EMPLOYEE PERFORMANCE AND WORK MOTIVATION MODELS: TRANSFORMATIONAL LEADERSHIP AND WORK ENVIRONMENT

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Abstract

This study aims to uncover the influence of transformational leadership and the work environment on employee performance with work motivation as an intervening variable. The research was conducted at PT Abisiat Raya. The study population is 90 employees who work at PT Abisiat Raya. This study uses a saturated sample technique where the total population is less than 100 people and will be taken from the entire population. The number of samples is taken as a whole. Structural equation modeling (SEM) with a partial least square (PLS) approach is applied as a data analysis method. The study's results revealed that transformational leadership affects work motivation but cannot affect employee performance. The work environment does not affect work motivation or employee performance. And work motivation is known to affect employee performance. And there is an indirect influence between transformational leadership on employee performance through work motivation as an intervening variable. This research provides input to PT Abisiat Raya to improve the performance of its employees by improving transformational leadership and the work environment without neglecting the importance of motivation work.

Keywords: Employee, Performance, WMM, Leadership, Environment

INTRODUCTION

In this era of increasingly rapid globalization, every company must be able to improve its quality in order to remain competitive in today's environment. The most fundamental aspect of organizational excellence is its human resources. Without human resources, businesses cannot function; Thus, if a company wants to thrive in today's complicated business environment, it must have resources capable of keeping up with the times. (Mely Cahyani &; Utama, 2019). In order for a business or organization, whether public or private, to achieve its goals, it must be led by a group of individuals who play an active role as players in the efforts of the company or organization to achieve its goals (Sari, 2019). Without the talent of manpower, goals cannot be achieved. This can happen when many workers do not make their best efforts at work, so that company goals are not achieved due to poor management performance. Consequently, businesses must focus on the current performance of human resources. According to (Lilyana et al., 2017) defines performance as behaviors or actions relevant to the achievement of organizational goals that can be improved or measured.

There are many factors that can affect employee performance, one of which is work motivation. where according to (Fachreza et al., 2018) The root of the word work motivation is motive, which means a person's drive, cause or reason to achieve something. Thus, Work Motivation refers to a conscious situation that encourages or encourages a person to perform an action or activity. (Resources et al., 2018) Motivation is defined as encouragement both from others and from oneself to perform a task intentionally and happily in order to achieve certain goals. Research conducted by (Kusumastuti et al., 2019) shows the influence of work motivation on employee performance. Several other studies that support the influence of motivation on employee performance were conducted by (Mukhtar et al., 2018), (Shahzadi, 2014).

Next another factor that affects employee performance is transformational leadership, Transformational Leadership according to (Cherry, 2022) Transformational leadership is a leadership style that can inspire positive change in those who follow. Transformational leaders are usually energetic, passionate, and passionate. These leaders not only care about participating in the process, but they also focus on helping each member of the group succeed. Through the power of their vision and personality, transformational leaders can inspire followers to replace expectations, assumptions, and motivation to work toward a common goal. According to (Juhro, 2022) Transformational leadership reflects the behavior of participatory leadership that is not only able to motivate and move the organization vertically and horizontally, but also create an organizational capacity that remains agile in every condition. Through this novel, the discussion related to the concept of transformational leadership is trying to be explored deeper, in terms of conceptual and the latest issues that grow. The perspective of the writing is shown to mangulas comprehensively meaning the concept of leadership in a scientific perspective and from a spiritual

side, it is stated how in conclusion the positive implications of the unification of the two concepts on human resource development in the future will come. There are several researchers who show the influence between transformational leadership on employee performance, namely: (Muttaqin &; Lestari, 2022), (Fridawati &; Nugrohoseno, 2021), (Melkianus A. Tabun, Marcelina W. Putri, Stanley Tulus, 2021). In addition to influencing performance, transformational leadership also influences work motivation (Agustine Pariesti et al., 2022), (Fredy Wahyu Hendra, Kusuma Chandra Kirana, 2022). In addition to motivation and transformational leadership, other factors that affect employee performance are the work environment, work environment according to (Suharno Pawirosumarto, Purwanto Katijan Bachelor, 2017) The work area is a place where employees carry out their activities, where these things can bring positive and negative consequences for employees to achieve the results of their work. A conducive work area wants to share good consequences on job continuity, while a less conducive work area wants to have a negative impact on the continuity of work. According to (Berliana, 2019) The work area is the totality of tool equipment, the surrounding area, the work procedures where a person works, and the rules of work both as individuals and as a group. Research conducted by (Hajrina &; Mariam, 2018) shows that the work environment affects employee performance. (Rezita, 2019), (Pranitasari, 2020). Besides being able to affect the performance of employees, the work environment can also affect work motivation (Prakoso, 2014), (Pranitasari, 2020).

