The Effect of Transformational Leadership and Organizational Culture on Work Motivation and Employee Performance

Yanto Yanto
Magister of Management
Mercu Buana University
Jakarta, Indonesia

Irfan Noviandy Aulia
Magister of Management
Mercu Buana University
Jakarta, Indonesia

Abstract: In order to win the competition in this digital era, every country is competing to increase its economic growth, this is done by focusing on industries that are strategic projects of a country, one of which is the electric panel industry, but in reality the electricity panel industry is stagnating, which tends to decline from year to year in terms of performance. Researchers in making this study have the aim of researching and analyzing the influence of Transformational Leadership and Organizational Culture on Employee Performance mediated by Work Motivation at PT. KT Electric. The sample used amounted to 97 respondents using purposive sampling technique. Furthermore, the data were analyzed using IBM SPSS statistics 24.0 and Smart PLS version 3.2.9. While the analysis uses the SEM PLS method and uses a correlation matrix between dimensions. The results shown in this study, namely Transformational Leadership and Organizational Culture, have a significant influence on employee performance through the mediating variable, namely Work Motivation. Transformational leadership and work motivation also have a significant effect on employee performance directly. The Organizational Culture has no direct significant effect on Employee Performance, but has a significant effect with perfect mediation through Work Motivation. Likewise, with work motivation which has a significant direct effect on employee performance.

Keywords: Transformational Leadership, Organizational Culture, Work Motivation, Employee Performance.

I. INTRODUCTION

In the current digital era, the demands that occur to humans, both individually, in groups, organizations, and even countries, have a strong competitive advantage so that they can win the competition and increase the economic level and maintain their stability at each level of the unit. At the country level, especially in Indonesia, this can be seen through Presidential Decree Number 37 of 2014 which contains various instructions in its efforts to improve the national economy and prepare for the ASEAN Economic Community (AEC).

However, based on data from Bank Indonesia, in the last 3 years the Indonesian economy has experienced a fluctuating movement, in 2017 Indonesia's economic growth was 5.7% (yoy), in 2018 Indonesia's economic growth was 5.17% (yoy), in 2019 it grew. Indonesia's economy of 5.02 (yoy). Of course, this includes foreign investors who also invest in Indonesia, one of which is in the field of electrical panels. As stated by the government, the electricity sector is one of the strategic programs in Indonesia which is realized through increasing the growth of power plant development in Indonesia (EBTKE, 2018).

The machinery and electrical equipment industry in Indonesia must continue to develop from time to time. According to the Ministry of Industry (2018) this is done because of the increasing demand in the national market which in turn encourages the optimization of TKDN (national content level) so that it is able to replace imported products circulating in the market. PT. KT Listrik based in Tangerang is a company that runs its business in the electricity sector with products and services in the form of auditing systems, and energy monitoring, as well as the manufacture of electrical panels with MDP and SDP types. All employees of PT. KT Listrik must work at a high level in the implementation and implementation of all tasks assigned to each employee. This is not an easy thing because in fact the company's revenue is decreasing every year.

Based on the results of interviews with key positions in the company, it is suspected that the main problem that causes the decline in company revenue is that employee performance always decreases every year so that it has an impact on the achievement of company revenues. This problem suspicion is what researchers use as the main reference in this study. Meanwhile, to find out the various factors that are suspected to be the cause of the problem, the researcher conducted additional interviews with key position holders in the company and identified the three strongest factors suspected of causing problems in the company, namely transformational leadership, organizational culture, and work motivation.

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Based on the results of interviews with key positions in the company, it is suspected that the main problem that causes the decline in company revenue is that employee performance always decreases every year so that it has an impact on the achievement of company revenues. This problem suspicion is what researchers use as the main reference in this study. Meanwhile, to find out the various factors that are suspected to be the cause of the problem, the researcher conducted additional interviews with key position holders in the company and identified the three strongest factors suspected of causing problems in the company, namely transformational leadership, organizational culture, and work motivation.
In order to know the extent of the impact of Transformational Leadership, Organizational Culture, and Work Motivation on employee performance, researchers conducted a pre-survey of 30 permanent employees with a working tenure of more than 1 year, through the survey results it can be seen that transformational leadership and organizational culture, as well as work motivation is in the first, second and third in terms of order.

Seeing the phenomenon that is developing at PT. KT Listrik at this time, and considering the importance of employee performance to support the achievement of company income so that the company can continue to survive and develop, researchers are interested in researching with the theme "the effect of transformational leadership and organizational culture on employee motivation and performance".

II. THEORETICAL REVIEW

A. Kepemimpinan Transformasional

Vroom in Brury (2016) says that leadership involves a process of influence. Leaders in practice always have at least one follower because without this, one cannot become a leader. Modern leadership divides leadership styles into two parts, namely transactional and transformational (Gibson et al., 2012). Furthermore, Bass in Wirawan (2013) raises the term transformational leadership which means the leader's efforts to change his subordinates from one level of low hierarchical needs to the next level of needs. In the context of transformational leadership, subordinates can achieve their best performance beyond the expectations of the leader (performance beyond expectations). Bass & Avolio in Wirawan (2013) further explain that transformational leadership takes care of individual subordinates (Individual Consideration). Based on this, leaders provide support and even empathy for their subordinates through listening to their wants and needs and increasing their welfare for motivation, thereby generating intrinsic motivation in carrying out their duties.

