



Original research



Model of transformational leadership style and organizational culture to increase employee performance in the logistics services industry

Sirajuddin, Ahmad Bardjuki, Putiri Bhuana Katili, Akbar Gunawan

Department of Industrial Engineering, Universitas Sultan Ageng Tirtayasa, Jl. Jend. Sudirman KM3, Cilegon 42435, Banten, Indonesia

ARTICLE INFO

Article history:

Received 10 June 2024

Received in revised form 10 December 2024

Accepted 13 December 2024

Published online 14 December 2024

Keywords:

Employee performance

Organizational culture

Transformational leadership

Work motivation

Services industry

Editor:

Bobby Kurniawan

Publisher's note:

The publisher remains neutral concerning jurisdictional claims in published maps and institutional affiliations.

ABSTRACT

The rapid growth of the logistics industry has impacted competition between companies, and human resource planning is a critical factor in achieving company goals. A company's success can be determined based on the performance of its human resources. Several factors influence employee performance, including transformational leadership style, organizational culture, and work motivation. Improving employee performance to enhance success and productivity is a challenging task for every company. The purpose of this study is to examine the influence of transformational leadership style and organizational culture on employee performance, with work motivation as an intervening variable. The research method used is quantitative, with variables measured using a Likert scale. This research involved a sample of 64 employees from a logistic company. Data collection techniques included interviews and questionnaires. The data analysis was conducted using Partial Least Squares - Structural Equation Modeling (PLS-SEM) with Smart-PLS version 4. The results of this study show that transformational leadership style and organizational culture have a positive and significant effect on work motivation and employee performance. However, work motivation has a negative and insignificant effect on employee performance. Furthermore, transformational leadership style has a negative and insignificant effect on employee performance through work motivation as an intervening variable, and organizational culture has a negative and insignificant effect on employee performance through work motivation as an intervening variable.

1. Introduction

The Logistics Services Industry has a very important role in providing and managing the smooth flow of goods, services, and information for consumers. Logistics services include transportation services, warehousing, supply chain management, last-mile delivery, and ensuring products are delivered accurately, efficiently, and on time [1]. Currently, the development of the logistics industry is increasingly advanced because it is supported by technological advances based on e-commerce, automation, artificial intelligence, and time-tracking technology, thereby increasing efficiency and customer satisfaction [2]. To increase efficiency and customer satisfaction, apart from technology, the logistics industry requires human resources who are reliable, professional, and skilled in managing complex supply chains, operating advanced technology, and ensuring smooth coordination throughout the process. Talent development, as well as training and upskilling initiatives, are critical to

meeting the demands of ever-evolving logistics operations. Therefore, human resources in the logistics sector must follow current developments in information technology and technology [3], [4]. Logistics Companies are required to improve the quality of their human resources to achieve company goals. Proper management of human resources is one of the keys to success in achieving organizational goals. Human resources are the main element in the organization compared to other resource elements, such as capital and technology, because other factors can also be controlled by humans. It is very necessary to have human resources with the knowledge, abilities, and skills, as well as good performance, to achieve success and organizational goals [5].

Employee performance is a process of achievement to get good work results that are effective and efficient. In a company, high employee performance is expected to achieve company targets. Employees are required to be able to complete tasks effectively and efficiently. Several factors can affect employee performance,

*Corresponding author:

Email: sirajuddin@untirta.ac.id<http://dx.doi.org/10.62870/jiss.v10i2.26059>

including ability and expertise, knowledge, work design, personality, work motivation, leadership, organizational culture, job satisfaction, work environment, loyalty, commitment, and work discipline [4, 5]. Good leaders can show attention and appreciation to their employees [1, 6].

One of the leadership styles is transformational leadership, which has empathy and self-awareness skills (emotional intelligence), they know the needs of employees, even when the employees themselves may not be fully aware of these needs. Transformational leadership can inspire followers to put aside their interests for the good of the organization, and they can have an extraordinary influence on their followers [7, 8, 9]. This leadership style can overcome a problem in the company regarding the lack of a leadership role in generating motivational enthusiasm for employees and creating creative work patterns.

Organizational culture is a set of assumptions or belief systems, values, and norms developed in the organization and used as a guide in behavior for its members to overcome internal and external adaptation problems [10, 11]. There are several problems in organizational culture, including the selfish nature of selfish employees, cultural differences between employees that can damage the organizational culture system, and the lack of innovative work patterns. Organizational culture affects the intellectual and financial success of a company. A good organizational culture will provide good motivation for employees to carry out work activities [12, 13].

Work motivation can be defined as providing a driving force that creates a person excited or earnest in

working and being able to work together, work effectively, and integrate with all efforts to achieve satisfaction. It can also be interpreted as work behavior activities to meet desired needs. Every employee needs to get the opportunity to self-actualize or self-develop within the company. By providing motivation, it is hoped that each employee can work together and work effectively and enthusiastically to achieve a high level of company performance [12]. Without the motivation of employees to work together for the benefit of the company, the goals that have been set will not be achieved [13].

This study explores the effect of transformational leadership style and organizational culture on employee performance through work motivation as an intervening variable using the structural equation modeling method with a partial least square (PLS-SEM) approach. This paper consists of four parts: the first part is the introduction, the second part is the research methodology, the third part is about analysis and discussion, and the fourth part is the conclusion.

