

## **Investigating the Role of Transformational Leadership Style, Work Motivation, Organizational Culture in Improving Employee Performance**



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**ABSTRACT:** This study aims to determine how employee performance is influenced by transformational leadership style, work motivation, and organizational culture. in the Surakarta City urban village office. This research was conducted through a quantitative approach using a random sample, involving 108 respondents out of 540 existing workers. Data were analyzed using a reflective measurement model with SmartPLS 4.0. The research shows that employee performance is positively and significantly influenced by organizational culture and transformational leadership style. In contrast, employee performance does not affect work motivation. Based on these findings, it is important for government agencies to implement a transformational leadership style that encourages employees to be more productive, as well as build a conducive organizational culture. In addition, strategies to increase work motivation should be more focused so that it can have a positive impact on employee performance.

**KEYWORDS:** Transformational leadership, work motivation, organizational culture, employee performance

### **I. INTRODUCTION**

As human resources, bureaucrats play an important role in running the government and ensuring that the organization survives. If human resources have good morale, discipline, loyalty, and productivity, then the organization can develop well. People are very important to an organization because they are dominant and actively participate in all its operations, including planning, acting, and establishing the achievement of organizational goals, so it can be said that if human resources are of high quality, organizational goals can be achieved.

Job performance, defined as working effectively and achieving goals, is highly influential in promoting and triggering innovative behavior of individuals and organizations (KHATANI, 2024). Human resources can experience performance problems at various levels, such as individual, team, and organization. At the individual level, performance problems occur when employees do not complete tasks on time and properly. At the time level, performance problems occur when tasks are completed well because interpersonal interactions do not support team performance.

Employee performance is very important for organizational operations. Therefore, leaders of government agencies must have the ability to improve the performance of their employees. Training and education is one of the many methods to improve employee performance, from providing to rewarding employee performance. But theoretically, the style of employee leaders also affects employee performance, their motivation to work, and the organizational culture implemented by top management. Transformational leaders inspire their subordinates and have the ability to change the views, beliefs, and goals of individual parties to achieve goals, and go beyond the personal interests of their subordinates, tl is defined as a leader who seeks to improve the attitudes, beliefs, values, behaviors, emotions, and needs of his subordinates in the future (IDRIS ET AL., 2022).

The transformational leadership style also requires encouragement to increase work motivation to improve employee performance. Companies must look at this employee motivation because it relates to how they will work to complete the assigned tasks. Affective generation and reaction to achieve goals is known as motivation. This is the same as the study SABTONI(2023) which found that work motivation has an impact on worker performance.

With motivated employees, it will be easier for the company to achieve its goals because they will work enthusiastically without supervision or supervision from superiors. Whether there is a correlation between the desire to work and the performance of employees is the focus of this study. In an agency there is also an organizational culture in the kelurahan office

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in Surakarta, where indeed the existence of an organizational culture is strongly influenced by the values it embraces, affecting employee performance and leadership style. (Iskamto, 2023) A good organizational culture can help employees work better together, reduce conflict, and make the workplace more inclusive. Through a strong organizational culture, companies can inspire employees to adopt high performance standards, innovation, and customer orientation, which in turn can increase the company's competitive advantage.

## **II. LITERATURE REVIEW**

### **Employee Performance**

The abilities, skills, and results reported by workers in carrying out their responsibilities and duties are known as employee performance. This can be measured by the achievement of goals, productivity, and quality of work of an organization or group. (Hermina & Yosepha, 2019) Employee performance is what an employee does when they perform the tasks assigned by the company. Employee performance is work performance or work results, both quality and quantity, achieved by an employee during a certain period of time in carrying out the job duties assigned to him (Rifai & Susanti, 2021). Performance is what an employee can do, either individually, or in one of the commercial companies, in an ordinary commercial company in accordance with the terms and conditions of the rules set by the commercial company, to obtain the vision, mission, and goals in the agency.