Transformational leadership focuses on the importance of change and creativity. Leaders who are considered transformational are never satisfied with their current achievements and focus on looking at the future and behave creatively or unconventional (Miller, 2020). Transformational leaders invite followers to focus on achieving future goals (Vipraprastha et al., 2018). According to Robbins & Judge (2013), a transformational leader needs to create and inspire his followers to be able to move to focus on organizational interests rather than personal interests. So that it can be synthesized that transformational leadership includes the efforts made by leaders in influencing subordinates to do better than what is usually done through motivation which has an impact on individual performance so that it can improve organizational performance in the future.

Transformational leadership as described by Bass & Avolio (1990) in Wirawan (2013) has four dimensions, which are:
1. Idealized Influence, namely the character of a leader who has the determination, confidence, responsibility and persistence in every decision making so that it is respected, trusted and made an example by his followers.
2. Inspirational Motivation, which is the character of a leader to motivate subordinates and provide challenges to work beyond their performance standards through high team optimism and enthusiasm.
3. Intellectual Stimulation, which is the character of a leader in assessing problems by increasing the competence of followers through developing (new) creative and innovative ideas or ways so that they can solve problems faced in the organization.
4. Individual Consideration, namely the character of a leader who can communicate with his followers by listening to opinions and paying attention to the welfare of his subordinates so that they can focus on achieving organizational performance.

B. Organization Culture

Schein in Robbins & Judge (2013) provides a definition for organizational culture as a system that shares meaning together that is firmly held by each member of an organization and becomes a differentiator between an organization and another. The need to understand, predict, and influence events that occur in organizations is the main reason in studying organizational culture. Organizational culture can come from different sources, for example from the beliefs held by the founders (Ruiz-Palomino & Martínez-Cañas, 2014; Schein, 2010). (Uddin et al., 2013) noted that the source of organizational culture also includes learning experiences and beliefs of organizational members.

Schein in Tripiawan & Aurachman (2019) categorizes organizational culture into three components, namely: assumptions, artifacts, and values. These three parts contribute to maintaining an effective culture in the organization. Kotter & Heskett in Dewi (2015) who conducted research on more than 200 companies in the United States, and their findings indicate a strong relationship between organizational culture and business performance. So that through the theories above, it can be synthesized that organizational culture as an inherent value, assumption, behavior and general habits is then represented as appearance, behavior and action, and is interpreted collectively by every member of an organization as an organization, proof of organization self that distinguishes it from other organizations.

Based on the theory put forward by O'Reilly et al. in Robbins & Judge (2013) related to organizational culture, there are 7 dimensions regarding organizational culture, which are:

1. Attention to detail, namely the extent to which an employee is expected to be able to provide work while paying attention to accuracy, analysis and detail.
2. Innovation and taking risks, namely the extent to which an employee is required to be innovative and dare to take risks.
3. Result orientation, namely the degree to which company management is able to focus on the results rather than the methods and processes used.
4. Human orientation, namely the extent to which decisions made by management are based on considerations of the impact that will arise on team members within the organization.
5. Team orientation, namely the degree to which a work activity can be managed as a group compared to individual people.
6. Aggressiveness, namely the degree to which everyone acts aggressively and competitively rather than just being calm and observing.
7. Stability, namely the degree to which organizational activities are carried out to maintain the status-quo between comparisons and growth.

C. Work Motivation

McClelland (1961) in Hasibuan (2016) describes motivation as a potential energy reserve possessed by a person and how this energy will be used by that person, very much depends on encouragement, strength, hope, incentives, and the situation, as well as the opportunities available. Through interaction with staff, a manager can learn which factors have the most significant influence on team members. Employees are motivated by various factors and will show different characteristics depending on the most dominant motivator (Valaei & Rezaei, 2016).

McClelland in Hasibuan (2016) also argues that a potential energy employee is driven by 3 things, namely: existing motives and emerging basic needs; hope of success; and the incentive value attached to the goal. McClelland further explained that managers can use needs theory to identify motivations that significantly affect team members, so they have the knowledge to better understand goal setting, provide feedback, and motivate and reward employees (Pacesila, 2014). In addition, leaders can match employees with jobs that are more suited to individual needs, and understand high-performing employees in the organization (Pacesila, 2014). Based on the things that the researchers explained above, the notion of motivation can be synthesized as a force that appears and directs a person to behave by focusing on an action or job in order to meet the basic needs of the individual.

Work motivation as described by McClelland in Hasibuan (2016), has 3 dimensions, which are:
1. The need for achievement, namely the need to be able to achieve a high level of performance (achievement). The need for achievement, indicated by the attitude of having a high sense of responsibility, having the expectation of receiving feedback every time you finish an activity, having the skills to use when completing work, having a sense of enthusiasm to excel at every opportunity, and having a strong desire to do work who is challenging, and has a strong desire to go ahead and increase the success rate of himself.
2. The need for power, namely the need to act as a leader by controlling or influencing others. The need for power is indicated by the self-drive to perform a skill optimally, has the urge to act as a leader in every activity, and has the urge to feel the need to organize others, and has the desire to achieve a certain position as a leader, has self-confidence that he is an essential part of any organization and enjoys competition and victory.
3. The need for affiliation, namely the need to communicate between individuals involved in a job. The need for affiliation is shown by having a high social sense of neighbor, having a willingness to cooperate with other parties in the context of completing work, and being moved to be able to help others at all times, and having sufficient self-confidence.