2. Material and method

Data processing in this study was performed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The respondents in this study were 64 employees. Primary data were obtained through a questionnaire using a 1-5 Likert scale, with four latent variables: transformational leadership style, organizational culture, work motivation, and employee performance. The conceptual model of the research is shown in Fig. 1.

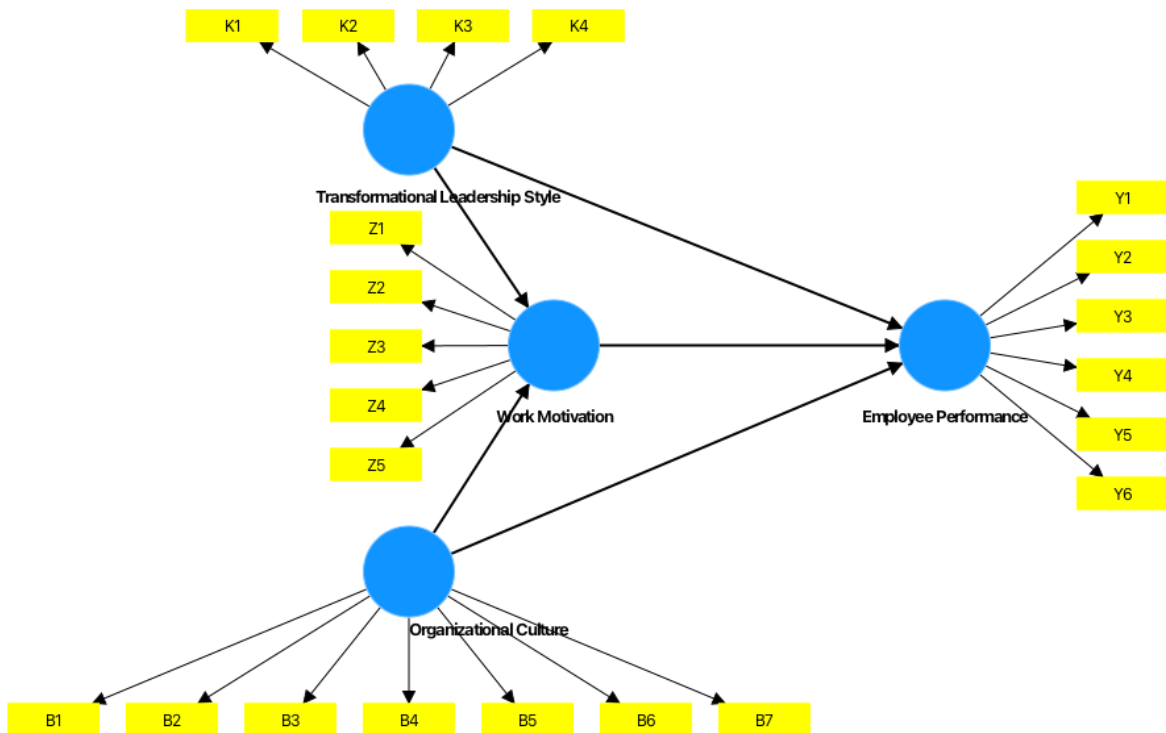


Figure 1. Conceptual model

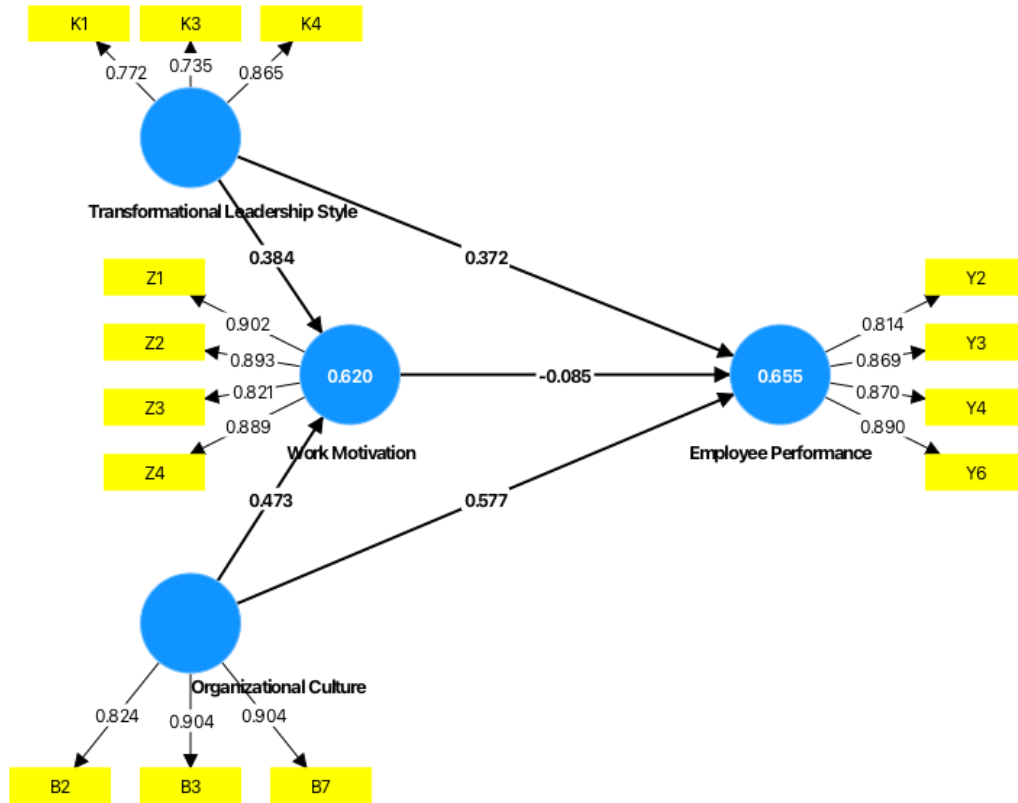


Figure 2. Results of SEM SmartPLS

The hypotheses in this study are as follows:

- (H1+) : Transformational leadership style has a positive and significant effect on employee work motivation.
- (H2+) : Organizational culture has a positive and significant effect on work motivation.
- (H3+) : Transformational leadership style has a positive and significant effect on employee performance.
- (H4+) : Organizational culture has a positive and significant effect on employee performance.
- (H5+) : Work motivation has a positive and significant effect on employee performance.
- (H6+) : Transformational leadership style has a positive and significant effect on employee performance through work motivation.
- (H7+) : Organizational culture has a positive and significant effect on employee performance through work motivation.

This study has four latent variables with 22 indicators. The research equation model is shown in Eq. (1) whereas the structural equation are shown in Eq. (2) and Eq. (3).

$$\eta = \beta\eta + \gamma\xi + \zeta \quad (1)$$

$$Y = \beta_1Z + \gamma_3X_1 + \gamma_4X_2 + \zeta \quad (2)$$

$$Z = \gamma_1X_1 + \gamma_2X_2 + \zeta \quad (3)$$

The assumptions of the latent variable structural model equation are $E(\eta) = 0$, $E(\xi) = 0$, $E(\zeta) = 0$ and ζ is

not correlated with ξ . According to [13,14,15], in general, the measurement model is modeled as shown in Eq. (4) and Eq. (5).

$$\eta = \beta\eta + \gamma\xi + \zeta \quad (4)$$

$$Y = \beta_1Z + \gamma_3X_1 + \gamma_4X_2 + \zeta \quad (5)$$

The endogenous variables measurement model equation in this study are shown in Eqs. (5)-(16) whereas the exogenous variables are shown in Eqs. (17)-(27). The measurement model in this study assumes that $E(\varepsilon) = E(\delta) = 0$, ε is not correlated with η , ζ , and δ , and δ is not correlated with η , ζ , and ε .

$$Z_1 = \lambda_{13}\eta_1 + \varepsilon_1 \quad (6)$$

$$Z_2 = \lambda_{23}\eta_1 + \varepsilon_2 \quad (7)$$

$$Z_3 = \lambda_{33}\eta_1 + \varepsilon_3 \quad (8)$$

$$Z_4 = \lambda_{43}\eta_1 + \varepsilon_4 \quad (9)$$

$$Z_5 = \lambda_{53}\eta_1 + \varepsilon_5 \quad (10)$$

$$Y_1 = \lambda_{14}\eta_2 + \varepsilon_6 \quad (11)$$

$$Y_2 = \lambda_{24}\eta_2 + \varepsilon_7 \quad (12)$$

$$Y_3 = \lambda_{34}\eta_2 + \varepsilon_8 \quad (13)$$

$$Y_4 = \lambda_{44}\eta_2 + \varepsilon_9 \quad (14)$$

$$Y_5 = \lambda_{54}\eta_2 + \varepsilon_{10} \quad (15)$$

$$Y_6 = \lambda_{64}\eta_2 + \varepsilon_{11} \quad (16)$$

$$K_1 = \lambda_{11}\xi_1 + \delta_1 \quad (17)$$

$$K_2 = \lambda_{21}\xi_1 + \delta_2 \quad (18)$$

$$K_3 = \lambda_{31}\xi_1 + \delta_3 \quad (19)$$

$$K_4 = \lambda_{41}\xi_1 + \delta_4 \quad (20)$$

$$B_1 = \lambda_{12}\xi_2 + \delta_5 \quad (21)$$

$$B_2 = \lambda_{22}\xi_2 + \delta_6 \quad (22)$$

$$B_3 = \lambda_{32}\xi_2 + \delta_7 \quad (23)$$

$$B_4 = \lambda_{42}\xi_2 + \delta_8 \quad (24)$$

$$B_5 = \lambda_{52}\xi_2 + \delta_9 \quad (25)$$

$$B6 = \lambda 62 \xi 2 + \delta 10 \tag{26}$$

$$B7 = \lambda 72 \xi 2 + \delta 11 \tag{27}$$

3. Results and discussion

Testing using partial least square-structural equation modeling (PLS-SEM) has two processes, namely measurement model estimation (Outer model) and structural model estimation (Inner Model) [14]. The results and discussion are as follows.

3.1. Validation of outer model

Internal consistency reliability assessment includes Cronbach's alpha and composite reliability. Based on the results of the calculation of the internal consistency reliability values for the transformational leadership style, organizational culture, work motivation, and employee performance variables, all have met the required thresholds: Cronbach's alpha ≥ 0.7 and composite reliability ≥ 0.7 . This indicates that the instruments used in this study are reliable. Convergent validity is assessed through loading factors with categories ≥ 0.7 and Average Variance Extracted (AVE) ≥ 0.5 [15]. Table 1 shows the results of internal consistency reliability and convergence validity.