RESEARCH METHODS

This study was conducted to assess the influence of transformational leadership and work environment on employee performance, with work motivation as an intervening variable, with PT Abaisat Raya as the focus of this study. The product produced by the rubber processing company PT Abaisiat Raya Kota Padang is rubber crumb. This is an explanatory study, testing existing theories. This study used a quantitative approach with survey methodology. Quantitative research emphasizes the use of standard questions and answer choices that have been prepared in questionnaires submitted to respondents. This survey data collection method is a self-administered survey where each question is given online using *Google Form*. Ninety people responded to the questionnaire given. Respondents filled out all questions on the questionnaire, which included questions about transformational leadership, work environment, work motivation, and employee performance. All statements use the *Likert Summated Rating* (LSR) approach as a checklist.

Respondents in this study used a saturated sample approach where if the population is less than 100 people then the entire sample is taken, but if the population is more than 100 people, 10-15% or 20-25% of the total population can be collected.(Arikunto, 2012). The data collection methodology consists of providing respondents with a list of questions/statements in the hope that they will react to the list. A list of questions/statements can be opened if the
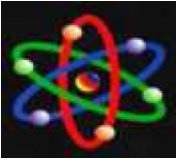
answers are not pre-arranged; However, it is closed if the alternative answer has been equipped with an instrument in the form of a list of questions which can be in the form of a questionnaire. Each question includes five possible answers, ranging from strongly agree to agree, neutral to disagree, and from disagree to strongly disagree. In accordance with the research objectives and the difficulties researched and stated, this research can be categorized as descriptive and quantitative. Descriptive analysis is a statistical technique used to examine data by explaining how the data was collected without drawing broad conclusions or generalizations. (Sugiyono, 2016). While according to (Sugiyono, 2019) Quantitative research methods are positivism-based strategies used to analyze specific populations and samples; the sample collection procedure is often random; research tools are used for data collection; and quantitative data analysis is used to evaluate hypotheses. The data collection method in this study is the questionnaire method. The questionnaire in this study was made in the form of a Google Form to facilitate filling out questionnaires by respondents who met the criteria to be used as research samples. The questionnaire used in this study was in the form of questions. The measurement scale used is the Likert scale, which is used to measure the attitudes, opinions, and perceptions of an individual or group of people about social phenomena. To reduce the impact of bias and the occurrence of data concentration when conducting analysis, the scale used is Strongly Agree (SS) with a score (4), Agree (S) with a score (3), Disagree (ST)

with a score (2) and Strongly Disagree (STS) with a score (1).

RESULT AND DISCUSSION

Convergent validity is measuring the validity of reflective indicators which is used to measure observable latent variables from the loading factor of each variable indicator. An indicator has good validity, if the loading factor value is above 0.7. Based on testing, it is known that the indicators of each variable in this study obtained high values, which are all above 0.7.

Discriminant validity is a comparison between the correlation of indicators of a construct with other constructs carried out by measurement using cross loading values that provide data to see whether the construct has adequate discrimination. Based on testing, it is known that the loading factor value for each indicator of each latent variable has the largest loading factor value compared to the loading value of other latent variables. This means that each latent variable has good discriminant validity.

Another method that can be used to determine the value of discriminant validity is the Fornell-Larcker method which is done by comparing square roots over AVE with latent vertical correlation. Based on the test results, it is known that the square root value of AVE along the diagonal line is greater correlation between one construct and another, therefore the validity of the construct is good.
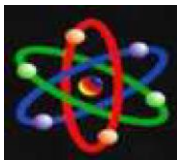
	Cronbach's Alpha	rho_A	Composite Reliability	Average Extracted Variance (AVE)
Transformational Leadership	0.938	0.943	0.948	0.646
Employee Performance	0.971	0.972	0.974	0.711
Work Environment	0.930	0.933	0.945	0.740
Work Motivation	0.968	0.970	0.971	0.708

Table 1. Construct Reliability Test Results (Source: Processed Data, 2023)

The reliability test results are described in table 1. Reliability tests can be performed by taking into account the composite reliability and *Cronbach's alpha* values of the construct measured by the indicator block. The table above shows that *Cronbach's alpha* value > 0.6 and composite reliability > 0.7, this means that each construct tested on the estimated model meets the criteria (*reliable*).

