \) regression coefficient of kaizen culture, leadership and work satisfaction

Hypothesis Testing
a. t Test, to test the influence of independent variable (independent) individually to dependent variable used by t test.
b. F Test, the F test is a statistical test that shows Whether the independent variables (kaizen culture, leadership and job satisfaction) contained in the regression model have a significant influence simultaneously on the dependent variable (employee performance).
c. R² Test, the R² test used to measure how far the ability of the influence of independent variables to the dependent variable.
Results and Discussion

Validity and Reliability of Research Instrument

Table 1. Reliability testing result.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach’s Alpha</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaizen Culture (X1)</td>
<td>0.762</td>
<td>Reliable</td>
</tr>
<tr>
<td>Leadership (X2)</td>
<td>0.800</td>
<td>Reliable</td>
</tr>
<tr>
<td>Job Satisfaction (X3)</td>
<td>0.846</td>
<td>Reliable</td>
</tr>
<tr>
<td>Employee Performance (Y)</td>
<td>0.754</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

The purpose of reliability test is to see whether the variables studied in this research reliable (reliable) or not. The reliability test results show that all variables have Alpha coefficient above 0.60, so it can be said that all the measuring concepts of each variable of the questionnaire is reliable, so for the next items on each concept of the variable is feasible to be used as a measuring tool.

According to Sugiyono (2009), the purpose of validity test is to test whether the questionnaire is feasible to be used as a research instrument or not. Valid means the instrument can be used to measure what should be measured. To know the consistency and accuracy of collected data, validity test was done by using IBM SPSS Statistics23 computer software. The calculation of the validity of the instrument is done based on the corrected item-total correlation which is the count of the calculation of the validity of the research instrument, then r count compared to r table which is a standard or reference. An instrument is said to be valid when r count is greater than r table (r count > r table). Based on the results of data processing of the questionnaire that distributed to 30 respondents outside the respondents of this research, found that the value of corrected item-total correlation for each question on each variable are above 0.30.

Table 2. Results of corrected-item total correlation.
(Source: Primary Data Processing Results, 2017)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Corrected-item total correlation</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaizen Culture (X1)</td>
<td>&gt;0.30</td>
<td>Valid</td>
</tr>
<tr>
<td>Leadership (X2)</td>
<td>&gt;0.30</td>
<td>Valid</td>
</tr>
<tr>
<td>Job Satisfaction (X3)</td>
<td>&gt;0.30</td>
<td>Valid</td>
</tr>
<tr>
<td>Employee Performance (Y)</td>
<td>&gt;0.30</td>
<td>Valid</td>
</tr>
</tbody>
</table>

Normality Testing

Normality test using graph analysis is done by looking at the probability plot that compares the cumulative distribution of the normal distribution. By looking at the normal graph plot view can be seen data or dots spread around the diagonal line and follow the direction of the diagonal line stated that the regression model had the assumption of normality. Normality test results by using graph analysis can be seen in the picture below:
Figure 2. The results of the classical assumption analysis.

The results of the classical assumption analysis show that the data was normally distributed.

Multiple Linear Regression Analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B Unstandardized Coefficients</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>1,080</td>
</tr>
<tr>
<td></td>
<td>B_Kaiz</td>
<td>,205</td>
</tr>
<tr>
<td></td>
<td>KPM</td>
<td>-1,438</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Kep_krywn
Source: Output SPSS 23

\[ Y = 1.080 + 0.205X1 - 1.438X2 + e \]

