EXPLORING THE IMPACT OF TRANSFORMATIONAL LEADERSHIP ON MOTIVATION: MEDIATED RESULTS OF ORGANIZATIONAL CULTURE

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ABSTRACT.

Work motivation pertains to the factors that impact the initiation, direction, and persistence of activity in the workplace. Motivation in this work setting is strongly linked to organizational factors influenced by transformational leadership and organizational culture, which enhance organizational effectiveness. The test was conducted on public servants at the sub-district office in the Sidikalang district of North Sumatra. This research aims to investigate the correlation between transformational leadership and work motivation, and to evaluate organizational culture as a mediator between transformational leadership and work motivation. A quantitative non-probability sampling procedure was employed to acquire 45 respondents. Variable data is evaluated using a Likert scale. The data analysis method employs structural equation modeling (SEM) through the usage of SmartPLS 3.0. The analytical findings show that organizational culture has a mediating role in the relationship between transformational leadership and job motivation. Transformational leadership and organizational culture positively influence consumer satisfaction. The organization has combined transformational leadership and organizational culture to enhance employee work motivation, leading to improved organizational performance.

Keyword: Transformational Leadership, Organizational Culture, Work Motivation; Structural Equation Modeling

INTRODUCTION

Employee performance plays a critical part in achieving a company's or organization's goals, both in the private and public sectors (Paais & Pattiruhu, 2020). Organizations frequently confront numerous hurdles and problems in achieving these goals, which can have an impact on employee performance. The constraints mentioned are the rapid expansion of information and technology, as well as limited of human resources in an organization (Chowdhury et al., 2023). This demonstrates the significance of human resources (HR), as humans are the most essential individuals in the organization (Dirani et al., 2020). The success or failure of an organization in preserving its existence begins with human resource management, which includes empowering and maximizing the potential of existing personnel to be more productive at work (Hafizh, 2021).

Performance is the outcome of employees, both individually and in groups, working within an organization according to the authority and responsibilities assigned by the organization to achieve its vision, mission, and goals (Busro, 2018). This includes skills, determination, autonomy, and problem-solving abilities within set timeframes. Given legitimately, complies with the law, and aligns with values and ethics. Meanwhile, motivation is acknowledged as a process that generates passion for employees, prompting them to collaborate and perform efficiently in an integrated manner to reach fulfilment (Octoyuda et al., 2021). Samudera et al., (2020), defines motivation as a factor that provides encouragement for individuals to fulfil their responsibilities as outlined by the organization.

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Thus, organizations must stimulate their subordinates in order to enhance their performance. As the results, degree of motivation at work will promote achieving good performance. Therefore, encouraging subordinates' motivation in the workplace is crucial for enhancing employee performance (Noor, 2021).

In organizational settings, motivation is a crucial focus for leaders who regularly interact with their subordinates in the workplace. Motivation defined as an internal response to external stimuli that drives a person to achieve specific goals (Nurhasanah et al., 2021). A competent leader must adapt to environmental changes and assess the strengths and weaknesses of the organization's human resources to optimize employee performance (C. Chang et al., 2023). Leadership motivates subordinates to enhance their performance, boosting their self-confidence and trust, ultimately leading to improved employee performance(C. L. Chang et al., 2022). If leaders fail to focus on developing their employees' skills and abilities, neglect to encourage creativity in task completion, and experience frequent miscommunication, it will lead to a decrease in employee performance (Koerniawan, 2022).

In addition to leadership, organizational culture significantly impacts employee performance. An effective corporate culture can foster a transformational leadership approach that motivates individuals to achieve peak performance. Consistent with Efendi & Pratama (2020) research, organizational culture can enhance the impact of transformational leadership style and quality of work life on employee performance. Additional studies indicate that transformational leadership and organizational culture influence employee performance by enhancing work motivation (Virgiawan et al., 2021). This implies that implementing transformational leadership and fostering a positive organizational culture can elevate employee work motivation to a greater extent, consequently leading to improved employee performance.

This study investigates how transformational leadership influences employee performance through the mediation of motivation. Prior studies indicate that transformational leadership has an impact on performance (Lai et al., 2020). Similarly, motivation has a crucial role in influencing the enhancement of employee performance (Octoyuda et al., 2021). Enhancing employee performance will make the organization more competitive and ensure its sustainability. This study aimed to investigate how transformational leadership influences employee performance through the mediation of work motivation. Moreover, this study will have both theoretical and practical implications.