	R Square	Adjusted R Square
Employee Performance	0.897	0.893
Work Motivation	0.850	0.846

Table 2. Structural Model (Source: Processed Data, 2023)

From the table above, the R Square Adjusted Employee Performance value is 0.893. This means that 89.3% of Employee Performance variables are influenced by transformational leadership, work environment and work motivation. Then obtained the R Square Ajdusted value with a value of 0.846. This means that as many as 84.6% of work motivation variables are influenced by transformational leadership and work environment. And the rest of each R Square Adjusted dependent variable is influenced by other variables outside the research conducted by current researchers, namely *reward,* training, discipline, organizational culture and other variables that have the opportunity to further influence employee performance variables and work motivation.

	Original Sample (O)	Sample Average (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Transformational Leadership -> Work Motivation	0.857	0.826	0.104	8.282	0.000
Work Environment -> Work Motivation	0.087	0.120	0.109	0.799	0.425
Transformational Leadership -> Employee Performance	0.130	0.135	0.123	1.058	0.291
Work Environment -> Employee Performance	0.051	0.065	0.076	0.669	0.504
Work Motivation -> Employee Performance	0.789	0.769	0.115	6.863	0.000
Transformational Leadership -> Work Motivation -> Employee Performance	0.676	0.641	0.149	4.541	0.000
Work Environment -> Work Motivation -> Employee Performance	0.068	0.086	0.077	0.889	0.375

Table 3. The results of direct and indirect hypothesis Test

Based on the test results, it can be seen that transformational leadership has an influence on work motivation shown by a statistical t value of 8.282 > 1.96 and a significant effect with a ratio of P-Value 0.00 < 0.05. This shows that PT Abaisiat Raya has high Transformational Leadership shown by the Original sample of 0.857 on work motivation where if good transformational leadership will create an increase in work motivation.

Some indicators that must be considered by the Management to continue to improve transformational leadership on work motivation are: 1) Energetic: full of enthusiasm, giving enthusiasm to
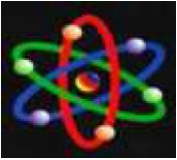
employees at work will foster employee motivation at work. 2) Inspire : By inspiring employees will be able to motivate employees at work. 3) Expectations: giving hope to employees for common goals and mutual benefits between employees and the company will bring great motivation.

If the Management pays attention to the indicators of transformational leadership, it will create a great encouragement from employees to do a work consciously to achieve the targets of the company, then it will encourage employees to carry out activities consciously and vigorously to achieve the targets set by the company.

This is in line with the analysis of respondents' responses regarding transformational leadership variables and work motivation. That by paying attention to the energetic, inspiration and expectations of employees will increase the great encouragement of employees to work passionately to achieve the targets that have been set. This research is in line with research conducted by (Agustine Pariesti et al., 2022), (Fredy Wahyu Hendra, Kusuma Chandra Kirana, 2022).

Based on the test results, it can be seen that the work environment has no influence on work motivation shown by a statistical t value of 0.799 < 1.96 and does not have a significant effect with a ratio of P-Value 0.425 > 0.05. This shows that PT Abaisiat Raya has a low work environment as shown by the Original sample of 0.087 on work motivation where if the work environment is not good it will reduce the level of work motivation from employees.

This certainly must be a concern from the Management by creating a good work environment, the Management must pay attention to indicators of the work environment such as 1) Conducive work environment: A conducive work environment will have a good impact on the continuity of work, while a less conducive work environment will have a negative impact on the continuity of work. 2) Rules of work: good rules of work will have a positive impact on individuals or companies.

Based on the test results, it can be seen that Transformational Leadership has no influence on employee performance shown by a statistical t value of 1,058 < 1.96 and does not have a significant effect with a ratio of P-Value 0.291 > 0.05. This shows that PT Abaisiat Raya has low Transformational Leadership shown by an Original sample of 0.130 on employee performance where if the Transformational Leadership is not good it will reduce the level of employee performance.

Some indicators that must be considered by the Management to continue to improve transformational leadership of employee performance are: 1) Energetic: full of enthusiasm, giving enthusiasm to employees at work will foster high performance at work. 2) Inspire : By inspiring employees will be able to motivate employees at work. 3) Expectations: giving expectations to employees for common goals and mutual benefits between employees and the company will give rise to a great level of performance.