Hypothesis Testing

From the regression equation above, it can be seen that Kaizen cultural variables have positive and significant effect because the value of t count of Kaizen cultural variable (X1) is 4.882 bigger than t table 1.684 with significant level 0.000 < 0.05. Thus, kaizen cultural variables have positive and significant influence as independent variable to job satisfaction as dependent variable. Then H0 is rejected and H1 accepted. Leadership has a negative and significant effect on employee job satisfaction, because the value of t count variable (X2) is -2.637 > t table 1.684 with a significant level of 0.003 <0.05. Thus, leadership variables have a negative and significant influence as an independent variable on employee job satisfaction as a dependent variable. Then H0 is rejected and H2 is accepted.
From the output of SPSS above, obtained multiple regression equation:

\[ Y = 34,080 + 0.702X_1 - 0.933X_2 + 0.449X_3 + e \]

From the regression equation above, showed that kaizen cultural variables have positive and significant effect because t value of kaizen cultural variable (X1) is 1.882 > t table 1.684 with significant level 0.000 < 0.05. Thus, kaizen cultural variables have a positive and significant influence as independent variables on employee performance as a dependent variable. Then H0 is rejected and H3 accepted.

From the above equation, it can be seen that leadership variables have a negative and significant effect on employee performance, because the value of t arithmetic variable (X2) is -3.378 > t table 1.684 with significant level 0.00 < 0.05. Thus, leadership variables have a negative and significant influence as independent variables on employee performance as a dependent variable. Then H0 is rejected and H4 accepted.

From the above equation, it can be seen that job satisfaction variable has a significant effect on employee performance, because the value of t count variable (X3) is 2.490 > t table 1.684 with significant level 0.002 < 0.05. Thus, the satisfaction variable has a positive and significant effect as the independent variable on employee performance as the dependent variable. Then H0 is rejected and H5 accepted.

From this research was found that there is a variation between the direct influence that shows kaizen cultural variables on performance, As well as indirect influence between variables Kaizen culture on employee performance through job satisfaction as intervening variable. The value obtained from indirect influence between kaizen culture on performance is 0.180 x 0.215 = 0.0387 while the direct influence is 0.114. From this research is seen that there is a variation between the direct effects that show the leadership variables on performance, As well as the indirect influence between leadership variables on employee performance through job satisfaction as an intermediate variable. The value obtained from the indirect influence between leadership on performance is 0.350 x 0.215 = 0.0752 while the direct influence is 0.453.

**F Testing**

The result of analysis shows that the value of F count is 39.078 > 2.84 with significance value p (0.000), it can be said that all independent variables (organizational culture, job stress and job satisfaction) significantly influence employee performance as dependent variable.
**Determination Test**
The purpose of determination test is to see how big the independent variable affects the dependent variable. From the results of the data obtained that the value of R square of 0.876 or 87.6%. It means independent variable that is kaizen culture variable, leadership and job satisfaction influence 87.6% dependent variable, that is employee performance variable. And the remaining 12.4% influenced by other variables that do not participate researched in this research.

**The Influence of Kaizen Culture on Job Satisfaction**
From result of regression by using SPSS 23 obtained result that kaizen culture have positive and significant relation to job satisfaction because have t count > from t table (4, 882 <1,684) with significant level 0.000> 0.05. This result supports hypothesis 1 which states that there is a significant influence between kaizen cultural variables and employee satisfaction variable. The results of this research in accordance with research conducted by Tristianty (2013) which states that there is a significant positive influence between organizational culture on employee job satisfaction in PT Panasonic Gobel Indonesia. This is because BCA Medan's main branch office is managing cultural values well and socializing it in an effective way to its employees.

**The Influence of Leadership on Job Satisfaction**
The output of SPSS statistic 23 shows the existence of negative and significant influence of leadership variable on employee satisfaction variable. It identifies that the more authoritarian the leader within the company will make the satisfaction decrease or otherwise the better leadership will increase employee satisfaction. This result supports hypothesis 2 which states that there is a significant influence between leadership variables with employee satisfaction variable Bank Central Asia Main Branch Office Medan. This finding is also in accordance with Ginanjar (2010) research on the influence of leadership on employee job satisfaction which says that leadership variable significantly influence employee job satisfaction variable. The leadership that is run at Bank Central Asia Main Branch Office of Medan is participative leadership which is the equation of strength and sharing in problem solving along with subordinates, by way of consultation with subordinates before making a decision.