### **Transformational Leader Style**

The type of leadership known as transformational inspires followers to have an extraordinary impact and sacrifice their own self-interest. Since the core of transformational leadership is its emphasis on human development, according to Diyanah et al., (2024) Leaders use an opinion-based leadership style to teach their employees how to do the work assigned to them, "leadership style is a pattern of behavior (words and actions) by which a leader's actions can be perceived by others". A leader has the power to influence his group members in a certain way. Subordinates trust, admire, and are loyal to their superiors, who encourage them to do something beyond their abilities and extraordinary. (Lukman, 2021) In addition, he states that building closer relationships between leaders and subordinates is part of transformational leadership, which focuses on trust and commitment rather than just work agreements. In principle, transformational leadership encourages subordinates to improve on their past performance. Leaders give their power to groups who collaborate to achieve goals. The more ethical tone of leadership is given by the emphasis on common goals because of the importance of working together with followers to achieve certain goals (Andriani et al., 2018).

### **Work Motivation**

Motivation is the impetus that drives a person to do what they do, with intention or in accordance with their responsibilities. Motivation helps employees strive to reach the top of a good organization. For more information, see the definition of motivation according to experts. According to Rianty & Us, (2019), defines motivation as a person's inner feelings associated with certain behaviors. The internal conditions and forces that drive a person to act are called motivation. What is considered important as motivation for a particular person or group may not be important for others. In other words, a person's environment and their motivation matter (Azar & Shafiqhi, 2013). It can be said that motivation will have a significant impact on business growth and expansion. Enforcing work discipline is one of the many variables that have the ability to improve work performance, because the success of an organization can be measured by the various activities carried out by an individual employee to remain orderly.

### **Organization Culture**

Organizational culture is strategically important to improve and encourage organizational performance, especially employee performance. Organizations can use culture as a tool to set their goals, organize resource allocation, and deal with problems and opportunities in their environment. The values, values, beliefs, and practices that shape a company's operating system are reflected in the corporate culture. A good organizational culture provides clear direction, motivates employees, and influences their decisions and actions (Iskamto, 2023). A strong organizational culture is expected to help employees form attitudes and behaviors that maximize performance to improve the quality of performance (Yeti Kuswati, 2023). Organizational culture consists of various important insights such as norms, values, attitudes, and beliefs, as well as how employees understand its characteristics, not whether they like it. In other words, culture is a descriptive term.

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## Research Framework

Figure 1. provides an explanation of how the independent and dependent variables in this study interact with each other. Independent variables that affect transformational leadership style, work motivation, and other components that impact employee performance and organizational culture are some examples of this research.

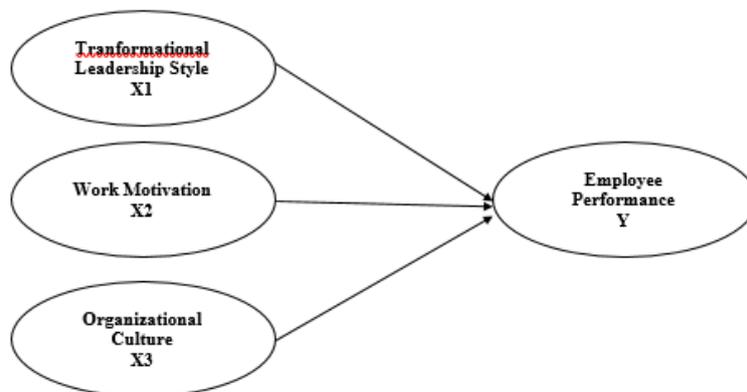


Figure 1. Research Conceptual Framework

## RESEARCH HYPOTHESIS

### The effect of transformational leadership style on employee performance

Various types of research related to leadership styles have been carried out to reconstruct the achievement of maximum performance. Based on (ALAM ET AL., 2021), there are various leadership styles that affect the performance of staff members at the national, political, and community protection agency of Kediri regency, including directive, supportive, participative, and delegative leadership styles. Employees can also realize good work performance and increased satisfaction for the company and will be obedient to all company regulations, the company's success target will increase if a leader uses a transformational leadership style. Therefore, the need for this transformational leadership style affects employee performance in the company because this will affect the high performance of employees, because employees are confident that they will achieve the best goals. Supporting research that shows and proves that there is a relationship between employee performance and a positive and significant transformational leadership style. (TAMIMI & SOPIAH, 2022) positive influence means that leadership style has a unidirectional correlation with employee performance. If the leadership style increases or weakens, employee performance also increases, and vice versa. When the influence can be said to be significant or meaningful, it is significant.

H1: Employee performance increased significantly in transformational leadership style.

