

The Influence of Transformational Leadership Style and Organizational Culture on Employee Performance through Work Motivation in the Secretariat Denpasar City Region

Ida Ayu Chandra Lestari¹, I Gusti Ayu Wimba², Ida Ayu Putu Widani Sugianingrat³

¹ Master of Management Study, Faculty of Economics, Business and Tourism, Indonesian Hindu University

^{2,3} Faculty of Economics, Business and Tourism, Indonesian Hindu University, Indonesia

email: gekchandrabelas@gmail.com

Article Info

Keywords:

Transformational Leadership Style;
Organizational Culture;
Employee Performance;
Work Motivation

Accepted: Mar 19, 2024

Fixed: May 5, 2024

Accepted: May 15, 2024

DOI: <https://doi.org/10.32795>

Abstract

Purpose- For analyze the influence of transformational leadership style and organizational culture on employee performance through work motivation in the Secretariat Denpasar City Region

Methodology- The population in focus are employees at the regional secretariat in Denpasar City. The sampling technique uses saturated sampling or census. Therefore, the research objects used were 104 employees of the Regional Secretariat in Denpasar City. The analysis in this study uses a path equation model SEM.

Findings- The results of this research indicate that transformational leadership style and organizational culture have a positive effect on the performance and work motivation of Denpasar City Regional Secretariat employees. The transformational leadership style has a positive effect on employee performance through work motivation at the Denpasar City Regional Secretariat. Organizational culture has no effect on employee performance through work motivation at the Denpasar City Regional Secretariat.

1. Introduction

Performance is the work result achieved by a person or group of people in facing work demands and responsibilities (Armstrong & Baron, 2004). Performance is not just the result of motivation and ability, but also involves the level of willingness and skills a person has to complete a task or job. Studies regarding the description of employee performance in government often face a number of challenges, including low levels of professionalism, inadequate welfare, composition and distribution that are not yet optimal, filling positions without adequate expertise, performance evaluations that are less objective, promotions that are not based on achievements, as well as low work efficiency (Afriani et al, 2023).

Regional government employees play a crucial role in implementing policies, designing programs, and carrying out various activities to meet the needs of local communities (Manoppo, 2017). A very vital regional government organization in Regional Government, namely the Regional Secretariat, has a very important role and function in carrying out regional development tasks. The successful implementation of this task can of course depend on the abilities of each employee who works there (Goma et al., 2022). In developing the performance of regional employees, human resources have a very crucial role in the context of the strategic issue of Regional Autonomy (Rifai, 2018).

The current phenomenon in employee performance shows that national employee performance is rated good and very good, reaching 99.76 percent. However, this is in contrast to the many complaints from the public, poor public services, employee discipline and other problems. According to the Minister for State Apparatus Empowerment and Bureaucratic Reform (MenPANRB), this phenomenon indicates that employee performance predicates are not yet in line with the performance achievements of regional organizations in Indonesia (Hayati, 2023). Based on the community satisfaction data listed in table 1, it can be seen that the Denpasar City Regional Secretariat consists of ten sections.

Table 1 Community Satisfaction Index (IKM) on the Performance of the Denpasar City Regional Secretariat 2022

No	Part	Value of SMEs	Category
1.	Procurement of Goods/Services	88.04	Good
2.	People's welfare	89.23	Very good
3.	Cooperation	88.09	Good
4.	Economy	82.35	Good
5.	Law	87.66	Good
6.	Development Administration	84.86	Good
7.	General	87.78	Good
8.	Organization	87.77	Good
9.	Leadership Protocol and Communication	89.61	Very good
10.	Governance	87.83	Good

Source: Denpasar City Regional Secretariat IKM Report, 2022

Based on the data presented in Table 1, it can be seen that the Denpasar City Regional Secretariat consists of ten sections. The very good category (88.31 – 100) is seen in two parts, namely people's welfare and protocol and leadership communication. Meanwhile, eight other sections, including procurement of goods and services, cooperation, economy, law, development

administration, general, organization and governance, are in the good category (76.61 – 88.30). The categories of poor (65 – 76.60) and not good (25.00 – 64.99) are not part of the community satisfaction index in 2022. These findings indicate that there is potential to improve performance in these eight parts, so that they can provide opportunities for increase public satisfaction with the services provided by employees at the Regional Secretariat.