Discriminant validity is a form of evaluation to ensure that variables are theoretically different and

empirically proven/statistical testing. Fornell and Lacker's criterion is that the root AVE of the variable is greater than the correlation between the variables. The transformational leadership style variable has an AVE root (0.793) greater than the correlation with organizational culture (0.684), greater correlation with work motivation, and greater with employee performance. Likewise, the validity of organizational culture, work motivation, and employee performance where the AVE root is greater than the correlation between variables [16].

HTMT used to measure discriminant validity is more sensitive or accurate in detecting discriminant validity [1, 3]. The recommended value is below 0.90. Based on the data review in Table 3, it is known that each indicator of the research variable has many HTMT values < 0.90 , and no data shows the HTMT value > 0.90 , so all indicators are declared feasible or valid for research use and can be used for further analysis [17].

3.2. Validation of inner model

Checking the absence of multicollinearity between variables with the Inner VIF (Variance Inflated Factor) measure. Inner VIF values below 3 indicate that multicollinearity between variables is low and not a problem or can be ignored [18]. Table 4 shows the inner VIF calculations.

Table 1.
Internal consistency reliability and convergent validity

Variable	Indicator	Loading Factor	Cronbach Alpha	Composite Reability	AVE
Transformational leadership style	K1	0.772	0.701	0.835	0.629
	K3	0.735			
	K4	0.865			
Organizational culture	B2	0.824	0.851	0.91	0.771
	B3	0.904			
	B7	0.904			
Work motivation	M1	0.902	0.899	0.93	0.769
	M2	0.893			
	M3	0.821			
	M4	0.889			
Employee performance	KK2	0.814	0.884	0.92	0.742
	KK3	0.869			
	KK4	0.87			
	KK6	0.89			

Table 2.
Fornell-larcker critetion

Variables	Transformational Leadership Style	Organizational Culture	Work Motivation	Employee Performance
Transformational Leadership Style	0.793			
Organizational Culture	0.684	0.878		
Work Motivation	0.708	0.735	0.877	
Employee Performance	0.707	0.769	0.603	0.861

Table 3.
Heterotrait-Monotrait Ratio (HTMT)

Variables	Organizational Culture (X ₂)	Transformational Leadership Style (X ₁)	Employee Performance (Y)
Transformational Leadership Style (X ₁)	0.889		
Work Motivation (Z)	0.841	0.885	
Employee Performance (Y)	0.877	0.885	0.659

Table 4.
Inner VIF

Variables	Employee Performance (Y)	Work Motivation (Z)
Transformational Leadership Style (X ₁)	2.266	1.878
Organizational Culture (X ₂)	2.465	1.878
Work Motivation (Z)	2.628	

Table 5.
Path coefficient testing

Hypothesis	Path Coefficient	T Statistics	P Values	95% CI		Result
				Lower	Upper	
Transformational Leadership Style -> Work Motivation	0.384	4.299	0	0.219	0.571	Accepted
Organizational Culture -> Work Motivation	0.473	4.924	0	0.268	0.652	Accepted
Transformational Leadership Style -> Employee Performance	0.372	2.13	0.033	-0.012	0.684	Accepted
Organizational Culture -> Employee Performance	0.473	3.273	0.001	0.221	0.914	Accepted
Work Motivation -> Employee Performance	-0.085	0.337	0.736	-0.544	0.398	Rejected
Transformational Leadership Style->Work Motivation->Employee Perf.	-0.033	0.322	0.748	-0.224	0.166	Rejected
Organizational Culture -> Work Motivation -> Employee Performance	-0.04	0.324	0.746	-0.297	0.191	Rejected

Table 6.
F square test

Variables	Work Motivation (Z)	Employee Performance (Y)
Transformational Leadership Style (X ₁)	0.207	0.177
Organizational Culture (X ₂)	0.313	0.392
Work Motivation (Z)		0.008

Table 7.
R square test

Variables	R square	Adjusted R square
Employee Performance (Y)	0.655	0.638
Work Motivation(Z)	0.62	0.607

Before testing the hypothesis of the structural model, it is necessary to evaluate the presence or absence of multicollinearity between variables, namely with the inner VIF statistical measure [19]. The estimation results show the inner VIF value < 3 , so the level of multicollinearity between variables is low. These results strengthen the results of parameter estimation in PLS-SEM, which is robust (unbiased).

Path coefficient testing was conducted as a research hypothesis test. The hypothesis testing process in PLS-SEM is carried out through a bootstrapping process where the T-statistic value is above 1.96, or the P-value is below 0.05, indicating a significant influence between the variables. The test results with bootstrapping in PLS-SEM are shown in Table 5. F square or f^2 effect size is a measure used to assess the relative impact of an influencing variable on the influenced variable.

Based on Table 6, it can be observed that the F-square value for the transformational leadership style variable on work motivation is 0.207, and on employee performance is 0.177, indicating a moderate effect on the endogenous variables. Meanwhile, the organizational culture variable shows a moderate effect on work motivation (0.313) and a high effect on employee performance (0.392). The value for the intervening variable, work motivation on employee

performance, is 0.008, indicating a small effect on the endogenous variable.

Based on Table 7, the R-squared value for employee performance is 0.655, while the R-squared value for work motivation is 0.62. These results indicate that the transformational leadership style, organizational culture, and work motivation variables explain 65.5% of the variance in employee performance. This suggests that these three factors together have a moderate correlation with employee performance, while the remaining 34.5% is influenced by other factors not examined by the author. For the work motivation variable, the results show that transformational leadership style and organizational culture explain 62% of the variance in work motivation. This indicates that these two factors together have a moderate correlation with work motivation, while the remaining 38% is influenced by other variables not examined by the author.