### The effect of work motivation on employee performance

The desire to work and the drive to do so is known as work motivation. Motivation moves humans to display behavior towards achieving certain goals (Sulila, 2024), if there is a beautiful motivation, every employee who does his job will be interested and happy doing his job. This will increase their enthusiasm and passion for work, which in turn results in increased productivity. Motivated employees will try their best to complete the tasks assigned to them, so that their work will increase. Individuals who are very passionate about work will have no difficulty in doing their job. He will do his best to produce good results. Good motivation can greatly affect the growth and development of a business. Compliance with work discipline is one of the many parts that can improve performance. because the progress of an organization can be measured by the discipline of its employees. Because discipline will ensure the maintenance of order in the company. According to research conducted at the ormuud company in Mogadishu Somalia (Rahim et al., 2024), work motivation has a positive and large impact on employee performance.

H2: work motivation affects employee performance

## THE ROLE OF ORGANIZATIONAL CULTURE ON EMPLOYEE PERFORMANCE

Organizational culture is basically related to employee performance. Therefore, performance is highly dependent on organizational culture. The organization's understanding of cultural sustainability will encourage the company to improve its performance in the long term (Neyazi et al., 2020). As a result, new members must be taught how to understand, think, and feel about the problems they face. Organizational culture affects how employees perceive the cultural characteristics of the

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organization, not whether staff members like it. Organizational culture is how an organization learns to interact with its environment and is a combination of ideas, practices, stories, myths, concepts. SET is used to support the relationship between OC and EP, where if employees of an organization are offered a fair culture, then employees will feel satisfied and reciprocate by putting more effort into their work to achieve positive results that will improve organizational performance.

H3: Organizational culture has a significant effect on employee performance.

### III. RESEARCH METHOD

The researcher used an approach to collect data for this study is a quantitative method, which is the researcher's effort to gain knowledge by describing numerical data. The data that can be described comes from surveys made by researchers. Basically, this study involved 540 workers, with a sample size of 108 data obtained using Hair's formula. This study utilized the population of kelurahan workers in Surakarta City. For this study, the sampling technique was as follows: randomly selected from the population, sampling time during working hours or every Monday to Friday for 1 month and located at the urban village office in Surakarta City.

### IV. RESULTS AND DISCUSSION

#### RESPONDENT DESCRIPTION

Of the 108 respondents in the urban village office in the city, there were 48.1% male employees as many as 52 people and 51.9% female employees as many as 56 people. The results showed that the percentage of age for 20-25 years old was 5.6% as many as 6 people, 26-30 years old was 18.5% as many as 20 people, 31-35 years old was 10.2% as many as 11 people, 36-40 years old was 14.8% as many as 16 people, 41 - 45 years old was 8% as many as 16 people, people aged 46 - 50 years were 12.0% as many as 13 people, people aged 51 - 55 years were 16.7% as many as 18 people and for people aged 56 - 60 years were 7.4% as many as 8 people. Thus, employees aged 26-30 years are more dominant in age characteristics. Respondents who have an upper secondary education level or professional undergraduate education level are 31.5% as many as 34 people, D3 8.3% as many as 9 people, and Bachelor 60.2% as many as 65 people. In conclusion, the highest percentage of the last type of education in the Kelurahan Office in Surakarta Madya City is Bachelor's education.

#### Outer Model Evaluation

In general, the theory in measurement can be used to see the latent variables / research items being measured. Directly, the purpose of model testing ensures that the measurement or outer model is for the validity and reliability of the research model components.