D. Employee Performance

The theory put forward by Wirawan (2015) defines performance as an output produced in a job or profession in a certain time unit as measured by various functions or indicators. Furthermore, regarding employee performance, it is the result of a synergy of a number of factors. The factors in question consist of internal factors, the organizational environment, internal employees, and external factors of the organization (Wirawan, 2015).

A person's performance is greatly influenced by various factors such as leadership style and work environment to achieve organizational goals within a certain period of time (Masrukhan & Waridin, 2006). Meanwhile, according to Rivai (2017) internal factors such as discipline and motivation play a very important role in determining performance because performance is related to the willingness of a person or a group to be willing to carry out an activity in accordance with responsibilities with results as expected of him. Based on the above, the researcher synthesizes employee performance as the output produced by employees who have an interest in a function to do something in order to achieve predetermined organizational goals, where the results of the work will be determined by the organization regarding the quality of its output.

Wirawan (2015) divides employee performance into several dimensions, which are:
1. Work results. In the work results indicated by the quantity and quality of work of organizational members in carrying out work activities to achieve organizational goals. Work results are the fruit of effort which can be in the form of activities or physical (goods) whose output is measured in quantity, quantity, and quality.
2. Work Behavior. Work behavior is indicated through the attitudes and actions taken by employees while at work in the context of carrying out their work.
3. Personal Traits. In a personal nature it is a trait at work. Personal traits are interpersonal which are owned by employees in the context of doing their jobs.
E. Theoretical Framework

Through research by Al-Musadieq et al. (2018) which explains that transformational leadership affects motivation significantly. The results of this study were corroborated by Rita et al. (2017) which explains that employee motivation and performance have a relationship. In addition, Putra and Dewi (2019) explain that work motivation is a mediator between transformational leadership variables and organizational culture on employee performance which has a partial effect. Whereas previous research that examined the influence of Organizational Culture on performance through the results obtained by Nugroho (2019) shows that Organizational Culture has a significant effect on work performance, this study strengthens the results of Siswanto (2018) and Andriani (2017) research results which show that Culture The organization has a significant influence on employee performance. This is not in line with the results of research conducted by Iphank & Ardiana (2017) which states that there is no significant influence between organizational culture and performance.

Musadieq et al. (2018) states that the results of their research show that motivation can mediate the influence of organizational culture on employee performance in the company under study. In addition, research conducted by Putra & Dewi (2019) resulted in the conclusion that work motivation is able to mediate the relationship between transformational leadership and organizational culture on employee performance.

Fig 1: Inter-variable Relationship Model

The hypotheses formulated by researchers in this study are presented through the explanation below:

- **Hypothesis 1**: Transformational leadership has a significant effect on work motivation.
- **Hypothesis 2**: Organizational Culture has a significant effect on Work Motivation.
- **Hypothesis 3**: Transformational leadership has a significant effect on employee performance.
- **Hypothesis 4**: Organizational culture has a significant effect on employee performance.
- **Hypothesis 5**: Work motivation has a significant effect on employee performance.
- **Hypothesis 6**: Work Motivation mediates the influence of Transformational Leadership on Employee Performance.
- **Hypothesis 7**: Work Motivation mediates the influence of Organizational Culture on Employee Performance

III. RESEARCH METHODOLODY

The type of research used is quantitative research carried out by survey methods, as for the nature of the quantitative research method carried out in this study which is causal, this is because this causal research has the aim of explaining the various factors that cause problems both single and in plural (Sekaran & Bougie, 2017). In order to obtain complete, relevant, mutually reinforcing, and able to explain data, in addition to using primary data in the form of survey results, researchers also used secondary data in the form of employee performance appraisals and interviews with key positions at PT. KT Electric.

Detailed information about the variables to be measured, using dimensions and indicators. The number of items to be measured through indicators using a Likert scale, the independent variables consist of transformational leadership (X1) and organizational culture (X2), while the dependent variable is work motivation (Y1) and employee performance (Y2), as shown in the table 1 below:
<table>
<thead>
<tr>
<th>Variable</th>
<th>Dimension</th>
<th>Indicator</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ideal influence</td>
<td>A. Respect</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>B. Trust</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>C. Become a role model</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td>Transformational leadership</td>
<td>A. Motivating subordinates</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>B. Provide job challenges</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>C. Providing learning behind a problem</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td>Inspirational motivation</td>
<td>A. Review the problem</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>B. Approach old situations in new ways</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>C. Stimulate employees to be creative</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td>Intellectual simulation</td>
<td>A. Attention to need</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>B. Focus on performance achievement</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>C. Provide mentoring or training</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td>Attention to individuals</td>
<td>A. Individual accuracy in doing a job</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>B. Evaluation of work results</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td>Attention and detail</td>
<td>A. Respect for the aspirations of organizational members</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>B. Responsibilities of organizational members</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>C. Consideration of organizational members in taking risks</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td>Innovate and take risks</td>
<td>A. Achievement of Individual Work Targets</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>B. Institutional support in the form of work facilities</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td>Result orientation</td>
<td>A. Organizational attention to work comfort</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>B. Organizational attention to personal needs</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>C. Organizational attention to recreation</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td>Human orientation</td>
<td>A. Cooperation that occurs between members in the organization</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td>Team orientation</td>
<td>B. Tolerance between members within the organization</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td>Aggressiveness</td>
<td>A. Freedom to be able to criticize</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>B. Competitive climate among members in the organization</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>C. Willingness of each member to improve their abilities</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td>Stability</td>
<td>A. Support provided by the organization to maintain the status quo</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>B. Maintaining work stability</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td>Need for achievement</td>
<td>A. Develop creativity</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>B. Enthusiastic for high achievement</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td>Need for affiliation</td>
<td>A. The need to feel accepted by others</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>B. The need to feel respected</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>C. The need for a feeling to participate</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>D. The need for feelings to progress and not fail</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td>Need for power</td>
<td>A. Has the best position</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>B. Mobilizing the ability to achieve power</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td>Work result</td>
<td>A. Quality of work</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>B. Work quantity</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>C. Work effectiveness</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td>Work behaviour</td>
<td>A. Independence in work</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>B. Cooperation between workers</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>C. Work discipline</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td>Individual behaviour</td>
<td>A. Work commitment</td>
<td>Ordinal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>B. Job skills</td>
<td>Ordinal</td>
<td></td>
</tr>
</tbody>
</table>