LITERATURE REVIEW

Transformational Leadership

Transformational leadership is acknowledged as a leadership approach that can impact subordinates in specific manners. Subordinates have trust, adoration, and loyalty towards their superiors, which motivates them to exceed their typical performance expectations. At its best, transformational leadership aims to inspire positive growth in followers, ultimately fostering their development into leaders (Djuraidi & Laily, 2020). Transformational leadership inspires subordinates to surpass typical performance levels by enhancing their trust and self-confidence, hence improving overall performance (Koerniawan, 2022). Ndolu et al., (2022) states that transformational leaders focus on paying attention to all aspects and strive to enhance the development of each employee or follower. This leader will enhance employee awareness of issues by encouraging them to approach old challenges with innovative techniques and by inspiring and setting an example for employees to strive towards group goals. Chang et al., (2023) stated that transformational leadership involves a leader using certain strategies to influence their workforce. Employees will feel trust, pride, commitment, and respect for their leaders, motivating them to act above their normal inclination. Transformational leadership is a type of leadership in which the

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leader has the ability to influence and inspire their people. Transformational leaders inspire trust, admiration, loyalty, and respect in their followers, encouraging them to exceed expectations. This leader prioritizes the growth and personal requirements of their employees or followers, aiming to influence their thinking and serve as a model for attaining group or corporate objectives. Transformational leadership can enhance followers' self-confidence, motivation, dedication, and work passion, leading to improved performance and outcomes.

H1: Transformational Leadership positively and significantly influence the work motivation
H2: Transformational Leadership positively and significantly influence the work motivation

Organizational Culture

Organizational culture refers to the values that influence employees in fulfilling their duties and conduct within the organization (Mangkunegara, 2011). Organizational culture is formed by blending the cultural customs and behaviors of individuals into a new norm and philosophy that instills enthusiasm and pride in the group to tackle certain challenges and objectives (Fahmi, 2017). Torang, (2014) described organizational culture as recurrent practices that evolve into values and lifestyles within a group of individuals in an organization, influencing future individuals. According to that, organizational culture can be defined as a collective set of beliefs and values that influence the identity, conduct of members, and the operations of an organization in its interactions with the environment. Organizational culture significantly influences the work environment, organizational effectiveness, and sustained achievement.

Culture plays a significant effect in shaping employee behavior. Organizational culture can manifest through a system that offers chances for innovation and creativity, the establishment of work teams, and transparent, non-bureaucratic leadership. Mangkunegara, (2011) stated that organizational culture serves to address issues related to adapting to external factors and integrating internal processes. To solve issues linked to external adaptation, one must comprehend the organization's strategy, mission, key goals, and performance measurement. Issues of internal integration can be resolved by communication, employee standards, establishing criteria for rewards and punishments, and implementing internal organizational oversight.

H2: Organizational culture positively and significantly influences the work motivation

Motivation

Motivation is the internal or external encouragement that motivates someone to perform effectively. Work motivation defined as the state that influences the creation, guidance, and sustenance of behaviors connected to the workplace (Mangkunegara, 2011). High performance correlates with high motivation. Low motivation correlates with poor performance. Motivation is the primary force that drives individuals to pursue and achieve their goals, whether those goals are positive or negative. Guul et al., (2021) define motivation as the willingness to exert significant efforts to accomplish organizational objectives, influenced by the capacity of these efforts to fulfill specific human needs. Haryono et al., (2020) defines motivation as an internal desire that inspires individuals to engage in activities with sincerity and joy, aiming for good quality results. Motivation will enhance performance by inspiring individuals to work at their best.

H3: Organizational culture positively and significantly mediating the relationship between transformational leadership and work motivation.

METHOD

This study is centered around a survey that investigated the impact of transformational leadership, motivation, and organizational culture on public servants at the