Q square measures predictive accuracy, showing how well changes in exogenous variables predict endogenous variables. The Q square value above demonstrates that the exogenous variable has predictive relevance to the endogenous variable [13, 14]. If the Q square value is greater than 0, 0.25, or 0.50, then the t meaning of the Q square is low, moderate, and high.

Table 8.

Q square

Variable	Q Square
Employee Performance (Y)	0.446
Work Motivation(Z)	0.449

Table 9.

SRMR

Variable	Saturated model	Estimated model
SRMR	0.086	0.086

Table 10.

Goodness of fit

Average Commuality	Mean R Square	Gof Index
0.73	0.64	0.683

Table 8 shows the Q square calculations. The Q square value of the employee performance variable is $0.446 > 0.25$, proving that the model has predictive relevance with moderate prediction accuracy and work motivation $0.449 > 0.25$, proving that the model has predictive relevance with moderate prediction accuracy. Based on Table 8, the Q square value of the employee performance variable is $0.446 > 0.25$, proving that the model has predictive relevance with moderate prediction accuracy and work motivation $0.449 > 0.25$, proving that the model has predictive relevance with moderate prediction accuracy.

SRMR (Standardized Root Mean Square Residual) is a measure of model fit, namely the difference between the data correlation matrix and the estimated correlation matrix. The SRMR value in this study is shown in Table 9. The model estimation result is $0.086 < 0.10$, proving that the model has a good fit with the empirical data and an acceptable fit. Empirical data can explain the influence between model variables.

The goodness of Fit Index (Gof Index) is an overall evaluation of the model, which is an evaluation of the measurement model and structural model. Gof Index value criteria are 0.1 (low Gof), 0.25 (medium Gof), and 0.36 (high Gof) [20]. The GoF index value in this study is shown in Table 10. The calculation results show that the GoF value of the model is 0.683, including the high GoF category. Empirical data can explain the accounting model and structural model with a high level of fit.

The R square prediction measure is not sufficient to state that the model has good predictive power, it is necessary to develop a new method to validate that the proposed PLS model has predictive power, namely PLS prediction [17]. To show that the PLS results have a good measure of predictive power, it needs to be compared with the basic model, namely linear regression (LM). Table 11 shows the results of the linearity test.

Based on the processing results, most of the RMSE and MAE values for the PLS model are lower than the

linear regression model. This indicates that the proposed PLS model has medium predictive power.

The linearity of the relationship between variables needs to be done [21]. The assumption built in the influence between variables is linear. This check is part of the robustness model in PLS-SEM. The check carried out is to test the square shape of the variable. Based on Table 12, the square form of transformational leadership style and organizational culture is insignificant to work motivation and employee performance, the square form of work motivation is insignificant to performance, then the effect of transformational leadership style, organizational culture, and work motivation on performance is linear, or the linearity effect of the model is fulfilled (robust).

3.3. The effect of transformational leadership style on employee motivation

The leadership style variable has four indicators, including idealized influence, inspirational motivation, intellectual stimulation, and individual consideration. The indicator is a manifestation of transformational leadership style. Based on the exposure of test results in data processing in this study, it shows that transformational leadership style has a positive and significant effect on the work motivation of employees. Such results can be proven by the direct effect path coefficient value of 0.384, t-statistic $4.299 > \text{table } 1.96$, and P-values $0.000 < 0.050$, so that the first hypothesis, namely transformational leadership style has a positive and significant effect on employee work motivation can be accepted. Any change in transformational leadership style will increase work motivation. In the 95% confidence interval, the effect of transformational leadership style in increasing work motivation lies between 0.219 and 0.571. However, the existence of a transformational leadership style in increasing work motivation has a moderate effect at the structural level of F square = 0.207. This transformational leadership style is considered very important, when there is a company policy in increasing the transformational leadership style, the increase in work motivation is up to 0.571. Therefore, it is stated that the transformational leadership style can increase the work motivation of employees.

The research results are in line with previous research studies that discuss the effect of transformational leadership style on work motivation, which states that transformational leadership has a significant positive effect on work motivation [1,3,5,7]. This indicates that the transformational leadership style applied by superiors at PT XYZ in motivating subordinates to perform at a higher level than before by fostering an optimistic attitude, providing instructions on how to complete a job, providing inspiration to solve a problem, treating employees as private individuals not just as members of a workgroup and providing moral support to employees can influence the motivation of employees at work.

Table 11.
PLS predict

Measurement Item	PLS		LM	
	RMSE	MAE	RMSE	MAE
Y2	0.496	0.357	0.547	0.41
Y3	0.484	0.354	0.523	0.411
Y4	0.435	0.324	0.48	0.326
Y6	0.414	0.285	0.434	0.28
Z1	0.734	0.454	0.799	0.512
Z2	0.668	0.439	0.704	0.476
Z3	0.705	0.434	0.701	0.4
Z4	0.562	0.37	0.569	0.348

Table 13.
Linearity test

LM	Original sample (O)	P-values
Transformational Leadership Style *Transformational Leadership Style -> Work Motivation	-0.193	0.105
Organizational Culture*Organizational Culture>Work Motivation	-0.004	0.974
Organizational Culture*Organizational Culture>Employee Performance	-0.136	0.181
Work Motivation*Work Motivation-> Employee Performance	0.17	0.113
Transformational Leadership Style *Transformational Leadership Style -> Employee Performance	0.081	0.576