Table 1: Variable Measurement
The population used is the employees of PT. KT Listrik as many as 131 employees. The sampling method used purposive sampling where the determination of the number of samples was carried out using the Slovin formula based on Sugiyono (2018), based on this formula, 100 respondents were obtained.

The analytical method used is Structural Equation Modeling (SEM) with the Partial Least Squares (PLS) approach, this analysis is carried out using the SmartPLS version 3.2.9 application which is run via computer media. Ghozali (2014) states that PLS (Partial Least Squares) is a strong method for analysis, this is because the data is not based on many assumptions, and does not have to be normally distributed, and the sample does not have to be large. Through further explanation by Ghozali (2014) it is explained that PLS is an analysis technique that is soft modeling because there is no need to assume data to be analyzed with a certain scale measurement, so it can be interpreted that the number of samples can be small (under 100 samples).

IV. RESULTS AND DISCUSSIONS

Analysis of the data in this study has been arranged in a descriptive way of each variable obtained. From this study, it was obtained 97 respondents, where based on the gender of the respondents it was seen that PT. KT Listrik has a composition of more men, namely 79 men (81.44%) than 18 women (18.56%). Based on age, it can be seen that there are 25 respondents (25.77%) who have ages between 18 years - 25 years, 64 respondents (65.99%) have ages between more than 25 years - 35 years, and 8 respondents (8.24%) are between the ages of more from 35 years - 45 years. Based on the latest education, it can be seen that there are 60 respondents (61.85%) who have the latest education at SMK / equivalent, 29 respondents (29.89%) have the latest education at Diploma 3/4, 7 respondents (7.21%) were in Strata 1. and the rest, namely 1 respondent (1.05%) had the latest education in Strata 2/3. Meanwhile, based on the length of service, it can be seen that there are as many as 86 respondents (86.60%) with a working period of more than 1 year to 3 years, and 13 respondents (13.40%) with a working period of more than 3 years to 5 years, besides that There are no respondents who have worked more than 5 years.

Descriptive statistical analysis used in this study is expected to determine the trend in the answers in the questionnaire based on category selection using a Likert scale with a value range from a scale of 1 (strongly disagree) to 5 (strongly agree) for each statement variable. Based on the data that has been collected, to understand the answers to each research variable and the results are presented as follows:

- The Transformational Leadership variable has a mean (mean) result of 3.67 which if interpreted in the interpretation of the interval will fall into the "Agree" category.
- The Organizational Culture variable has a mean (mean) result of 3.48 which if interpreted in the interpretation of the interval will fall into the "Agree" category.
- The Creative Motivation variable has a mean (mean) result of 3.54 which if interpreted in the interpretation of the interval will fall into the "Agree" category.
- The Organizational Culture variable has a mean (mean) result of 3.71 which if interpreted in the interpretation of the interval will fall into the "Agree" category.

The outer model evaluation test is carried out in order to understand the validity and reliability of each indicator that has been linked to their respective latent variables. The convergent validity test is carried out by looking at the value of the loading factor on each statement item, composite reliability, Cronbach's alpha, and Average Variance Extracted (AVE). The loading factor value used in this study is greater than 0.7 so that if the loading factor value is smaller than 0.7, it will be excluded from the model (Ghozali, 2017). Convergent validity evaluation is done by looking at the average variance extracted (AVE) value which explains how much the variance of the manifest variable the latent model can have, where the greater the variance value of the manifest variable contained by a latent model, the greater the representation / depiction will be, the latent manifest model variable. Based on the evaluation of the convergent validity of the average variance extracted (AVE) test through data processing with Smartplsi version 3.2.9, the results are as follows:

<table>
<thead>
<tr>
<th>Variable</th>
<th>AVE Value (Average Variance Extracted)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational Leadership</td>
<td>0.623</td>
</tr>
<tr>
<td>Organization Culture</td>
<td>0.615</td>
</tr>
<tr>
<td>Work Motivation</td>
<td>0.698</td>
</tr>
<tr>
<td>Employee Performance</td>
<td>0.694</td>
</tr>
</tbody>
</table>