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Sidikalang district sub-district office, North Sumatra. The survey is split into three parts. The first portion gathers data on transformational leadership, the second section assesses work motivation, and the last section examines the relationship between transformational leadership and work motivation, which is influenced by organizational culture. The target population comprises public officials employed at the district office in the Sidikalang region of North Sumatra. The research utilized a questionnaire with a 5-point Likert scale for data gathering. This research will concentrate on transformational leadership, work motivation, and organizational culture as outlined in Figure 1, in line with the specified objectives. This study employs structural equation modeling methods to examine the relationship between the suggested theories. SmartPLS 3.0 software is utilized for conducting hypothesis testing and assessing the validity and reliability of the questionnaire data. PLS-SEM was employed to uncover latent patterns and examine connections between variables. To evaluate the precision and uniformity of a measuring scale using confirmatory factor analysis, the composite reliability (CR) should be 0.70 or greater, and the average variance extracted (AVE) should be above 0.5 (Hair et al., 2017).
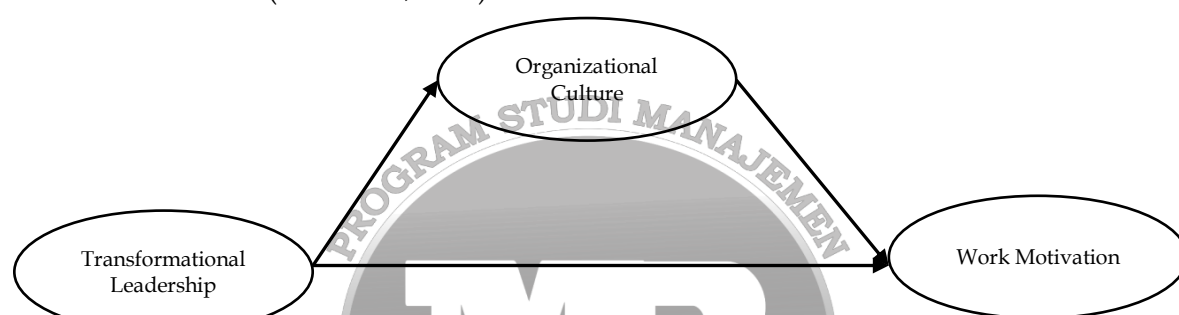

Figure 1. Research Framework

RESULTS AND DISCUSSION

The research data is derived from government servants working in sub-districts located in the Sidikalang region of North Sumatra. The poll was done with a sample size of 45 participants. The data shows that 5% of respondents had a master's degree, 29.54% had a bachelor's degree, 11.36% were associate degree, and the majority, 52.26%, were high school graduates. By gender, 59.1% were women, and the remaining 40.9% were men. The bulk of respondents were in the age range of 36–40 years old, accounting for 27.27% of the total. This was followed by 46–50 years old and 41–45 years old, both at 25%, and 30–35 years old at 11.36%. The remaining respondents were over 51 years old, making up 13.64%. Table 1 presents a comprehensive summary of participant demographic information. This investigation confirmed the reliability and validity of the findings. (Hair et al., 2017) revealed that each item within the concept had a value of 0.7 during the examination of construct validity. Table 2 presents the results of the validity, convergence, and consistency evaluations carried out in this study.

Table 1. Sample Demographics

Demographic Characteristics		Frequencies	%
Gender	Male	18	40
	Female	27	60
Educational Background	High School	23	51.11
	Associate Degree	5	11.11
	Bachelor Degree	13	28.89
	Master Degree	4	8.89
Age	30 – 35	5	11.11
	36 – 40	12	26.67

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	41 – 45	10	22.22
	46 – 50	11	24.44
	51 – 55	3	6.67
	56 - 60	4	8.89
Structural Position	Subdistrict Head	1	2.22
	Subdistrict Secretary	1	2.22
	Headman	5	11.11
	Section Chief	5	11.11
	Subsection Head	25	55.56
	Staff	8	17.78

Table 2. Construct Validity and Internal Consistency

Construct	Items	Factor Loading	AVE	CR	Cronbach Alpha
TL	DTP1	0.769	0.717	0.953	0.943
	DTP2	0.927			
	MI1	0.860			
	MI2	0.862			
	PI1	0.847			
	PI2	0.829			
	SI1	0.867			
	SI2	0.804			
OB	KEM1	0.877	0.646	0.936	0.921
	KEM2	0.818			
	KNP1	0.661			
	KNP2	0.802			
	PI1	0.712			
	PI2	0.836			
	PKE1	0.859			
	PKE2	0.843			
WM	FK1	0.767	0.650	0.917	0.891
	FK2	0.854			
	KK1	0.865			
	KK2	0.886			
	KOM1	0.729			
	KOM2	0.720			
	YFK1	0.715			
Notes: TL, Transformational Leadership; OB, Organizational Behavior; WM, Work Motivation					