3.4. Effect of organizational culture on employee work motivation

Organizational culture variables are measured by seven indicators: Innovation and Risk Taking, Attention to Detail, Outcome Orientation, People Orientation, Team Orientation, Aggressiveness, and Stability. Based on the data processing and test results in this study, it shows that organizational culture has a positive and significant effect on the work motivation of employees. This result is supported by the direct effect path coefficient value of 0.473, a t-statistic of 4.924 (greater than the critical value of 1.96), and a p-value of 0.000 (less than 0.050). Therefore, the second hypothesis, which states that organizational culture has a positive and significant effect on work motivation, can be accepted. Any change in organizational culture will lead to an increase in work motivation. Within a 95% confidence interval, the effect of organizational culture on increasing work motivation ranges between 0.268 and 0.652. However, the effect of organizational culture on increasing work motivation is moderate at the structural level (f-square = 0.313). The importance of organizational culture is evident, as company policies aimed at improving organizational culture can increase work motivation by up to 0.652. Thus, it is concluded that organizational culture can significantly enhance the work motivation of employees.

The findings of this study align with previous research that discusses the impact of organizational culture on work motivation. Organizational culture has been shown to have a positive and significant effect on work motivation [3, 6]. This indicates that organizational culture—based on the research indicators—includes expectations for employees to demonstrate precision, analysis, and attention to detail in their work; strive to increase work effectiveness for optimal results; receive input to continually provide maximum service to customers; be part of a cohesive

and reliable team for optimal outcomes; work hard to fulfill their responsibilities; and maintain stability to support the company's ongoing operations. All these factors influence the work motivation of employees.

3.5. Effect of transformational leadership style on employee performance

Based on the analysis of the test results and data processing in this study, it shows that the transformational leadership style has a positive but insignificant effect on the performance of employees. This result is supported by the direct effect path coefficient value of 0.372, a t-statistic of 2.13 (greater than the critical value of 1.96), and a p-value of 0.033 (less than 0.050). Therefore, the third hypothesis, which states that the transformational leadership style has a positive and significant effect on employee performance, is accepted. Any change in transformational leadership style will improve employee performance. Within a 95% confidence interval, the effect of the transformational leadership style on improving employee performance lies between -0.012 and 0.684. However, the impact of the transformational leadership style on employee performance is moderate at the structural level (f-square = 0.177). The need for this transformational leadership style is considered very important, as company policies aimed at enhancing transformational leadership style could increase employee performance by up to 0.684. Therefore, it is concluded that the transformational leadership style can improve the performance of employees.

The results of this study are consistent with previous research discussing the effect of transformational leadership on employee performance, which has been shown to have a positive and significant effect on performance [5, 8, 9]. This suggests that the transformational leadership style employed by the

leaders motivates their subordinates to perform at a higher level by fostering an optimistic attitude, providing guidance on task completion, offering inspiration to solve problems, treating employees as individuals rather than just workgroup members, and providing moral support. These factors can influence the performance of employees at work.

3.6. *Effect of organizational culture on employee performance*

Based on the exposure of test results in data processing in this study, it shows that organizational culture has a positive and significant effect on the performance of employees. This result can be proven by the direct effect path coefficient value of 0.473, t-statistic $3.273 > \text{table } 1.96$, and P-values $0.001 < 0.050$, so that the fourth hypothesis, namely organizational culture has a positive and significant effect on employee performance, can be accepted. Any change in organizational culture will improve employee performance. In the 95% confidence interval, the effect of organizational culture in improving employee performance lies between 0.221 and 0.914. This is supported by organizational culture in improving employee performance, which has a high influence at the structural level $f \text{ square} = 0.392$. The need for this organizational culture is considered very important, if there is a company policy in improving organizational culture, then the increase in employee performance is up to 0.914.

Therefore, it is stated that organizational culture can improve the performance of employees. The results of the study are in line with previous research studies that discuss the effect of organizational culture on work motivation, that organizational culture has a positive and significant effect on employee performance [11, 22, 13]. This indicates that the organizational culture that has been implemented based on research indicators in the company includes employees being expected to show precision, analysis, and pay attention to detail in carrying out work, employees try to increase work effectiveness to obtain optimal results, the company provides employee input to always try to provide maximum service to customers, employees are required to become members of a compact and reliable work unit in carrying out work to get optimal results, employees are required to work hard in carrying out the tasks they are responsible for, and employees maintain work stability in maintaining the stability of the company's work activities can influence the performance of the company's employees.

3.7. *Effect of work motivation on employee performance*

Based on the test results in data processing in this study, it shows that work motivation has a negative and insignificant effect on the performance of employees. This result can be proven by the direct effect path coefficient value of -0.085 , t-statistic $0.337 < \text{table } 1.96$, and P-values $0.736 > 0.050$, so the fifth hypothesis, namely work motivation has a positive and significant

effect on employee performance, is rejected. In the 95% confidence interval, the effect of motivation in improving employee performance lies between 0.544 and 0.398. The estimation results of work motivation variables in improving employee performance have a low influence at the structural level $f \text{ square} = 0.008$. Thus, this work motivation can be taken into consideration by the company, even so, when there is a company policy in increasing work motivation, the increase in employee performance is up to 0.398. Therefore, it is stated that work motivation has not been able to significantly improve the performance of employees.