The term transformational leadership was first coined by Dowton (1973). Its emergence as an important approach to leadership began with the classic work by political sociologist James MacGregor Burns entitled *Leadership* (1978). Transformational Leadership according to McShane and Von Glinow (2015:344) is a leadership perspective that explains how leaders change teams or organizations by creating, communicating, and modeling a vision for the organization or work unit and inspiring employees to fight for that vision. Followers about problems by helping them look at old problems in new ways, and they are able to encourage, arouse, and inspire followers to expend extra effort to achieve group goals in developing staff abilities, increasing positive self-esteem, improving teamwork so that it will improve staff performance in the organization (Triyanti, 2019).

Organizational culture according to Robbins in Maduningtias (2019) is a system of shared values in an organization that determines the level at which employees carry out activities to achieve organizational goals. Fariqet.al(2017) Discussing organizational culture is essential for an organization, because organizational culture is a habit- habits that occur in the organizational hierarchy that represent norms of behavior and are followed by members of the organization, organizational culture actually grows because it is created and developed by individuals who work in an organization, this culture is then accepted as values that must be maintained and passed on to every new member (Arifinet al., 2020).

Koldakar in Hamali (2018) defines motivation as a talented inner desire caused by needs, desires and will that encourage an individual to use his physical and mental energy to achieve the desired goals. Motivation can also encourage employees to be more involved in their work or company activities. This enthusiasm is shown through the low number of resignations, their always perfect attendance, and good relations between co-workers. As a form of reason why motivation is very important (Adindaet al., 2023).

This performance is a combination of three important factors, namely a worker's ability and interest, ability and acceptance of explanations of task delegation and roles as well as a person's level of motivation. (Fauzan&Tupti, 2023). According to Gomez in Mamik (2010) states that employee performance is the work result achieved by an employee in carrying out his work in accordance with the standards and criteria set for that work.

Based on the 2022 community satisfaction index survey on the performance of the Denpasar City Regional Secretariat, it shows that of the ten areas assessed, only two of them, namely the area of people's welfare and the area of leadership protocol and communication, have reached a very good level of performance. This research framework is designed to provide a logical basis for formulating hypotheses and guiding data analysis. The research is expected to produce a deeper understanding of the variables studied and their relationships, opening up opportunities to obtain meaningful findings. The framework for thinking in this research is in Figure 1, namely:

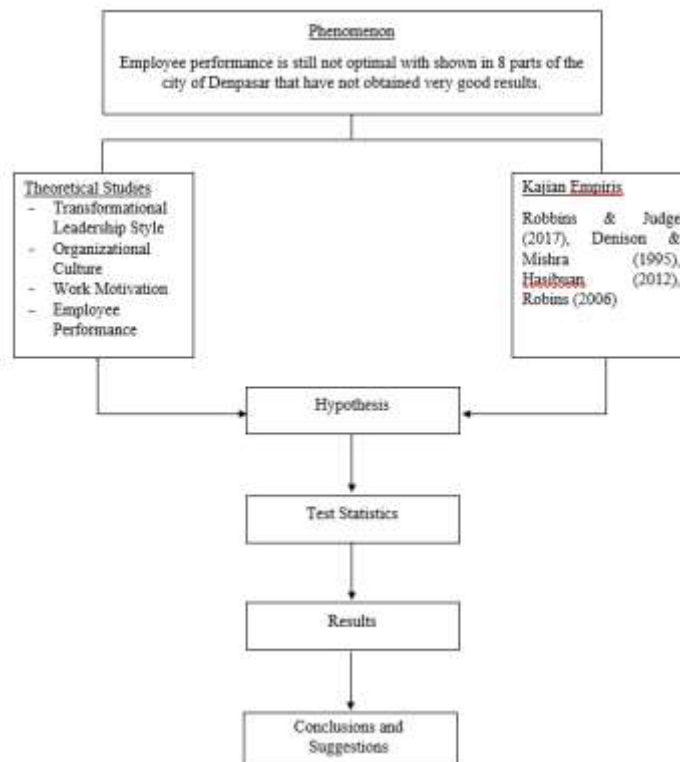


Figure 1. Thinking Framework

Transformational Leadership Style is the style of a leader who has a vision and the ability to interact with employees, so that employees can be motivated to realize the leader's vision and mission. A leader in a company must be able to create good relationships with employees so that the employees feel comfortable doing their work. According to Wulandari and Ratnawati (2019) transformational leadership has long been considered a relevant factor for companies to achieve better organizational performance (Chammas& Hernandez, 2019).

H1: Transformational Leadership has a positive effect on employee performance.

A healthy organizational culture will result in the development of an organizational culture aimed at developing an ecology that mobilizes potential, empowers change for sustainable success and perhaps reaps financial returns. That is, organizational culture will influence employees to go beyond tactical performance, such as crunching numbers, and demonstrate adaptive performance based on shared assumptions and codes of behavior. Organizational culture influences major investment and resource allocation decisions to deliver strong appreciation of creativity, positive and proactive attitude towards change, high level of flexibility aiming for business excellence (Che-Haet *al.*, 2014) and continuous improvement involving employees (Wulandari&Ratnawati, 2019).

H2: Organizational culture has a positive effect on employee performance

Leadership is the leader's ability to influence employees in an organization, so that they are motivated to achieve organizational goals. Employees are an important part in achieving the goals of an organization, and leadership style can have an influence on employee performance.

So, an effective organization requires effective leadership. Hayward (2005) states that there is a significant relationship between transactional leadership style and employee performance.

H3: Transformational Leadership has a positive effect on Work Motivation

According to Lako (2004), organizational culture is believed to be the main determining factor in the successful performance of an organization. A good organization will always pay attention to the wants, needs and hopes of its employees. This reveals that motivation at work can influence and create feelings of commitment to the organization.

H4: Organizational culture has a positive effect on work motivation

A person's motivation begins with needs, desires and the urge to act for the sake of it achieving needs or goals. This indicates how strong the drive, effort, intensity and willingness to make sacrifices is to achieve the goal. In research conducted by Syafi'i et al (2015), employee motivation has a positive and significant effect on employee performance. Research by Pradana (2016) shows that the results of this research are intervening variables that have a direct and significant effect on employee performance at the Jember Regency cooperative and micro, small and medium enterprise services.

H5: Work motivation has a positive effect on employee performance

It can be interpreted that transformational leadership is leadership that can motivate subordinates through charisma and the characteristics of the leader. The transformational leadership style provides a platform for these needs by stimulating intelligence. Leaders who stimulate their subordinates will provide motivation to express opinions and encourage creativity for their employees to solve problems. Research by Bana (2016) states that transformational leadership has an indirect positive and significant influence on employee performance through motivation, which can be interpreted as meaning that motivation is able to mediate the influence of transformational leadership on employee performance.

H6: Transformational Leadership has a positive effect on Employee Performance through Work motivation

If organizational culture is formed strongly, it will shape employee performance that the company desires. Employee performance will be achieved if there is motivational encouragement from superiors. The results of this research are in accordance with the opinion of Kotter and Heskett (1992:9) who state that a strong organizational culture will have a positive influence on business performance because it can provide extraordinary motivation to employees (Al-Ayyubi, 2019). Research by Wahyuni (2015) shows that organizational culture influences employee performance through work motivation.

H7: Organizational culture has a positive effect on employee performance through work motivation

2. Research methods

This research uses a quantitative approach based on statistical information. A research approach that answers research problems requires careful measurement of the variables studied to produce conclusions that can be generalized regardless of the context of time, place and situation. The scope of this research focuses on employees who work at the Denpasar City

Regional Secretariat. This research can provide deep insight into the internal dynamics and factors that influence employee performance in this environment.

