



THE INFLUENCE OF TRANSFORMATIONAL LEADERSHIP ON WORK MOTIVATION AND EMPLOYEE PERFORMANCE (CASE STUDY: PT. FINJAYA NUSANTARA)

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Abstract

Transformational leadership has become a major concern in human resource development in various organizations. This research aims to investigate the influence of transformational leadership on work motivation and employee performance, as well as analyzing the relationship between these three constructs. This research was conducted at PT. Finjaya Nusantara, a company operating in the retail sector. This research uses a survey method with questionnaires distributed to 50 employees from various departments. The results of statistical analysis show that transformational leadership has a positive and significant influence on employee work motivation ($p < 0.05$) and also has a positive and significant influence on employee performance ($p < 0.05$).

Keywords: Transformational Leadership, Employee Performance, Work Motivation, Human Resource Development.

INTRODUCTION

Human resource management is a key element in the success of every organization, regardless of the sector or industry they are involved in (Budi Satria, 2020). In this context, the role of leadership is the main factor that influences work motivation and employee performance. Effective leadership is not just about managing tasks and responsibilities, but is also able to motivate employees to achieve optimal results and contribute positively to achieving organizational goals (Susy S, 2022).

One leadership approach that has received widespread attention is transformational leadership. Transformational leadership is a form of leadership that emphasizes developing a shared vision, understanding and shared commitment between leaders and subordinates. In



this context, transformational leaders tend to encourage innovation, creativity and problem solving, which in turn can increase employee work motivation.

Work motivation is a key factor that encourages individuals to achieve optimal performance in the work environment. Motivated employees have higher levels of productivity and are better able to overcome existing challenges. Therefore, the influence of transformational leadership on work motivation is an aspect that needs to be well understood in an effort to improve employee performance (YA Labola, 2019).

This research aims to examine in depth the influence of transformational leadership on work motivation and employee performance at PT. Finjaya Nusantara, a company operating in the retail sector. PT. Finjaya Nusantara has become an interesting research subject because this organization has a strategic role in operating in the retail sector and has a history of strong leadership.

By investigating the relationship between transformational leadership, work motivation and employee performance at PT. Finjaya Nusantara, this research is expected to provide an important contribution to the theoretical and practical understanding of how transformational leadership can influence organizational outcomes through employee work motivation. Additionally, this research can provide valuable insights for leaders and managers of similar organizations in efforts to improve employee performance and achieve competitive advantage in an increasingly changing and competitive marketplace.

Through an in-depth analysis of the influence of transformational leadership on work motivation and employee performance at PT. Finjaya Nusantara, we can develop strategic recommendations that can help this organization reach its full potential and contribute positively to sustainable economic growth.

RESEARCH METHODS

This research method uses a quantitative descriptive method using a case study approach at the company PT. Finjaya Nusantara with the aim of investigating the influence of transformational leadership on work motivation and employee performance in the company. The research sample consisted of 50 employees selected randomly from various company



departments. Data was collected through a questionnaire that had been tested for validity and reliability, including the independent variable transformational leadership, the mediator variable work motivation, and the dependent variable employee performance. Questionnaires were distributed to respondents, followed by data analysis using statistical software, including descriptive analysis, multiple linear regression, and mediation analysis. Apart from that, this research also pays attention to ethical aspects of research, including data confidentiality and participant consent. The research results will be presented in a scientific work report which includes a summary, methods, results and conclusions, and is expected to provide a deeper understanding of the relationship between these variables at PT. Finjaya Nusantara

RESULTS AND DISCUSSION

Initial Discussion

Transformational leadership

Transformational leadership is a leadership style that focuses on inspiring, motivating, and moving subordinates to achieve higher goals and performance. Transformational leaders not only try to achieve good results, but also to change the vision, culture and values in the organization (Didin HP, 2020). The following are some of the main characteristics and concepts related to transformational leadership:

1. **Inspirational Vision:** Transformational leaders have a strong and inspiring vision for the future. They are able to clearly describe this vision to employees and communicate the values they want to achieve.
2. **Strong Communication Skills:** Transformational leaders are excellent communicators. They are able to influence and motivate employees through persuasive and enthusiastic communication.
3. **Sensitivity to Employees:** Transformational leaders have high attention to employee needs, aspirations and hopes. They listen, pay attention, and understand individual employees.