Table 2: Average Variance Extracted (AVE) value of each variable

Based on the results of data processing in the table above, it can be seen that the AVE value of each variable has a value > 0.50, so that the AVE value has met the convergent validity testing standard. While the reliability test was carried out by looking at the consistency reliability through Cronbach's Alpha and composite reliability values. Ghozali (2014) states that a construct is said to be reliable if the value of Cronbach's Alpha and composite reliability is ≥ 0.70. The following are the results of testing composite reliability and Cronbach's Alpha on each variable in this study:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Composite Reliability</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational Leadership</td>
<td>0.952</td>
<td>0.944</td>
</tr>
<tr>
<td>Organization Culture</td>
<td>0.962</td>
<td>0.958</td>
</tr>
<tr>
<td>Work Motivation</td>
<td>0.949</td>
<td>0.938</td>
</tr>
<tr>
<td>Employee Performance</td>
<td>0.948</td>
<td>0.937</td>
</tr>
</tbody>
</table>

Table 3: Composite reliability & Cronbach’s Alpha value
Based on the table above, it can be seen that the value for composite reliability and cronbach's Alpha is ≥ 0.70 for each variable. Through these results it can be interpreted that the model and variables have met the reliability criteria so that the measuring instrument is considered reliable and reliable. Meanwhile, the inner model test (structural model) is carried out in several stages, including: path coefficient evaluation, evaluation of the R-squared (R2) value, structural model validation with the GoF model (Goodness of Fit), predictive relevance validation (Q2). Based on smartpls analysis version 3.2.9 using bootstrap and the following are the results of the evaluation of the path coefficient as shown in the table below:

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Path Coefficient</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1. Transformational Leadership has a significant effect on Work Motivation</td>
<td>0.587</td>
<td>0.000</td>
</tr>
<tr>
<td>H2. Organizational Culture has a significant effect on Work Motivation</td>
<td>0.321</td>
<td>0.000</td>
</tr>
<tr>
<td>H3. Transformational Leadership has a significant effect on Employee Performance</td>
<td>0.501</td>
<td>0.000</td>
</tr>
<tr>
<td>H4. Organizational Culture has a significant effect on Employee Performance</td>
<td>0.012</td>
<td>0.895</td>
</tr>
<tr>
<td>H5. Work Motivation has a significant effect on Employee Performance</td>
<td>0.396</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Table 4: Path coefficient & P-value

The value of R-Squared (R²) aims to explain how much the independent variables (Transformational Leadership and Organizational Culture) hypothesized in the equation can explain the dependent variables (Work Motivation, and Organizational Culture). The results of R-Squared (R²) processing in the Smartpls 3.2.9 application are shown in the table below:

<table>
<thead>
<tr>
<th>Konstruk</th>
<th>R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motivasi Kerja</td>
<td>0.714</td>
</tr>
<tr>
<td>Kinerja Karyawan</td>
<td>0.748</td>
</tr>
</tbody>
</table>

Table 5: R-squared (R²) value

Based on Table 5 above, it can be seen that the relationship between constructs is based on the R-squared value so that it can be explained that the Work Motivation variable (Y1) is 0.714, the results show that 71.4% of the Work Motivation variable (Y1) can be influenced by the Transformational Leadership variable (X1), and Organizational Culture (X2), while the remaining effect of 28.6% is influenced by other variables outside the one under study. While the relationship between constructs based on the R-squared value of the Employee Performance variable (Y2) is 0.748. This shows that 74.8% of the Employee Performance variable (Y2) is influenced by Transformational Leadership (X1) and Organizational Culture (X2), as well as the Work Motivation variable (Y1), while the remaining 25.2% is influenced by other variables outside the study.

The Goodness of Fit (GoF) evaluation used in this study aims to validate and check the combined performance of the outer and inner models. The GoF calculation is carried out in the following manner:

\[ \text{GoF} = \sqrt{\text{AVE} \times R^2} \]

\[ \text{GoF} = \sqrt{0.6575 \times 0.731} \]

\[ \text{GoF} = \sqrt{0.4806325} \]

\[ \text{GoF} = 0.693 \]

Notes:
\[ \text{AVE} = (0.623 + 0.615 + 0.698 + 0.694) / 4 \]
\[ \text{AVE} = 0.6575 \]
\[ R^2 = (0.714 + 0.748) / 2 \]
\[ R^2 = 0.731 \]

Based on the results of the GoF calculations above, the researcher concludes that the combined performance of the outer model and inner model as a whole is in the good category, this is because the Goodness of Fit Index (GoF) value exceeds 0.36 which is the large-scale category of GoF (Ghozali, 2014). In addition, testing of Predictive Relevance (Q2) is also carried out which aims to evaluate the model. The results are as follows:

\[ Q^2 = 1 - \left(1 - R^2\right)^2 \]
\[ Q^2 = 1 - \left(1 - 0.714\right)^2 \]
\[ Q^2 = 1 - 0.072 \]
\[ Q^2 = 0.928 \]

Based on the results of the above calculations, the Predictive Relevance (Q²) value is 0.928. So it can be concluded that the research model has a strong predictive relevance or indicates that the structural model designed to explain Work Motivation and Employee Performance is proven to be good or relevant.