Dependent variables are results or responses that are measured or observed during an experiment or research (Ulfa, 2021). The dependent variable in this research is employee performance. Independent variables are variables that are considered causes or factors that influence other variables in a study (Ulfa, 2021). The independent variables in this research consist of Transformational Leadership Style and organizational culture. Intervening variables are variables that are between the independent variable and the dependent variable in a relationship. This variable functions as a mechanism or explanation that explains part or all of the relationship between the independent variable and the dependent variable (Paramita, 2015). The intervening variable in this research is motivation.

The population in this study were employees at the regional secretariat in Denpasar City, totaling 104 people. The sampling technique uses saturated sampling or census, namely selecting sample members from the population as a whole. In the context of this research, the samples taken were employees of the Regional Secretariat in Denpasar City. In this research, in order to obtain data, the author used data collection methods including: observation, interview, literature study, questionnaire. The data analysis method used is descriptive analysis and inferential analysis structural equation modelling (SEM).

3. Results and Discussion

Table 2. Respondent Characteristics

Respondent Characteristics	Number of people)	Percentage (%)
Part		
1. Economy	20 People	19%
2. Leadership Protocol and Communication	35 People	34%
3. Law	22 People	21%
4. Development Administration	12 People	12%
5. People's Welfare	15 People	14%
Total	104 People	100%
Gender		
1. Boy	43	41%
2. Female	61	59%
Age		
1. < 20 years	1	1%
2. 21 – 30 years	24	23%
3. 41 – 50 years	34	33%
4. > 51 years	12	11%
5. Total	104	100%
Last education		
1. High school	10	10%
2. S1	66	64%
3. S2	20	19%
4. S3	8	7%
Total	104	100%

Source: Processed data (2024).

Based on table 2, the characteristics of respondents in the work section show significant variations. This analysis provides an overview of the distribution of respondents in various parts

of work, with the highest proportion lying in protocol and leadership communication. This reflects the importance of this role in the context of the organization or institution that is the subject of research.

Table 3. Values R-Square Endogenous Variables

	R Square	R Square Adjusted
Employee Performance (Y)	0.376	0.357
Work Motivation (Z)	0.235	0.220

Source: Processed data (2024).

Based on table 3, the table shows that the calculation results R-Square the employee performance and work motivation variables are 0.376 and 0.235 respectively. This figure illustrates that the employee performance variable has a contribution in explaining transformational leadership style and organizational culture of 37.6% while the remaining 62.4% is explained by other variables outside the model. Apart from that, the transformational leadership style, organizational culture and employee performance variables explain the work motivation variable by 23.5% while the remaining 76.5% is explained by other variables outside the model.

Table 4. Values Total Effect

	Original Samples (O)	Samples Mean (M)	Standard Deviation (STDEV)	TStatistics ((O/STDEV))	P Values	Note
CultureOrganization (X2)->Performance Employee (Y)	0.263	0.263	0.096	2.731	0.007	Significant
Culture Organization (X2) ->Work Motivation (M)	0.228	0.221	0.106	2.155	0.032	Significant
Style Leadership Transformational(X1) ->PerformanceEmployee (Y)	0.391	0.387	0.087	4.474	0.000	Significant
Style Leadership Transformational (X1) ->Motivation Work (M)	0.326	0.328	0.101	3.227	0.001	Significant
MotivationWork(M) ->PerformanceEmployee (Y)	0.249	0.243	0.090	2.776	0.006	Significant

Source: Processed data (2024).

Based on table 5, the results of hypothesis testing can be seen that the value indirect effects which links Organizational culture variables to employee performance through work motivation T- Statistics < from 1.96, namely 1.791, the work motivation variable cannot mediate the influence of organizational culture on employee performance. Statistically at 5% error probability as well as value P- value amounted to 0.074 so it was declared significant ($p\text{-value} > 0.05$), it can be interpreted that work motivation does not mediate the influence of organizational culture on employee performance.