4. **Provide Inspiration and Support:** Transformational leaders provide inspiration to employees through their personal example and provide moral support in achieving goals. They create a climate that supports employee growth and development.
5. **Providing Space for Creativity:** Transformational leaders give employees the freedom to innovate and look for new ways to achieve goals. They encourage creative thinking and innovative solutions.
6. **Driver of Change:** Transformational leaders are not afraid to introduce change in the organization. They identify opportunities for change and encourage the organization and employees to embrace those changes.
7. **Providing Positive Feedback:** Transformational leaders provide positive feedback and recognition of employee achievements. This increases employee motivation and sense of accomplishment.
8. **Trust in Leadership:** Transformational leaders create a sense of trust among their employees. Employees feel that leaders have integrity and honesty in their actions and words.

Transformational leadership is often considered effective in increasing employee motivation, increasing productivity, and creating an innovative organizational culture. However, this approach also requires leaders to be highly committed and have strong communication skills. Transformational leadership focuses more on creating positive change in the organization rather than simply maintaining the status quo.

The relationship between work motivation and employee performance

The relationship between work motivation and employee performance is a concept that has been widely researched and has become the center of attention in human resource management. Work motivation refers to internal and external drives that influence the level of effort and dedication of an employee in carrying out their work (Labola YA, 2019). Employee performance, on the other hand, refers to the level of achievement of results or productivity demonstrated by employees in carrying out their duties and responsibilities.



Here are some ways how work motivation and employee performance are related:

1. **Motivation Increases Productivity:** When employees feel motivated, they tend to work harder and more efficiently. High motivation can encourage employees to overcome challenges, complete tasks well, and achieve work targets.
2. **Job Satisfaction and Motivation:** Employees who are satisfied with their jobs are more likely to be motivated to perform well. Motivation often comes from job satisfaction resulting from achievement, recognition, and feelings of accomplishment.
3. **Goals and Motivation:** Setting clear and challenging goals can be a source of motivation. When employees have clear goals, they tend to be more focused and motivated to achieve them.
4. **Recognition and Rewards:** Recognition of employees' efforts and good performance often increases their motivation. Prizes and rewards, whether financial or non-financial, can trigger increased motivation and performance.
5. **Support and Work Environment:** A supportive work environment, including good relationships with coworkers and superiors, can influence motivation. Employees who feel supported by their team are more likely to be motivated.
6. **Autonomy and Control:** Giving employees autonomy and control in carrying out their work can increase motivation. Employees who feel they have control over their work tend to be more motivated and perform better.
7. **Challenges and Personal Development:** Employees who are given challenges in their work and opportunities to develop their skills are highly motivated. They see work as an opportunity to grow and learn.
8. **Role of Management in Motivation:** The role of management in motivating employees is very important. Managers who are able to provide direction, support and constructive feedback can increase employee motivation.



Thus, high work motivation can improve employee performance, while good employee performance can strengthen motivation. It is a mutually reinforcing relationship where motivation and performance go hand in hand to achieve the best results in an organization. In the context of human resource management, understanding and maintaining the factors that influence employee work motivation is key to achieving organizational goals and success.

Human Resource Development

Human resource development (HR) is a series of activities designed to increase the knowledge, skills, competencies and capacities of employees in an organization. The main goal of HR development is to ensure that employees have the capabilities needed to achieve organizational goals, contribute effectively, and be able to compete in an ever-changing market (Resty Anggraini, 2023). The following are several important aspects in human resource development:

1. **Education and Training:** One of the core components of HR development is the provision of education and training to employees. This includes new learning, development of technical skills, introduction to new technology, and increased understanding of concepts or processes relevant to their work. Training can be done formally, such as courses or workshops, or informally, such as independent learning or on-the-job training.
2. **Leadership Development:** Human resource development also includes leadership development. Organizations need effective leaders to direct and motivate employees. Leadership can be developed through training programs, mentoring, or leadership assignment experiences.
3. **Interpersonal Skills Development:** Interpersonal skills, such as effective communication, cooperation, and conflict management, are important in the context of teamwork and interactions with coworkers, customers, and other parties involved. Human resource development may include training in these skills.



4. **Career Development:** Organizations can help employees develop their career paths through career development programs. This includes identifying career opportunities, setting career goals, and mentoring in achieving those goals.
5. **Special Skills Development:** Some jobs require special skills or certifications. Organizations can support employees in obtaining these certifications or skills by providing access to appropriate training programs.
6. **Organizational Culture Development:** Apart from individual development, HR development can also include changes in organizational culture. This may involve changing values, norms, or practices within the organization to create a more innovative, inclusive, or sustainability-focused environment.
7. **Evaluation and Feedback:** Human resource development also involves a process of evaluation and feedback on employee performance. This allows identification of strengths and weaknesses, as well as determining areas of necessary development.
8. **Performance Measurement and Management:** HR development also involves employee performance measurement and performance management. It helps organizations understand the extent to which employees achieve goals and ensure that their performance is up to the set standards.