Hypothesis testing between constructs was carried out using the bootstrap method which was run using SmartPLS 3.2.9 on computer media. The measuring instrument used in testing the hypothesis is by using the path coefficient value, the ratio of t statistics to t table, and the value of Phitung. The results are as follows:
The results of statistical calculations related to the effect of direct relationships are presented in table 6, which are explained in the discussion of the hypothesis as follows:

1. Hypothesis 1 - Transformational Leadership has a significant effect on Work Motivation

Through the results listed in table 6 above, obtained the t value of 7.611 which is greater than the value of t table = 1.985, and the value of P-Values = 0.000 which is smaller than α = 0.05. means that Ha is accepted, that is, there is a significant effect of Transformational Leadership (X1) on Work Motivation (Y1), and H0 is rejected.

2. Hypothesis 2 - Organizational Culture has a significant effect on Work Motivation

Through the results listed in table 6 above, obtained tcount value of 3.737 is greater than the value of t table = 1.985, and the acquisition value of P-Values = 0.000 which is smaller than α = 0.05. means that Ha is accepted, that is, there is a significant influence of the Organizational Culture variable (X2) on Work Motivation (Y1), and H0 is rejected.

3. Hypothesis 3 - Transformational Leadership has a significant effect on Employee Performance

Through the results listed in table 6 above, obtained tcount value of 5.410 is greater than ttable = 1.985, and the value of P-Values = 0.000, which is smaller than α = 0.05. means that Ha is accepted, that is, there is a significant effect of the Transformational Leadership variable (X1) on Employee Performance (Y2), and H0 is rejected.

4. Hypothesis 4 - Organizational Culture has a significant effect on Employee Performance

Through the results listed in table 6 above, obtained the path coefficient value of 0.011, and the tcount value of 0.132 is smaller than the value of ttable = 1.985, and the acquisition value of P-Values is 0.895 which is greater than α = 0.05. thus Ha is rejected and H0 is accepted, that is, there is no significant effect of the Organizational Culture variable (X2) on Employee Performance (Y2).

5. Hypothesis 5 - Work motivation has a significant effect on employee performance

Through the results listed in table 6 above, obtained tcount value of 5.607 is greater than ttable = 1.985, and the acquisition value of P-Values = 0.000 which is smaller than α = 0.05. means that Ha is accepted, that is, there is a significant effect of the Work Motivation variable (Y1) on Employee Performance (Y2), and H0 is rejected.

Whereas the results of the effect of the indirect relationship between the independent variables of transformational leadership (X1), organizational culture (X2), on employee performance (Y2) through work motivation (Y1) are shown in the table below:

The results of statistical calculations related to the effect of direct relationships are presented in table 7, which are explained in the discussion of the hypothesis as follows:

1. Hypothesis 6 - Work Motivation mediates the influence of Transformational Leadership on Employee Performance

Based on table 7, it is obtained that the value of t count is 5.055 which is greater than the value of t table = 1.985. and the value of P-Values = 0.000 which is smaller than α = 0.05. means that Ha is accepted, that is, there is a significant effect of the Transformational Leadership variable (X1) on Employee Performance (Y2) through Work Motivation (Y1), and H0 is rejected. The path coefficient value is positive, which is 0.233 (0.587 x 0.396), the value of this indirect effect is smaller than the value of the direct effect of Transformational Leadership (X1) on Employee Performance (Y2) and the direct relationship between Transformational Leadership (X1) and Employee Performance. (Y2) which still has a significant effect even though a mediator has been added so that it can be said that the mediation effect given is partial.

2. Hypothesis 7 - Work Motivation mediates the influence of Organizational Culture on Employee Performance

Based on table 7, it is obtained that the value of t count is 1.932 greater than the value of t table = 1.985. and the value of P-Values = 0.000 which is smaller than α = 0.05. means that Ha is accepted, that is, there is a significant effect of the Organizational Culture variable (X2) on Employee Performance (Y2).
influence of the Organizational Culture variable (X2) on Employee Performance (Y2) through Work Motivation (Y1), and H0 is rejected. The path coefficient value is positive, which is 0.127 (0.321 x 0.396), the value of this indirect effect is greater than the value of the direct effect of Transformational Leadership (X1) on Employee Performance (Y2) and the direct relationship between Transformational Leadership (X1) and Employee Performance. (Y2) which changes to have a significant effect when a mediator is added so that it can be said that the mediation effect given is perfect.

Furthermore, the discussion and interpretation-based on variables related to previous theory and research are as follows:

1. The effect of transformational leadership on work motivation
   Based on empirical facts and supported by previous research, it can be concluded that the hypothesis (H1) is accepted, which means that Transformational Leadership has a positive and significant effect on Work Motivation, which means that one way to increase employee motivation in the company is to adopt a transformational leadership style.

   Setiawan & Nawangsari (2019) state that leaders have a responsibility both physically and spiritually, to lead work activities to be successful, so that being a leader is not easy and not everyone has the same leadership style. Rosing & Zacher (2017) suggest that the transformational leadership style used by leaders has the power to influence subordinates in certain ways so that subordinates are motivated and carry out tasks well. The findings of Barbuto & Gifford (2012) reinforce this statement by saying that leadership has an important role in motivating employees, which will have an impact on employee performance.

