
Transformational Leadership, Work Motivation and Employee Performance

Elsya Meida Arif¹, Ujang Permana², Irsan Herlandi Putra³,
Karyono⁴, Samuel PD Anantadjaya⁵

Abstract:

This research aims to examine the influence of Transformational Leadership (X1), Organizational Commitment (X2) and Work Motivation (X3) on Employee Performance (Y) at the Regional Drinking Water Company in City X, both partially and simultaneously. The sample was taken from 88 employees of the City X Regional Drinking Water Company, using a saturated sampling technique. Data collection uses a questionnaire while data analysis uses Multiple Linear Regression Analysis using the SPSS version 26 program. The test results prove that Transformational Leadership has a significant effect on Employee Performance partially, Organizational Commitment has a significant effect on Employee Performance partially. Motivation has a significant effect on employee performance partially, while simultaneously Transformational Leadership, Organizational Commitment and Work Motivation have a significant effect on employee performance with a large influence of 83.4%, the remaining 16.6% is influenced by other variables.

Keywords: Leadership, Organizational Commitment, Motivation, Performance

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1. Introduction

Organizations facing human resources problems can overcome them if their leaders exhibit a strong leadership model, characterized by effective communication and interaction with fellow leaders, subordinates, the organization, and the environment. An individual's experience significantly influences decision-making and organizational performance (Himawan & Akhiruddin, 2022). The success of a leader in motivating others to achieve predetermined goals hinges on their authority and ability to foster motivation among subordinates, colleagues, and superiors.

The transformational leadership model is a relatively recent addition to leadership studies (Mubarak & Darmanto, 2015). This model integrates concepts from character, style, and contingency approaches. Transformational

¹ Faculty of Economics, Universitas Borobudur, Indonesia. marif@borobudur.ac.id

² Universitas YPIB Majalengka, Indonesia. ujangpermana@gmail.com

³ Universitas YPIB Majalengka, Indonesia. irsanherlandiputra@gmail.com

⁴ Management Study Program, Universitas Pelita Bangsa, Indonesia. karyono.71@gmail.com

⁵ Sekolah Tinggi Manajemen IPMI, Jakarta, Indonesia. ethan.eryn@gmail.com

leadership, a crucial dimension of effective leadership, is also the strongest predictor of leadership outcomes such as subordinates' willingness to exert extra effort. It is believed to lead to superior organizational performance in contexts demanding renewal and change. Effective leadership in current organizations is indicated by four factors (Wijayanto, 2012): (a) Charisma, (b) Inspiration, (c) Intellectual Stimulation, and (d) Individual Consideration. These elements significantly impact a leader's performance within their role. Transformational leadership becomes apparent when a leader effectively instigates change. For instance, the X City Regional Drinking Water Company exhibits a pattern of transformational leadership (Mubarak & Darmanto, 2015). Field observations conducted in November-December 2022 reveal that leadership within this company fosters a comfortable working environment where employees feel valued and trusted. The leader actively engages with employees, offers solutions to challenges, and encourages improved performance (Humaidi et al., 2019).

Transformational leaders must effectively communicate and articulate the organization's vision, which requires subordinates to accept and recognize their leader's credibility. Additionally, leaders must elevate subordinates' needs to a higher level than their own. Transformational leadership has a transformative effect both at the organizational and individual levels. Besides effective leadership, organizational success also depends on high commitment levels within the organization (Azizah et al., 2019). Organizational commitment, defined as the extent to which employees identify with their organization, influences employees' work habits, tenure intentions, and work effort. Organizational commitment comprises (a) Affective Commitment, (b) Continuance Commitment, and (c) Normative Commitment (Fauzan et al., 2023).

High organizational commitment is vital for a company's success. For example, at the X City Regional Drinking Water Company, high employee commitment, evidenced by adherence to standard procedures, ensures timely completion of tasks (Dewi, 2013). Although some employees may engage in casual activities, this does not indicate a lack of responsibility but rather efficient task completion. Employee commitment fosters improved performance, whereas low commitment leads to reduced loyalty and underutilized potential (Rahmi & Mulyadi, 2018).

Employee motivation is crucial for organizational success and must be maintained, especially when motivation levels decline. Increasing motivation involves addressing both material and non-material needs, as well as providing

supportive work environments (Armansyah, 2020). Wibowo (2010) outlines seven methods to enhance motivation, including promotion, recognition, and responsibility. Motivation levels vary among employees; however, at the X City Regional Drinking Water Company, field observations in November-December 2022 indicate high motivation levels among employees, resulting in timely task completion and dedicated work efforts (Lestari et al., 2021).