Human resource development is an important investment for every organization because it helps create a productive, innovative and sustainable work environment. Employees who feel supported in their career development tend to be more dedicated, productive, and able to face ongoing changes.

Research Results and Discussion on Improving Employee Relations (Case Study: Pt. Indo Permata Biru)

Survey Results:

This research was conducted by collecting responses from 50 employees representing various departments at PT. FINJAYA NUSANTARA. The aim of the research is to identify the



impact of leadership, level of work motivation, and employee performance in the company. Here are the key findings from the survey:

Leadership Evaluation:

- **Transformational Leadership:** The average employee rating of transformational leadership is 4.1 (1-5 scale), indicating that the majority of employees view transformational leadership at this company as good.
- **Situational Leadership:** Situational leadership received an average rating of 3.8. This shows that there is room for improvement in this aspect.
- **Participative Leadership:** Participative leadership received an average rating of 4.3, indicating that employees tend to feel that their participation is valued.

Work motivation:

- The level of employee work motivation at PT. FINJAYA NUSANTARA received an average rating of 4.2 (scale 1-5). This shows that the majority of employees feel motivated in their work.

Employee performance:

- Employee performance received an average rating of 4.0. This shows that employees tend to feel that they have achieved the set performance targets.

Research result

This research aims to investigate the influence of transformational leadership on work motivation and employee performance at PT. FINJAYA NUSANTARA. In the framework of this research, a questionnaire survey was distributed to 50 employees from various departments in the company. The following are the main findings from this research:

The Influence of Transformational Leadership on Work Motivation:



The results of data analysis show that transformational leadership has a significant positive influence on employee work motivation at PT. FINJAYA NUSANTARA.

The regression coefficient between transformational leadership and work motivation is $\beta = 0.587$ ($p < 0.001$), indicating that the stronger the transformational leadership implemented, the higher the level of employee work motivation. **The Effect of Work Motivation on Employee Performance:**

Furthermore, the results of data analysis also reveal that work motivation has a significant positive influence on employee performance at PT. FINJAYA NUSANTARA. The regression coefficient between work motivation and employee performance is $\beta = 0.482$ ($p < 0.001$), which indicates that employees who are more motivated tend to have better performance.

Mediation of Work Motivation in the Relationship Between Transformational Leadership and Employee Performance:

The results of the mediation analysis show that work motivation acts as a mediator in the relationship between transformational leadership and employee performance. This indicates that strong transformational leadership not only increases work motivation but also indirectly influences employee performance through increasing work motivation.

CONCLUSION

Conclusion:

Based on this research, several important conclusions can be drawn regarding the influence of transformational leadership on work motivation and employee performance at PT. FINJAYA NUSANTARA:

1. Transformational Leadership Has a Positive Influence on Work Motivation: This research shows that transformational leadership has a significant positive influence on



employee work motivation at PT. FINJAYA NUSANTARA. Strong transformational leadership, which includes a clear vision, inspiration and example, encourages employees to be more motivated to carry out tasks and achieve goals.

2. **Work Motivation Affects Employee Performance:** The research results also show that work motivation has a significant positive influence on employee performance. More motivated employees tend to achieve better performance results, creating added value for the company.
3. **Work Motivation Acts as a Mediator:** This research found that work motivation acts as a mediator in the relationship between transformational leadership and employee performance. This confirms the importance of work motivation in bridging the influence of leaders and employee performance results.

Suggestion:

Based on the findings in this research, here are several suggestions that can be given to PT. FINJAYA NUSANTARA to improve employee performance:

1. **Strengthen Transformational Leadership:** Companies may consider increasing transformational leadership training and development among managers and top-level leaders. This can help in providing stronger guidance and inspiration for employees.
2. **Focus on Work Motivation:** PT. FINJAYA NUSANTARA can take steps to increase employee work motivation. This may include motivational programs, recognition of outstanding efforts, and the development of a more supportive work environment.
3. **Performance Monitoring and Routine Evaluation:** Companies can consider improving their performance monitoring and routine evaluation systems to identify employees who may need additional support in terms of motivation and performance. Regular feedback can help employees to improve their work results.
4. **Effective Communication:** Improving communication between management and employees is an important factor. Managers and leaders need to communicate clearly about the company's vision, goals and expectations, as well as provide constructive feedback to employees.
5. **Career Development:** Providing career development opportunities to employees can increase motivation and performance. PT. FINJAYA NUSANTARA can develop training and development programs that suit employee needs.



6. Regular Review: Companies need to conduct regular reviews of human resource management policies and practices to ensure that they support employee motivation and performance.

By implementing these suggestions, PT. FINJAYA NUSANTARA can strengthen employee performance and achieve company goals better. Leadership development, work motivation and employee performance are key steps in achieving long-term success.

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