Tabel 5. Indirect Effect

	Original Samples (O)	Samples Mean (M)	Standard Deviation (STDEV)	TStatistics (O/STDEV)	PValues
Culture Organization (X2) ->Work Motivation (M) ->Performance Employee (Y)	0.057	0.052	0.039	1.791	0.074
Style Leadership Transformational (X1) - >Motivation Work(M) - >PerformanceEmployee (Y)	0.081	0.079	0.039	2.097	0.036

Source: Processed data (2024).

Based on the results of the analysis of the influence of transformational leadership style on employee performance, t-count (4.474) > t-table (1.98) with a significance level of $0.000 < 0.05$, so that transformational leadership style has a significant positive effect on performance. These results are in line with research conducted by Tucunan et al. (2014), and Suhiyatna (2018) by showing that transformational leadership has a significant positive effect on employee performance.

Based on the results of the analysis of the influence of organizational culture on employee performance, t-count (2.731) > t-table (1.98) with a significance level of $0.007 < 0.05$, so that organizational culture has a positive effect on performance. Research conducted by Rivai (2020) and Sularmi&Apriyanti (2019) shows that organizational culture has a significant positive effect on employee performance.

Based on the results of the analysis of the influence of transformational leadership style on work motivation, t-count (3.227) > t-table (1.98) with a significance level of $0.001 < 0.05$, so that transformational leadership style has a positive effect on performance motivation. Research conducted by Prayudi (2020) shows that transformational leadership style has a significant positive effect on work motivation.

Based on the results of the analysis of the influence of organizational culture on work motivation, t-count (2.776) > t-table (1.98) with a significance level of $0.006 < 0.05$, so that work motivation has a positive effect on employee performance. Research from (Sembiring et al., 2021) shows that motivation has a significant positive effect on employee performance.

Based on the results of the analysis of the influence of transformational leadership style on employee performance through work motivation, t-count (2.097) > t-table (1.98) with a significance level of $0.036 < 0.05$, so that the transformational leadership style has a significant positive effect on employee performance through work motivation. Research conducted by Tucunan et al. (2014), and Suhiyatna (2018) show that transformational leadership has a significant positive effect on employee performance with motivation as an intervening variable.

Based on the results of the analysis of the influence of organizational culture on employee performance through work motivation, t-count (1.973) < t-table (1.98) with a significance level of $0.074 < 0.05$, so work motivation cannot mediate the influence of organizational culture on

employee performance. Research from Suhayatna (2018) shows that organizational culture does not significantly influence employee performance with motivation as an intervening variable.

4. Conclusion

Based on the research results presented in the previous chapter, you can conclude several things as follows: Transformational leadership style has a significant positive effect on performance. The transformational leadership established in Denpasar will further improve employee performance. Organizational culture has a significant positive effect on performance. The organizational culture established in Denpasar will further improve employee performance. Transformational leadership style has a significantly positive effect on performance motivation. Organizational culture has a significantly positive effect on performance motivation. The organizational culture established in Denpasar will further increase employee work motivation. Work motivation has a significant positive effect on employee performance. The work motivation established in Denpasar will further improve employee performance. The transformational leadership style has a significantly positive effect on employee performance through work motivation. Organizational culture has a significantly positive effect on employee performance through work motivation.

Based on the conclusions of the research results, several suggestions put forward are as follows: In relation to the performance of Denpasar city employees, it is important to hold training or workshops that focus on time management and setting priorities, so that employees can understand the importance of respecting deadlines. In relation to employee work motivation in Denpasar City agencies can understand that security is not just a technical issue, but is also the foundation for productivity, well-being and trust in the workplace. In connection with the transformational leadership style, leaders can carry out open communication and build strong relationships with employees, leaders can create an environment where innovative ideas are encouraged and rewarded. In relation to organizational culture, it can create a culture that prioritizes employee welfare, management needs to encourage open communication, provide adequate support in terms of career development, provide comprehensive health and welfare programs, and ensure that the work environment is free from discrimination and harassment.

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