

The Influence of Transformational Leadership Style and Work Motivation on Employee Performance at Ace Hardware Balubur Town Square

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DOI: <https://doi.org/10.56457/jimk.v12i2.643>

Received: November 05, 2024

Accepted: December 01, 2024

Published: December 04, 2024

ABSTRACT

This study aims to examine the influence of transformational leadership style and motivation on employee performance. The research employs a quantitative approach with data collection conducted through questionnaires. The population of the study consists of employees of Ace Hardware at Balubur Town Square. The sampling technique used is non-probability sampling with a saturated sampling method. Data analysis is performed using multiple regression analysis. Partial hypothesis testing results indicate that transformational leadership style has a negative and significant influence on employee performance, while motivation has a positive and significant influence on employee performance. Simultaneous hypothesis testing shows that both transformational leadership style and motivation have a significant influence on employee performance together.

Keywords: Transformational Leadership Style, Performance, Motivation.

INTRODUCTION

Employee performance is the cornerstone of a company's success. The ability of a company to achieve its goals, vision, and mission heavily depends on the performance levels of its employees. An organization filled with high-performing employees tends to achieve its objectives more easily, while low performance can significantly hinder the attainment of company targets. Therefore, efforts to enhance and optimize employee performance are essential for the company to operate efficiently and achieve the desired level of success. Employee performance is not merely about producing output or individual achievements; it also has a broad impact on the overall progress of the company. The success in implementing programs, policies, and strategies designed by the company's leadership heavily relies on the extent to which employees can maximize their potential and contribute.

Transformational leadership style and work motivation are the main variables in this study, believed to significantly impact performance. Leadership that builds a shared vision and inspires employees, combined with high work motivation, is believed to create a productive environment that supports the achievement of organizational goals. Leadership plays a crucial role in improving performance. Good leadership fosters trust and loyalty among employees towards their managers, which has a positive motivational effect on improving internal performance. Transformational leadership is

particularly important in achieving employee performance. Effective leadership enables employees to feel encouraged to take full responsibility and positively contribute to the organization according to its goals, vision, and mission (Rio Martha et al., 2020). Research by Ovianti & Fadli (2022) indicates that leadership positively affects performance, while Sugiono & Rachmawati (2019) assert that leadership has a significant influence on the performance of PT Semen Padang. Aji et al. (2021) also found similar results, stating that leadership significantly influences performance.

Another factor affecting performance is motivation. Motivation is the process by which individuals meet their various needs by directing their energy and potential to perform tasks productively and diligently, aligned with desired goals (Arianto & Kurniawan, 2020). Work motivation plays a vital role in achieving performance. High motivation can drive an employee to perform their job well (Miskiani & Bagia, 2020). Other research by Piliang et al. (2022) indicates that motivation significantly affects the performance of employees at the Balai Pelaksanaan Jalan Nasional IV Jambi. Khasanah et al. (2021) also found that motivation significantly affects the performance of the Dinas Perindustrian dan Perdagangan Kabupaten Kebumen, and similar findings were reported by Hasana & Helmi (2023), showing that motivation positively influences performance.



Based on the above explanation, there are many factors that can improve performance (Y), including transformational leadership (X1) and motivation (X2), which will be tested simultaneously and partially at Ace Hardware Balubur Town Square. According to Sanjaya (2018), transformational leadership describes someone who can respond to the problems faced by team members and understand the individual growth needs of each member by encouraging and motivating them to achieve common goals. Armansyah et al. (2020) define transformational leadership as fostering feelings of trust and loyalty among followers towards their leader.

According to Maslow as explained by Runa (2020), motivation is the drive that energizes an individual, encouraging them to work together, perform effectively, and engage fully in their efforts to achieve job satisfaction. Siagian (2015), as cited by Fransiska & Tupti (2020), describes employee motivation as the drive that encourages organization members to voluntarily direct their abilities, skills, and competencies, as well as allocate time and effort to perform various tasks and responsibilities.

According to Mangkunegara (2017:67), the concept of "performance" refers to job performance or actual performance and human resources. Performance is defined as the result of an employee's work, encompassing both quantity and quality, when carrying out work based on existing responsibilities and regulations. Afandi (2021:86-87) mentions that performance is influenced by various factors, such as task acceptance, interest, willingness, and ability, as well as factors like competence, facilities, culture, leadership, and discipline.

Research by Putra & Surya (2020) and Djuraiddi et al. (2020) reveals that leadership has a significant impact on individual performance. This is consistent with findings by Murali & Aggarwal (2020), which state that leadership consistently has a significant and positive impact on employee performance. Recognized as one of the most effective leadership approaches, this style has been adopted by leaders worldwide. Leaders using transformational leadership can motivate and inspire subordinates by explaining visions and building effective communication, thus improving team performance. Besides being leaders, they act as advisors and mentors for their team members. Therefore, transformational leadership has proven effective in bringing about positive changes and enhancing both individual and team performance.

According to Piliang et al. (2022), motivation significantly influences employee performance. One way to improve performance is through motivation, as

effective leadership guidance can boost work morale. High work morale encourages individuals to perform their jobs better, thus increasing their performance within the company. Research by Hendri (2023) also supports this finding, indicating that motivation positively affects performance. Effective leaders always boost their team's morale through various efforts, such as providing overtime pay and incentives as work motivation. Therefore, it can be concluded that good motivation has a positive impact on performance.