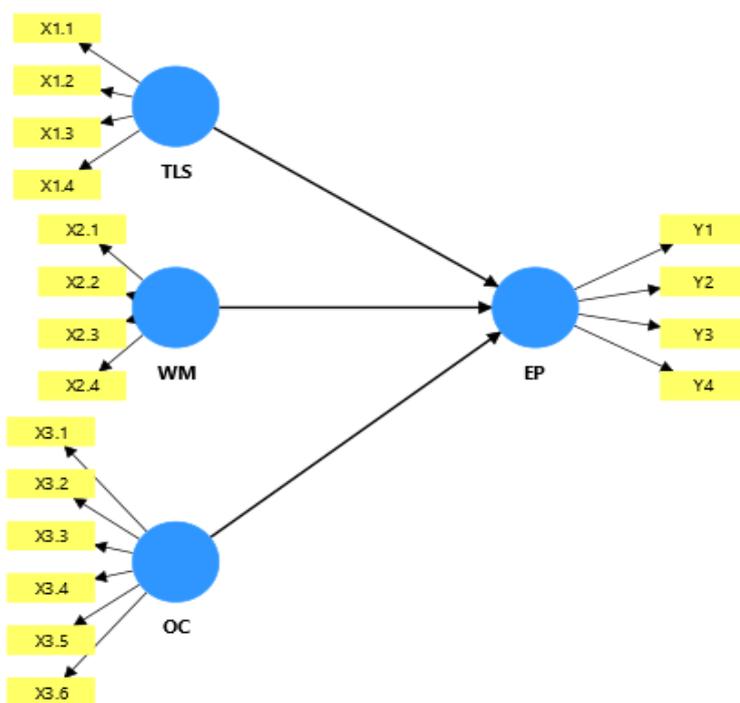


Figure 2. Convergen Validity Value  
Source: Processed data, SmartPLS4.0

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**Table 1. Validity and Reliability Test Results**

Variable	Indicator	Loading factor	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)	Remark
Transformational Leadership Style	TLS 1	0.862	0.911	0.914	0.790	Valid
	TLS 2	0.919				
	TLS 3	0.928				
	TLS 4	0.843				
Work Motivation	WM 1	0.902	0.834	0.849	0.671	Valid
	WM 2	0.778				
	WM 3	0.850				
	WM 4	0.735				
Organizational Culture	OC 1	0.839	0.913	0.914	0.698	Valid
	OC 2	0.786				
	OC 3	0.870				
	OC 4	0.911				
	OC 5	0.832				
	OC 6	0.766				
Employee Performance	EP 1	0.887	0.898	0.901	0.766	Valid
	EP 2	0.905				
	EP 3	0.890				
	EP 4	0.817				

Source: Processed data, SmartPLS4.0

The measurement model of this study was implemented using a reflective approach. The Cronbach's Alpha, Composite Reliability, and Average Extracted Variance (AVE) values of each item are presented. Convergent validity is the principle behind the Outer Model construct validity test: the items of a construct/variable must be highly correlated, so the indicators are assessed based on factor loadings, and the AVE gets a standard value of more than 0.7 and 0.5 respectively. Based on the above values, the AVE value for employee performance is 0.766, the value for corporate culture is 0.698, the value for work motivation is 0.671, and the value for transformational leadership style is 0.790, thus indicating that each indicator, namely employee performance, organizational culture, work motivation, and transformational leadership style, is proven to be sufficient to explain each of its latent variables. The results of the table above show the composite reliability value for employee performance of 0.898; organizational culture 0.913; work motivation 0.834; transformational leadership style 0.911. Of all latents obtained Cronbach's alpha of 0.60 so that it can be stated that all factors have good reliability for measuring instruments.

### Evaluation of Inner Model

To measure the change between the combination of the independent variable and the dependent variable, the R-Square value is used. To find out this, R Square testing was carried out using the SmartPLS4.0 application program, as shown in the following table that R Square was obtained with the results:

**Table 2. R Square Value**

	R- Square	R-square adjusted
EP	0.741	0.733

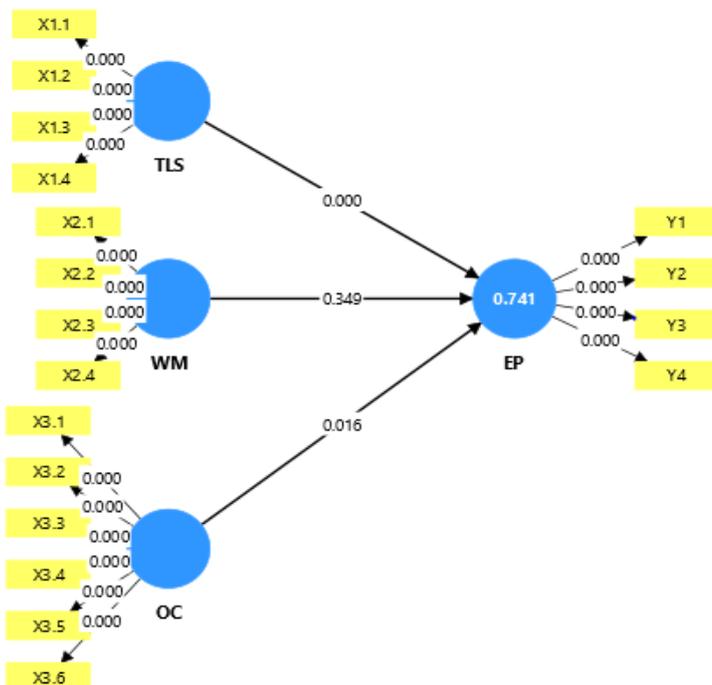
Source: Processed data, SmartPLS4.0

From the results above, we can know that, with an r-squared value of 0.741, the variables that influence dependent variable and the independent variable account for 74.1% of changes that occur in the dependent variable, meaning that the model is substantial (good), and other variables affect 25.9% of the variation.