If the Management pays attention to the indicators of transformational leadership, the results of employee work in quality and quality will be in accordance with predetermined standards based on the responsibilities given.
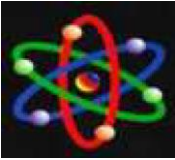
The results of this study are not in line with previous research that transformational leadership will affect employee performance (Muttaqin &; Lestari, 2022), (Fridawati &; Nugrohoseno, 2021), (Melkianus A. Tabun, Marcelina W. Putri, Stanley Tulus, 2021).

Based on the test results, it can be seen that the work environment does not affect employee performance shown by a statistical t value of 0.669 < 1.96 and does not have a significant effect with a ratio of P-Value 0.504 > 0.05. This shows that PT Abaisiat Raya has a low work environment shown by the Original sample of 0.051 on employee performance where if the work environment is not good it will reduce the level of employee performance.

This certainly must be a concern from the Management by creating a good work environment, the Management must pay attention to indicators of the work environment such as 1) Conducive work environment: A conducive work environment will have a good impact on the continuity of work, while a less conducive work environment will have a negative impact on the continuity of work. 2) Rules of work: good rules of work will have a positive impact on individuals or companies.

If the Management pays attention to the indicators of the work environment, it will be created, then the work of employees in quality and quality will be in accordance with predetermined standards based on the responsibilities given.

The results of this study are not in line with previous research that the work environment will affect employee performance (Rezita, 2019), (Pranitasari, 2020).

Based on the test results, it can be seen that the work environment does not affect employee performance shown by a statistical t value of 0.669 < 1.96 and does not have a significant effect with a ratio of P-Value 0.504 > 0.05. This shows that PT Abaisiat Raya has a low work environment shown by the Original sample of 0.051 on employee performance where if the work environment is not good it will reduce the level of employee performance.
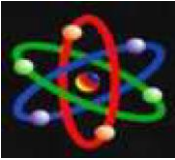
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If the Management pays attention to the indicators of the work environment, it will be created, then the work of employees in quality and quality will be in accordance with predetermined standards based on the responsibilities given.

The results of this study are not in line with previous research that the work environment will affect employee performance (Rezita, 2019), (Pranitasari, 2020).

Based on the test results, it can be seen that the work environment does not affect employee performance through work motivation shown by a statistical t value of 0.889 < 1.96 and does not have a

significant effect with a ratio of P-Value 0.375 > 0.05. This shows that PT Abaisiat Raya has a low work environment as shown by the Original sample of 0.068 on employee performance through work motivation where if the work environment is not good it will reduce the level of employee performance.

This certainly must be a concern from the Management by creating a good work environment, the Management must pay attention to indicators of the work environment such as 1) Conducive work environment: A conducive work environment will have a good impact on the continuity of work, while a less conducive work environment will have a negative impact on the continuity of work. 2) Rules of work: good rules of work will have a positive impact on individuals or companies.

CONCLUSION

From this study, it can be concluded that: (1) Transformational leadership affects work motivation. This means that the better the transformational leadership at PT Abaisat Raya, the more it will be able to increase work motivation in the organization. (2) Work Environment does not affect work motivation This means that the better the perception of the work environment at PT Abaisat Raya, it will be able to increase work motivation in the organization. (3) Transformational leadership has no effect on employee performance. This means that if Transformational Leadership is weak at PT Abaisat Raya, it will be able to weaken Employee Performance in the organization. (4) The work environment has no effect on employee performance.

This means that weak transformational leadership will be able to weaken employee performance. (5) Work Environment influences Transformational Leadership. This means that when the work environment towards employee performance increases, employee performance will increase. (6) Transformational leadership affects employee performance with work motivation. So that the improvement of transformational leadership towards work motivation will encourage employee performance at PT Abaisat Raya (7) The Work Environment does not affect employee performance through work motivation. This means that the Work Environment that does not experience improvement cannot make work motivation increase so that employee performance also does not increase.

Suggestions that can be given are as follows: (1) To improve employee performance and work motivation, PT Abaisat Raya needs to pay attention to transformational leadership at the emotional level of employees, employee activeness, reliability and employee loyalty. (2) In terms of Work Environment, to improve work motivation and performance of PT Abaisat Raya employees, the main thing that needs to be done is to pay attention to the comfort, completeness of inventory, facilities provided by the organization.

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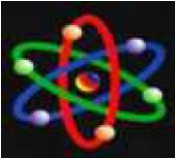
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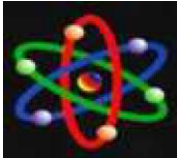
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