To maintain productivity, companies must prioritize employee motivation. Improved motivation enhances employee satisfaction and performance, ultimately contributing to organizational success (Ramadhan & Nasution, 2020). Employee performance, measured against various parameters such as quality, quantity, and timeliness, reflects individual success within the organization (Fahmi & Iskandar, 2020). At the X City Regional Drinking Water Company, employees demonstrate good performance, completing tasks efficiently and in accordance with company standards (Hendrawan, 2019). This underscores the importance of ongoing training and development initiatives.

In conclusion, employee commitment, motivation, and performance are integral components of organizational success. Transformational leadership plays a pivotal role in fostering these attributes within an organization. Thus, the study hypotheses are as follows:

H.1: Transformational Leadership influences Employee Performance.

H.2: Organizational Commitment affects Employee Performance.

H.3: Work Motivation influences Employee Performance.

2. Methodology

In this study, the research approach used is a quantitative approach which can be interpreted as a research method based on the philosophy of positivism, used to research on certain populations or samples with sampling techniques in general can be classified, data collection using research instruments, data analysis is quantitative / statistical with the aim of testing predetermined hypotheses. (Sugiyono, 2017). The positivism philosophy views that reality / symptoms / phenomena can be clarified as relatively fixed, concrete, observable, measurable and causal symptom relationships. The research approach process that seeks to solve problems in depth on the basis of deductive thinking, namely by using an analysis that rests on general notions or facts which are then researched and the results can solve specific problems. (Sugiyono, 2017)

The type of research used in this study is explanatory, namely a study that highlights between variables and tests the hypothesis that has been formulated in the form of

causality (influence) which examines the effect (determinant) of one or more independent variables on one or more dependent variables. The data analysis technique used in research is Multiple Linear Regression analysis, where this analysis is used to determine how much influence changes in one variable have on other variables. In this study, variable X1 (Transformational Leadership), X2 (Organizational Commitment), X3 (Work Motivation) and variable Y (Employee Performance).

3. Empirical Findings/Result

Partial Hypothesis Test

Partial hypothesis testing is used to determine whether or not the influence of the Transformational Leadership (X1), Organizational Commitment (X2) and Work Motivation (X3) variables has an influence on Employee Performance (Y) at the X City Regional Drinking Water Company Office, namely by comparing the t value with the t table with a significance of 95% ($\alpha = 0.05$). If $t \text{ count} > t \text{ table}$ then H_0 is rejected and vice versa if $t \text{ count} < t \text{ table}$ then H_0 is accepted. The t test results can be seen in the following table.

Table 1. Results of the t-test

Model	Standardized Coefficients		
	Beta	t	Sig.
1 (Constant)		2.605	.011
Transformational Leadership	.811	4.263	.000
Organizational Commitment	.443	2.248	.027
Work Motivation	.619	3.917	.001

Based on the results of the calculation, the significance value of t for the independent variable is obtained, namely:

- The Transformational Leadership variable (X1) t value is 4.263 while the t table is 1.68892 with a significance of 0.000. Because the value of $t \text{ count} > t \text{ table}$ ($4.263 > 1.68892$) or $\text{sig } t < 5\%$ ($0.000 < 0.05$), then H_1 is accepted, meaning that there is a significant partial effect of the Transformational Leadership variable (X1) on Employee Performance (Y) at the X City Drinking Water Regional Company Office. The results of this study support research from previous researchers, namely research conducted by Anikmah (2008), Reza (2010), Baihaqi (2010), Thamrin (2012), Atmojo (2012), Putra & Indrawati (2015).
- The Organizational Commitment variable (X2) t value is 2.248 while the t table is 1.68892 with a significance of 0.027. Because the value of $t \text{ count} > t \text{ table}$ ($2.248 > 1.68892$) or $\text{sig } t < 5\%$ ($0.027 < 0.05$), then H_2 is accepted, meaning that there is a partially significant effect of the Organizational Commitment variable (X2) on Employee Performance (Y) at the X City Drinking Water Regional Company Office. The results of this study support the research of previous researchers, namely research conducted by Baihaqi (2010), Thamrin (2012), Atmojo (2012).

- c. The Work Motivation variable (X3) t value is 3.917 while the t table is 1.68892 with a significance of 0.001. Because the value of t count > t table (3.917 > 1.68892) or sig t < 5% (0.001 < 0.05), then H3 is accepted, meaning that there is a partially significant effect of the Work Motivation variable (X2) on Employee Performance (Y) at the X City Regional Water Supply Company (PDAM) Office. The results of this study support research from previous researchers, namely research conducted by Reza (2010), Anikmah (2008), Putra & Indrawati (2015), Tumiliar (2015).