The research results are in line with previous research studies that discuss the effect of work motivation on employee performance, which states that work motivation has a negative and insignificant effect on employee performance [14, 15, 18]. Therefore, it is stated that work motivation, in general, has not been well received by employees, but it will be even better if good work motivation is created, including the salary that the company provides meets the primary needs of employees, the company provides facilities that ensure safety for employees, the relationship between superiors and subordinates and employees is well established and harmonious with mutual support, the company gives awards to employees who excel and can complete work properly and on time, employees have the right to get opportunities to self-actualize such as using their maximum potential, self-development, self-expression and increasing creativity. So that with the existence of work, motivation can improve performance.

3.8. *Effect of transformational leadership style on employee performance through work motivation as an intervening variable*

Based on the test results in data processing in this study, it shows that the effect of transformational leadership style on employee performance through work motivation as an intervening variable shows a path coefficient value of -0.033 , t-statistic $0.332 < \text{table } 1.96$ and P-values $0.748 > 0.050$, so that the sixth hypothesis, namely transformational leadership style has a positive and significant effect on employee performance through work motivation as an intervening variable, is rejected. In the 95% confidence interval, the effect of work motivation as an intervening variable or intermediary of transformational leadership style in improving employee performance lies between -0.224 and 0.166 . Thus, this work motivation can be a company consideration, when there is a company policy in increasing work motivation, the role of work motivation as an intervening variable of transformational leadership style in improving employee performance can reach 0.166. Based on these results, it can be interpreted that indirect work motivation does not mediate the transformational leadership style on employee performance. The results of the study contradict research, which states that work

motivation can mediate transformational leadership style on employee performance [8, 9, 10]. The role of a leader here must be to be the best motivator for employees to be able to achieve the vision and mission that has been set.

3.9. Effect of organizational culture on employee performance through work motivation as an intervening variable

Based on the exposure of test results in data processing in this study, it shows that the effect of organizational culture on employee performance through work motivation as an intervening variable shows a path coefficient value of -0.04 , t -statistic $0.324 < \text{table } 1.96$ and P -values $0.746 > 0.050$, so that the seventh hypothesis, namely organizational culture has a positive and significant effect on employee performance through work motivation as an intervening variable, is rejected. In the 95% confidence interval, the effect of work motivation as an intervening variable or intermediary of transformational leadership style in improving employee performance lies between -0.297 and 0.191 . Thus, this work motivation can be a company consideration. When there is a company policy in increasing work motivation, the role of work motivation as an intervening variable of organizational culture in improving employee performance can reach 0.191 . Based on these results, it can be interpreted that, indirectly, work motivation does not mediate organizational culture to employee performance.

The organizational culture on employee performance through motivation has an insignificant effect [2, 4, 7]. Every individual is typical who is not the same as one another. These inequalities include needs, desires, interests, values, attitudes, and norms adopted. So, it can be said that it is normal when everyone has different needs to motivate themselves to achieve good performance. It seems that in this case, in addition to taking the core values of the company's culture, efforts are also needed to unite the characteristics or personalities that vary among employees to become a stronger organizational culture.

4. Conclusion

Based on the results of research that has gone through the data analysis and discussion stages regarding the effect of transformational leadership style and organizational culture on employee performance through work motivation as an intervening variable. The positive and significant effect of transformational leadership style variable and organizational culture on work motivation: the higher the transformational leadership style and the organizational culture, the more work motivation will increase, the positive and significant effect the transformational leadership style variable and organizational culture on employee performance, higher the transformational leadership style, and the organizational culture, the more employee performance will increase. Work motivation has not been able to positively and significantly affect

employee performance. It becomes a mediating or intervening variable for transformational leadership style and organizational culture on employee performance.

Declaration statement

Sirajuddin: **Conceptualization, Methodology, Writing-Original Draft.** Ahmad Bardjuki: **Collecting data.** Putiri Bhuana Katili, Akbar Gunawan: **Writing-Review & Editing.**

Acknowledgement

The acknowledgement was given to anonymous referees for constructive feedback.

Disclosure statement

The author declares that this manuscript is free from conflict of interest and is processed by applicable journal provisions and policies to avoid deviations from publication ethics in various forms.

Funding statement

The authors received no funding for this research.

Data availability statement

The authors confirm that the data supporting the findings of this study are available within the article or its supplementary materials.

References

- [1] D. Widianingsih, U. Riassy Christa, and L. T. Harinie, "Dewi Widianingsih Organisational Culture and Transformational Leadership Style Affect Employee Performance with Innovative Work Behaviour as Mediation Variables."
- [2] F. Fachrurazi, "The Influence of Transformational Leadership Style and Organizational Culture on Employee Performance mediated Job Satisfaction on CV Sukinem Baja Industry," *Jurnal Apresiasi Ekonomi*, vol. 11, no. 2, pp. 329–338, Jun. 2023, doi: 10.31846/jae.v11i2.637.
- [3] R. Pratama, D. Harif, and A. Rivai, "Pengaruh Gaya Kepemimpinan Transformational dan Budaya Organisasi, Motivasi Kerja terhadap Kinerja Karyawan pada Cafe dan Restoran di Kota Padang," *Jurnal Riset Bisnis*, vol. 4, no. 2, 2021.
- [4] B. M. Nilasari, M. Nisfiannoor, and A. S. Pongoh, "Transforming Leadership Style: Enhancing Organizational Culture, Innovative Behavior and Employees Performance," *Jurnal Manajemen Bisnis*, vol. 15, no. 2, pp. 275–296, Oct. 2024, doi: 10.18196/mb.v15i2.21151.
- [5] Supriyati, "Organizational Culture with Transformational Leadership Style on Production Supervision at PT Diamondfit Garment Indonesia", [Online]. Available: <https://ejournal.undiksha.ac.id/index.php/JoPaI>