**Conclusions**
The study was conducted on 65 employees of Bank Central Asia Main Branch Office Medan with various educational background and age. Based on the results of analysis and discussion of research then it can be taken as a conclusion that is :
1. Kaizen culture applied to employees of Bank Central Asia Main Branch Office Medan all measurement indicators of 3.98 with TCR value of 77.2%. So it can be concluded that the application of kaizen culture at Bank Central Asia Main Branch Medan was good.
2. From four indicators that used to measure the leadership that do at employees of Bank Central Asia Main Branch Office Medan obtained the total score of the average score of questionnaire distributed results of 2.73 with TCR value of 72.4%. The results obtained indicate that leadership practices that do in Bank Central Asia Main Branch Office of Medan is good and in accordance with the expectations of employees
3. Job satisfaction of employees of Bank Central Asia Main Branch Office Medan 4.12 with the level of respondents’ achievement of 89.9%. This shows that job satisfaction of Bank Central Asia Main Branch Office of Medan is good or the employees have been satisfied.
4. Performance of employees of Bank Central Asia Main Branch Office of Medan amounted to 4.29 with the level of respondents' achievement of 82.7%. This
shows that employee performance of Bank Central Asia Main Branch Office of Medan is high.

5. Kaizen culture variables have positive and significant effect because the value of t count kaizen cultural variables (X1) is 4.882> from t table 1.684 with a significant level of 0.000 <0.05. Thus, kaizen cultural variables have positive and significant influence as independent variable to satisfaction as dependent variable. Then H1 is accepted and H0 is rejected.

6. Leadership variables significantly affect employee job satisfaction, because the value of t arithmetic variable (X2) is -2.637> t table 1.684 with a significant level of 0.003 <0.05. So leadership variable has significant effect as independent variable to employee satisfaction as dependent variable. Then H0 is rejected and H2 is accepted.

7. That kaizen culture variables have significant effect because t value of organizational culture variable (X1) is 1.882 > from t table 1,684 with significant level 0.000 <0.05. Thus, kaizen cultural variables significantly influence as independent variables on performance as a dependent variable. Then H3 is accepted and H0 is rejected.

8. Leadership variables significantly affect employee performance, because the value of t count variable (X2) is -3.387 > t table 1.684 with a significant level of 0.000 <0.05. Thus, leadership variables have a significant influence as an independent variable on employee performance as a dependent variable. Then H0 is rejected and H4 accepted, Job satisfaction variable has a significant effect on employee performance, because the value of t count variable (X2) is 2,490> t table 1,684 with significant level 0,002 <0.05. Thus, the satisfaction variable has a significant effect as the independent variable on employee performance as the dependent variable. Then H0 is rejected and H5 accepted.

9. The indirect influence of kaizen culture on performance through job satisfaction as intervening variable only affects 3.69%, while 96.33% is contributed by other variables.

10. The indirect effect of leadership on performance through job satisfaction as intervening variable only affects 19.1%, while 80.9% is contributed by other variables.

11. All independent variables (kaizen culture, leadership and job satisfaction) have a significant effect on the dependent variable (employee performance). It means simultaneously or together all the independent variables of kaizen culture, leadership and job satisfaction can explain the performance variable of employees of Bank Central Asia Main Branch Office Medan.

12. From multiple regression analysis, R Square value of 0.876 shows the correlation between independent variables (kaizen culture, leadership and job satisfaction) on the dependent variable (employee performance) is very strong, because the value of R Square approaches 1. Viewed from the adjusted value R Square of 0.831 indicates that the role or contribution of the independent variables (kaizen culture, leadership and job satisfaction) is able to explain the dependent variable (Employee Performance) of 83.1%. While the rest of 16.9% is explained by other variables not included in this study.

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