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## Hypothesis Testing Results

To find out if the variable is significant or insignificant. Research results processing with the SmartPLS4.0 program show the following figure and table show the results of hypothesis testing the path coefficient:



**Figure 3. Diagram Both Strapping**  
Source: Processed data, SmartPLS4.0

**Table 3. Direct Influence Test Results**

	Original sampel [O]	Sampel mean [M]	Standard deviation [STDEV]	T statistics [  O/STDEV   ]	P values
CO -> EP	0.388	0.400	0.162	2.401	0.016
TLS -> EP	0.401	0.390	0.111	3.001	0.000
WM -> EP	0.118	0.121	0.126	0.937	0.349

Source: Processed data, SmartPLS4.0

Employee performance at the Surakarta City urban village office is strongly influenced by corporate culture, with a coefficient of 0.388 and probability values (p-values) of 0.016 < 0.05. With a coefficient of 0.401 and probability values (p-values) of 0.00-0.05, Employees at the Surakarta City urban village office are strongly influenced by the transformational leadership style. Transformational management has major impact on employees' work. productivity in the Surakarta City urban village office, with a coefficient of 0.401 and a probability value of 0.00-0.05.

### The Effect of Transformational Leadership Style On Employee Performance

This research confirms that organizational culture is positively correlated with employee performance. The initial sample value (O) yields 0.388, or 38.8%, and the t-statistic value is 2.401, or 1.98. It can be shown that hypothesis 1 is supported and there is a positive relationship. In terms of correlation significance, the probability (p-values) of 0.010 < 0.05 indicates that workplace culture strongly influences employee performance. Workplace culture strongly influences employee performance, with a probability (p-value) of 0.010 < 0.05 in terms of correlation significance correlation (Neyazi et al., 2020).

### The effect of work motivation on employee performance

As shown by the transformational leadership style, according to this study, has a positive value with employee performance. The result of the original sample (O) value is 0.401 or 40.1% and the calculated t value is 3.601 > t table (1.98). This shows that hypothesis 2 is supported and there is a positive relationship. In terms of correlation significance, workplace culture affects

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employee performance significantly, according to the probability (p-value) of  $0.000 < 0.05$ . Thus, transformational leadership style can effectively improve employee performance due to a supportive organizational culture that meets the standards. This study follows the research conducted by (Tamimi & Sopiah, 2022).

### The Role Of Organizational Culture On Employee Performance

In this study, it can be proven empirically that there is a negative correlation between work motivation and worker performance. The result of the original sample (O) value is 0.118 or 11.8% and the t-statistic value is  $0.937 < t\text{-table} (1.98)$ . This shows that hypothesis 3 is supported and there is a negative relationship. Regarding the significance of the correlation, according to the probability value (p-values)  $0.349 > 0.05$  Work motivation has little impact on employee performance. Work Motivation cannot improve employee performance because it does not support and does not meet the standards. This study follows research conducted by (Gandung, 2024)

## CONCLUSIONS

The study found that workers in Surakarta urban village offices who worked with transformational leadership styles performed better, but they did not have higher work motivation, and their organizational culture was better. From the results of this study, a few suggestions for urban village offices in Surakarta city need to apply transformational leadership styles. The leader of the urban village office or agency should be able to maintain a strong sense of confidence and increase the provision of praise to employees who have done a good job, because this will make employees feel satisfied. In realizing work motivation, the Kelurahan Office needs to increase the awareness of each leader or head of the field in appreciating the performance of its employees. Because with the existence of an award that can be obtained in an employee, it can improve performance in teamwork and independently and can improve services in the village office With the maintenance of employee welfare in being motivated, employee performance will be able to increase. If work motivation decreases, services to citizens can be less effective. By understanding the needs and preferences of employees and how they view their work, the Kantor Kelurahan can continue to provide opportunities for employees to learn new and useful things so that they can reach their potential.

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