   Managerial implications of the application of Transformational leadership in PT. KT Listrik, which is carried out in a weekly meeting at the beginning of the week led by the manager of each section. In this meeting the manager will review the work results of each employee related to their performance in the last week, both the output target in the form of work results and work processes. In addition, the manager will provide direct directions or guidance to employees who are deemed not in accordance with the expected work results, and encourage employees to think from another point of view if there is a problem so that they can take a different approach to improve work effectiveness.

2. The influence of organizational culture on work motivation
   Based on empirical facts and supported by previous research, it can be concluded that the hypothesis (H2) is accepted, which means that Organizational Culture has a positive and significant effect on Work Motivation, which means that one way to increase employee motivation is to implement and implement organizational culture in the company.

   Yusdarti & Aulia (2020) stated that organizational culture is an option for companies to develop human resources through changes in attitudes and behavior which are expected to produce human resources who are able to adapt to ongoing and future challenges. The results of this study support several previous studies and are consistent with the results of research by Tobing & Syaiful (2016) which explains that organizational culture affects work motivation positively and significantly.

   Managerial implications related to Organizational Culture in PT. KT Listrik can be seen from several things including, a high result-oriented attitude which is shown through the leadership who directs the team to focus on results in achieving targets. The company emphasizes the achievement of goals that must be achieved either through the form of cooperation, or work independently, which is fully known by superiors. Then the organizational culture is also shown through employee aggressiveness in the form of an attitude of initiative and proactiveness in dealing with problems. Employees are always on the move to find alternative solutions, if they hit a dead end, employees can consult with their superiors. In addition, in terms of company stability, it will provide a timeline if there are new things that will be implemented in the company, so that employees can prepare themselves if there are changes.

3. The effect of transformational leadership on employee performance
   Based on empirical facts and supported by previous research, it can be concluded that the hypothesis (H3) is accepted, which means that Transformational Leadership has a positive and significant effect on employee performance.

   The results of research conducted by researchers confirmed the results of research conducted by Vipraprastha et. al (2018) who obtained the results that transformational leadership has a positive and significant effect on employee performance. Then also strengthened through research conducted by Sinaga et al. (2018) where the results of his research show that there is a significant direct effect on transformational leadership on employee performance.

   Managerial implications related to Transformational Leadership at PT. KT Listrik is shown through the attitude of leaders who are able to become role models through doing what is said, able to review a problem and provide challenges according to the capacity of team members while remaining focused on the achievements of themselves and their team members.

4. The influence of organizational culture on employee performance
   Based on empirical facts and supported by previous research, it can be concluded that the hypothesis (H4) is rejected, which means that the higher the Organizational Culture does not affect employee performance.
The results of this study are in line with the results obtained by Kala'Lembang et al. (2015) which explains that organizational culture has no effect on employee performance, this result is strengthened by the results of research from Iphank & Ardiana (2017) which states that there is no significant influence between organizational culture and performance. According to Iphank & Ardiana (2017) the cause of the absence of a significant influence between organizational culture and performance is because respondents prioritize their respective personal and group interests rather than the company.

This is also related to PT. KT Listrik where organizational culture that has been defined tends to be less well internalized, this can be seen from the lack of action / availability of media (posters, banners, and the like) / activities that emphasize understanding and internalization of existing organizational culture. This is also strengthened by the focus on emphasizing the organizational culture of PT. KT Listrik tends to focus on performance rather than process and does not emphasize cooperation and achievement between teams, besides that, based on the findings on the dimension of team orientation, it can be seen that the characteristics of respondents still prioritize their personal / group interests. Employees are also reluctant to communicate with department members who in fact also play an important role in the smooth process and completion of tasks, many of whom only follow the directions and procedures that have been agreed at the start without trying to make a breakthrough / review during the process. Shahzad et al. in Pathiranage (2019) states that management with a weak or ineffective organizational culture has the potential to affect profitability and productivity. This is supported by Childress's statement in Pathiranage (2019) which states that in a weak organizational culture, employees have problems defining organizational values and determining the appropriate processes for running business in the organization. In terms of human orientation, in the organizational culture dimension, it is also seen that the company only emphasizes achievement without considering employees as whole human beings who need work comfort, and recreation to keep conditions in prime so that they can provide maximum results. This is interpreted by researchers as a form of corporate strategic move that specifically emphasizes the focus on improving employee performance in the context of achieving the targets set by the company, which has indeed decreased continuously in the last 3 years. The hope is that by only focusing on results, the company can increase revenue to reach the target and in the end create profits to stay in business.

5. The influence of work motivation on employee performance

Based on empirical facts and supported by previous research, researchers can conclude that the hypothesis (H5) is accepted, which means that work motivation has a positive and significant effect on employee performance.

This is in line with previous research that examined the effect of motivation on performance as conducted by Rita et al. (2017), Hakim (2011), and Ardiana (2017) who explain that the better the motivation of an employee, the more significant the effect on the employee's performance.

Managerial implications related to Work Motivation at PT. KT Listrik is shown through the moral support given to employees to have a "can-do attitude" and always be enthusiastic in trying to achieve the targets given and the availability of opportunities to develop creativity, apart from that there is openness and good social relations between employees in one team.

6. The effect of transformational leadership on employee performance through work motivation

Based on empirical facts and supported by previous research, it can be concluded that the hypothesis (H6) is accepted, which means that Transformational Leadership has a positive and significant influence on employee performance through Work Motivation as a mediator.