- [6] I. Ayu, C. Lestari, G. A. Wimba, I. A. Putu, and W. Sugianingrat, "The Influence of Transformational Leadership Style and Organizational Culture on Employee Performance through Work Motivation in the Secretariat Denpasar City Region," 2024. [Online]. Available: <https://doi.org/10.32795>
- [7] A. Rio Martha, K. Rahardjo, and A. Prasetya, "Pengaruh Gaya Kepemimpinan Transformational terhadap Kinerja Karyawan dengan Motivasi Kerja sebagai Variabel Mediasi." [Online]. Available: <https://profit.ub.ac.id>
- [8] K. Piwovar-Sulej and Q. Iqbal, "Leadership styles and sustainable performance: A systematic literature review," *J Clean Prod*, vol. 382, Jan. 2023, doi: 10.1016/j.jclepro.2022.134600.
- [9] C. Vidhia, "Enrichment: Journal of Management The effect of transformational leadership and organizational culture on employee performance," 2023.
- [10] Maswanto, N. Husainah, and I. I. Risyadi, "The Effects of Organizational Culture and Transformational Leadership on Worker Performance at the Lebak Regency Ministry of Religious Affairs Office with Job Satisfaction as an Intervening Variable," *European Journal of Business and Management Research*, vol. 9, no. 4, pp. 15–22, Jul. 2024, doi: 10.24018/ejbmr.2024.9.4.2213.
- [11] G. Klein, "Transformational and transactional leadership, organizational support and environmental competition intensity as antecedents of intrapreneurial behaviors," *European Research on Management and Business Economics*, vol. 29, no. 2, May 2023, doi: 10.1016/j.iemeen.2023.100215.
- [12] U. A. Jaya, I. Priyana, D. Wulandari, E. Herlina, and F. M. Albar, "The Influence of Organizational Culture Transformational Leadership Style on Employee Performance with Organizational Commitment as a Mediation Variable," *Al Qalam: Jurnal Ilmiah Keagamaan dan Kemasyarakatan*, vol. 18, no. 5, p. 3686, Sep. 2024, doi: 10.35931/aq.v18i5.3943.
- [13] S. Kaur Bagga, S. Gera, and S. N. Haque, "The mediating role of organizational culture: Transformational leadership and change management in virtual teams," *Asia Pacific Management Review*, vol. 28, no. 2, pp. 120–131, Jun. 2023, doi: 10.1016/j.apmr.2022.07.003.
- [14] N. Amalina, A. Saila Salsabila, R. Solih, D. Haryadi, and P. Management, "The role of leadership style and organizational culture on employee performance," 2024. [Online]. Available: www.ijafibs.pelnus.ac.id
- [15] M. Hendra Kuras Purba Syaifuddin Lubis Rasinta Ria Ginting Yusuf Ronny Edward, "The Effect of Transformational Leadership and Organizational Culture on Employee Performance with Job Satisfaction as Intervening Variables in Minhajus Sunnah Medan Foundation," *International Journal of Business, Economics and Law*, vol. 24.
- [16] M. Rizki, R. Dhyan Parashakti, and L. Saragih, "The Effect of Transformational Leadership and Organizational Culture Towards Employees' Innovative Behaviour and Performance," 2019.
- [17] P. B. Katili, W. Wibowo, and M. Akbar, "The Effects of Leaderships Styles, Work-Life Balance, and Employee Engagement on Employee Performance," *Quantitative Economics and Management Studies*, vol. 2, no. 3, pp. 199–205, Mar. 2021, doi: 10.35877/454ri.qems319.
- [18] D. A. Sulistyawati, S. Maarif, and J. Affandi, "The Effect of Transformational Leadership Style and Organizational Culture on Employee Performance of PT Sierad Produce TBK," *Russ J Agric Socioecon Sci*, vol. 77, no. 5, pp. 229–237, May 2018, doi: 10.18551/rjoas.2018-05.28.
- [19] P. Bangun Wicaksono, "The Effect of Transformational Leadership and Organizational Culture on Organizational Commitment in Mediating Organizational Cynicism Muafi The Effect of Transformational Leadership and Organizational Culture on Organizational Commitment in Mediating Organizational Cynicism," vol. 7, no. 2, 2021, doi: 10.21070/jbmp.v7vi2.1525.
- [20] S. Sirajuddin, "Five Key Strategies for Reducing Dwelling Time in the Ports of Indonesia," *Jurnal Teknik Industri*, vol. 22, no. 2, pp. 133–142, Dec. 2020, doi: 10.9744/jti.22.2.133-142.
- [21] Bambang Niko Pasla, Martha Sari Ayu, Fathiyah Fathiyah, B. Bailah, Fahmi Rasid, and U. Ubaidillah, "Leadership style types: The Importance of Organizational Culture and Change Management," *Jurnal Prajaiswara*, vol. 3, no. 2, pp. 105–115, Nov. 2022, doi: 10.55351/prajaiswara.v3i2.45.