METHODS

The researcher adopts a quantitative approach with a focus on descriptive research. This quantitative approach is used to demonstrate the relationships between variables within the sample and population studied. The sample is taken using a random sampling technique, ensuring broader representation of the population. Data collection is conducted through the distribution of questionnaires between March and May 2024. Data analysis is performed statistically to test the formulated hypotheses, following the methodology outlined by Sugiyono (2018).

The target audience for this study consists solely of the employees of Ace Hardware Balubur Town Square, totaling 40 individuals. Sugiyono (2020: 127) defines a sample as a part of the population and its characteristics. This study employs a saturated sampling method. According to Sugiyono (2020: 133), a saturated sample is one whose representativeness does not increase with a larger sample size and does not affect the value of the information obtained. This means that all employees will participate in this study.

The data for this research is collected through surveys using the Google Forms platform. The measurement process involves assessing respondents' opinions using a Likert scale, with ratings ranging from 1 to 5, or from "strongly disagree" to "strongly agree." Following the methodology described by Ghozali (2016), each respondent's answer is rated on a sliding scale. The lowest score is 1 for "strongly disagree," and the highest score is 5 for "strongly agree."

Multiple regression analysis is used to determine the relationship between performance (Y) and independent variables such as transformational leadership style (X1) and motivation (X2). The multiple regression model is expressed by the equation:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2$$

Where:

Y = Performance

α = Constant

β = Coefficient for transformational leadership style
 β_2 = Coefficient for motivation

X1 = Transformational leadership style
 X2 = Motivation

RESULT AND DISCUSSION

Validity Test

Table 1. Validity Test

Variable	Score	Criteria	Decision
GKT	0,576 - 0,927	>0,300	Valid
MK	0,359 - 0,660	>0,300	Valid
KK	0,299 - 0,803	>0,300	Valid

Source: Pengolahan Data (2024)

The values obtained for each variable exceeding 0.300 indicate that all variables meet the specified validity criteria. This suggests that all

indicators used can be considered valid and reliable measurement tools in the research.

Reliability Test

Table 2. Reliability Test

Variable	Score	Criteria	Decision
GKT	0,787	>0,600	Reliable
MK	0,706	>0,600	Reliable
KK	0,745	>0,600	Reliable

Source: Pengolahan Data (2024)

Table 2 shows that all variables such as transformational leadership, work motivation, and employee performance meet the reliability test requirements with values greater than 0.600.

Therefore, all research instruments can be considered reliable for use as measurement instruments in this study.

Simultaneous Test

Table 3. Results of Simultaneous Test (F Test)

Hypothesis	Description	F	Sig.	Decision
H3	GKT+MK→KK	12,397	0,000	Significant

Source: Pengolahan Data (2024)

The results of the simultaneous test indicate that the significance value is $0.000 < 0$. This result simultaneously states that transformational leadership

and work motivation significantly influence the performance of employees at Ace Hardware Balubur Town Square, meaning hypothesis 3 is proven.

Partial Test

Table 4. Results of Partial Test (t-Test)

Hypothesis	Description	Coefisien	S.E.	t	P	Decision
H ₁	GKT → KK	-0,3280	0,0860	-0,3820	0,000	Significant
H ₂	MK → KK	0,669	0,166	4,301	0,000	Significant

Source: Pengolahan Data (2024)



In Table 4, it can be observed that the research hypothesis 1, transformational leadership, has a significant negative effect on the performance of employees at Ace Hardware Balubur Town Square. With a significance value of $0.000 < 0.05$ and a calculated t value of $-0.328 > -0.206$. This indicates that the hypothesis that transformational leadership has a positive and significant effect on performance is

not supported. Research hypothesis 2, motivation has a positive and significant effect on employee performance at Ace Hardware Balubur Town Square, as seen in the significance value of $0.000 < 0.05$ and a t value of $4.301 > -0.206$. This indicates that the hypothesis that motivation has a positive and significant effect on performance improvement is confirmed.

Coefficient of Determination

Table 5. Coefficient of Determination Result

Model	R	R Square	Adj. R Square	Std. Error of the Estimate
1	0,633	0,401	0,369	3,403

Source: Pengolahan Data (2024)

Based on Table 5, it is known that the R Square value is 0.401. The result of the coefficient of determination indicates that the simultaneous influence of variables X1 and X2 on variable Y is 40.1%, with the remaining 59.9% influenced by other factors not examined in this study. Meanwhile, the adjusted R-square value of 0.369 signifies that the ability of independent variables to influence the dependent variable is 36.9%.

CONCLUSION

According to the results of hypothesis testing 1, the variable of transformational leadership has a negative and significant impact on performance. This is reflected in the low scores on several key questions in the questionnaire, such as "My supervisor is able to find new solutions to employee problems", "The leader appreciates me when I perform tasks well", and "The leader accepts input or ideas from me". This indicates that although this leadership aims to inspire and motivate, in the context of this study, it actually leads to a decrease in employee performance. Meanwhile, motivation has a significant and positive impact on performance. This indicates that the higher an employee's motivation, the better their performance. Effective motivation can increase enthusiasm and productivity. This finding is consistent with research (Rahayu et al., 2023) which states that motivation has a significant and positive impact on performance. However, transformational leadership and motivation together have a significant impact on performance. Therefore, these two independent variables together can influence overall performance, even

though the direction of their influence is different. If resources are limited to improve employee performance, the company should prioritize increasing motivation. High levels of motivation will facilitate efforts to improve performance.

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