Zhang & Bartol (2010) in Arizqi & Fachrunnisa (2017), describe transformational leadership which has an influence on employee performance by using work motivation as a mediating variable. The results of this study reinforce previous research which also conducted research on the influence of transformational leadership on performance through motivation as a mediating variable, as was done by Putra and Dewi (2019), while their research results stated that work motivation can mediate the relationship between transformational leadership and culture, organization on employee performance partially.

Managerial implications that occur at PT. KT Listrik, namely that every leader must understand, and practice the existing regulations and SOPs in the company properly and correctly, this is done because leaders are role models for each team member. In addition, each leader is also expected to be able to motivate each of his subordinates to be able to carry out their duties and responsibilities properly and achieve the required targets, leaders must also be alert to read conditions where employees need further mentoring / direction to complete tasks, the leader must be the first to do the thing.

7. The influence of organizational culture on employee performance through work motivation

Based on empirical facts and supported by previous research, it can be concluded that the hypothesis (H7) is accepted, it means that Organizational Culture has a positive and significant effect on employee performance through Work Motivation as a mediator.

The results of the study corroborate previous research which examined the influence of Organizational Culture on performance through motivation as a mediating variable as was done by Al-Musadiq et al. (2018), through this study, it was concluded that there was a significant influence on work motivation and work culture on human resource performance, where motivation can be a mediating variable for cultural variables on employee performance. This study was corroborated by Putra & Dewi (2019) who found that there was an influence of transformational leadership and
organizational culture on employee performance mediated by work motivation.

Managerial implications that occur at PT. KT Listrik, namely leaders carry out regular work evaluations of target achievement, which are also assessed based on the cooperation process during the implementation of tasks in the context of teamwork. In addition, the leader also encourages each team member to create a positive competitive climate in the organization, and is open to criticism and gives appreciation to employees who express ideas or aspirations. The hope is that by doing this it can meet the needs of employees who feel needed, so as to encourage their enthusiasm to achieve the targets set by the company for themselves.

V. CONCLUSIONS & RECOMMENDATIONS

Through discussion of the results of data analysis, and also by proving the hypotheses of the problems discussed and explained in the previous section, the following conclusions are drawn, namely:
1. Transformational Leadership has a positive and significant effect on Work Motivation, where the Intellectual Simulation dimension has the highest correlation with the Need for Affiliation dimension.
2. Organizational Culture has a positive and significant effect on Work Motivation, where the Human Orientation dimension has the highest correlation with the Need for Affiliation dimension.
3. Transformational leadership has a positive and significant effect on employee performance, where the dimension of inspirational motivation has the highest correlation with the dimension of work behavior.
4. Organizational Culture does not have a significant effect on Employee Performance.
5. Work motivation has a positive and significant effect on employee performance, where the need for affiliation has the highest correlation with the dimensions of work results.
6. Work Motivation partially mediates the influence of Transformational Leadership on Employee Performance.
7. Work Motivation mediates the influence of Organizational Culture on Employee Performance in full.

Based on the results of the discussion and conclusions described above, the researcher provides several suggestions for the company as well as future research, among others:
1. The need for a transformational leadership development program for employees, in which there is provision for leaders to be able to provide inspirational motivation to team members through the expertise to provide job challenges and provide learning behind a problem, provide direction to work creatively, and also encourage his team members in doing the job. In addition, the company also feels the need to include an annual performance appraisal indicator based on Intellectual Simulation and Inspirational Motivation, so that leaders can be encouraged to do this which can then have a positive impact on the company.

2. Conducting surveys of employees related to work comfort, and gathering expectations for comfort in the work environment to be recapitulated, and follow up on fulfillment in order to achieve work comfort in accordance with employee expectations. bDirect HR and GA departments to dig up information about employees' personal needs related to work / duties, and take steps to fulfill them. Assessing the possibility of holding an employee's day / family's day as a form of appreciation and recreation given from the company to all employees who have worked.
3. Using OKR (Objectives & Key Results) as a performance appraisal measure that replaces KPI, because of its nature that encourages collaboration between team members and even between departments (team based performance indicators). Organizing a forum / system that accommodates ideas for improvement from employees which refers to improving work results, or improving work results, where employee ideas that are used will be publicly appreciated to all employees in the company.

Given that this research has limitations, among others, it is only limited to the scope of PT. KT Listrik so that it does not describe it as a whole, besides this research depends on the results of the questionnaire so that respondents have the potential to provide answers that are considered appropriate to certain values that are acceptable in their social environment which have the possibility to distort the average value of each variable. Therefore, researchers provide suggestions for further research, including: the need for further research on the influence of transformational leadership and organizational culture on employee performance through work motivation in other business sectors both specifically and in general in order to get a comprehensive picture of the influence of variables - these variables; Adding or changing existing independent variables with other variables that are thought to have a relationship with employee performance (for example: compensation, training, work from home, talent management policies) so as to increase insight and broaden understanding of the interrelationship between independent variables and their effects on employee performance; Adding data collection methods so that they are not limited to questionnaires, so that
they can capture more and more detailed information so that problems can be better analyzed and able to provide concrete managerial suggestions (for example: FGD, or observation); Developing research models by adding other mediating variables or moderating variables which theoretically affect employee performance. Thus the research results are expected to be more comprehensive in explaining and adding insight to readers.

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