Table 3. Hypothesis Testing

Causal Relationship	Original Sample	t-Value	p-Value	Conclusion
Direct Effect				
TL → WM	0.266	2.782	0.008	Accepted
TL → OB	0.798	15.464	0.000	Accepted
OB → WM	0.728	9.223	0.000	Accepted
Indirect Effect				
TL → OB → WM	0.581	8.481	0.000	Accepted

Following the evaluation of the research's validity, convergence, and coherence, hypothesis testing was conducted. The outcomes of hypothesis testing are presented in Table 3. This study investigates the direct relationship between transformational leadership and work motivation, and the mediating relationship of organizational culture in this connection. The results in Table 3 and Figure 2 indicate that the p value from hypothesis testing is statistically significant at a significance level of 0.05. Hypothesis 1 (t = 2.782, p = 0.008), hypothesis 2 (t = 15.464, p = 0.000), and hypothesis 3 (t = 9.223, p = 0.000) are confirmed. The results of the hypothesis test indicate a robust and statistically significant positive correlation between transformational leadership and work motivation (H1), as well as a strong and statistically significant positive correlation between transformational leadership values and organizational culture (H2). The research findings indicate a robust and meaningful correlation between organizational culture and work motivation (H3). The results of Hypothesis 4 (t = 8.481, p = 0.000) suggest that organizational culture acts as a mediator in the connection between transformational leadership and work motivation. This study demonstrates that leadership can motivate employees to enhance their performance. Additionally, studies indicate that organizational culture significantly influences employee motivation in the workplace. In line with this results, transformational leadership and organizational culture significantly impact work motivation (Paais & Pattiruhu, 2020). The findings add to the current discussion in the human resources research related to the relationship between leadership, organizational culture, and work motivation.
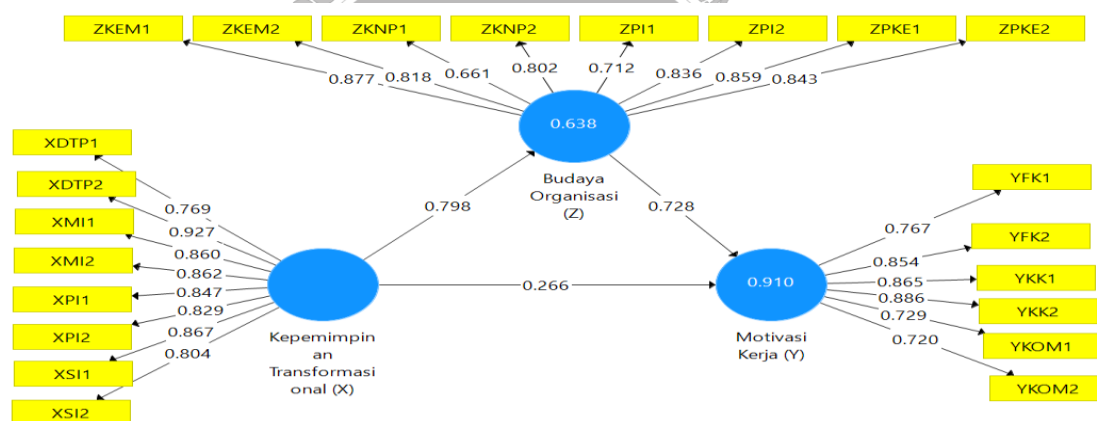

Figure 2. Structural Model Results

CONCLUSION

Conclusions can be derived from the data analysis and discussion presented in the previous section. Studies indicate that transformational leadership has a beneficial and noteworthy impact on work motivation. Transformational leadership, characterized by personal charisma, inspirational motivation, individualized consideration, and intellectual stimulation, can enhance staff engagement and performance. Additionally, studies indicate that transformational leadership has a beneficial and notable impact on organizational culture. Leaders that use a transformational leadership style can impact behavioral norms, organizational values, and ethical codes that help build a robust company culture. Additional research indicates that company culture positively and significantly influences employee job motivation. Employees at a workplace with a positive organizational culture that prioritizes integrity, clear behavioral norms, and a robust code of ethics are more motivated to perform well. This research indicates that organizational culture can serve as a mediator in the connection between transformative leadership and employee work motivation. Transformational leadership directly affects work motivation and company culture, which in turn impacts work motivation. Thus, the main finding is that implementing strong

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transformational leadership at the Sidikalang District Head Office can boost employee work motivation and foster a healthy organizational culture. Establishing a robust orgnaizational culture is crucial for enhancing employee engagement and performance to achieve organizational objectives.

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