Simultaneous Hypothesis Test

Hypothesis testing is simultaneously used for all independent variables Transformational Leadership (X1), Organizational Commitment (X2) and Work Motivation (X3) together (simultaneously) affect the dependent variable Employee Performance (Y) at the Office of the Regional Drinking Water Company.

Table 2. ANOVA F test results

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	242.982	3	80.994	21.927	.000b
1 Residuals	264.496	63	42.024		
Total	289.478	66			

Dependent Variable: Employee Performance

Based on the results of the calculation, the significance value of F (0.000) < significance α (0.05), namely (0.000 < 0.05) or by comparing F count with F table. From the calculation results obtained the value of F count > F table (21.927 > 2.75). Based on these calculations, the decision is H4 accepted, which means that it can be statistically proven that all independent variables consisting of Transformational Leadership (X1), Organizational Commitment (X2) and Work Motivation (X3) together (simultaneously) affect Employee Performance (Y).

The coefficient of determination (R²) essentially measures how far the model's ability to explain the variation in the independent variable. The coefficient of determination is between zero and one. The coefficient of determination can be seen in the following table

Table 3. Coefficient of determination Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.590a	.834	.810	6.483

Predictors: Work Motivation, Transformational Leadership, Organizational Commitment
Dependent Variable: Employee Performance

Based on the results of calculations using the SPSS 23.00 program in the table above, it can be seen that the coefficient of determination (R Square) obtained is 0.884. This means that 88.4% of Employee Performance (Y) can be explained by the variables of Transformational Leadership (X1), Organizational Commitment (X2) and Work Motivation (X3), while the remaining 11.6% of Employee Performance (Y) is

influenced by other variables not examined in this study such as: Work Discipline, Compensation, Career Path, Work Environment and so on.

4. Discussion

The results of the partial hypothesis test for the X City Regional Drinking Water Company Office align with previous research, validating the significance of Transformational Leadership, Organizational Commitment, and Work Motivation in influencing Employee Performance. Firstly, the significant influence of Transformational Leadership on Employee Performance echoes findings from prior studies conducted by Anikmah (2008), Reza (2010), Baihaqi (2010), Thamrin (2012), Atmojo (2012), and Putra & Indrawati (2015). This consistency reinforces the notion that effective leadership, characterized by inspiration and motivation, plays a pivotal role in driving employee engagement and productivity.

Secondly, while the effect of Organizational Commitment on Employee Performance was found to be partially significant, it is noteworthy that previous research by Baihaqi (2010), Thamrin (2012), and Atmojo (2012) also highlighted a similar relationship. This consistency underscores the importance of fostering a sense of belonging and alignment with organizational goals to enhance employee performance.

Similarly, the partially significant effect of Work Motivation on Employee Performance resonates with findings from Reza (2010), Anikmah (2008), Putra & Indrawati (2015), and Tumiliar (2015). This reaffirms the notion that motivating employees through intrinsic and extrinsic factors can positively impact their performance and job satisfaction.

Furthermore, the simultaneous hypothesis test corroborates these individual findings by demonstrating that collectively, Transformational Leadership, Organizational Commitment, and Work Motivation significantly influence Employee Performance. This aligns with the holistic approach advocated by previous researchers, emphasizing the importance of considering multiple factors in driving organizational effectiveness.

In summary, the consistency between the current study's findings and previous research underscores the relevance and validity of the results. These findings provide valuable insights for organizational leaders seeking to optimize employee performance and organizational outcomes at the X City Regional Drinking Water Company Office.

5. Conclusions

The findings of this study provide compelling evidence regarding the significant partial effects of key variables on Employee Performance at the X City Drinking Water Regional Company. Firstly, Transformational Leadership demonstrates a substantial impact on Employee Performance, accounting for 83.4% of the variance.

This effect falls within the very strong category, highlighting the pivotal role of inspiring and motivating leadership in driving employee engagement and productivity. Secondly, Organizational Commitment emerges as another significant factor, contributing to 44.3% of the variance in Employee Performance. While this effect is categorized as fairly strong, it underscores the importance of fostering a sense of dedication and alignment with organizational goals among employees. Thirdly, Work Motivation exerts a significant partial effect on Employee Performance, explaining 65% of the variance. This strong influence underscores the significance of motivating employees through intrinsic and extrinsic factors to enhance their performance and job satisfaction. Moreover, the simultaneous analysis reveals that Transformational Leadership, Organizational Commitment, and Work Motivation collectively influence Employee Performance by 83.4%, falling within the very strong category. However, it is crucial to acknowledge that 16.6% of the variance remains unexplained, suggesting the presence of other variables not considered in this research model. These findings underscore the multifaceted nature of factors influencing Employee Performance and emphasize the importance of adopting a comprehensive approach to enhance organizational effectiveness and employee outcomes at the X City Drinking Water Regional Company.

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