

WORK MOTIVATION AS EDUCATION INFLUENCE TRANSFORMATIONAL LEADERSHIP ON EMPLOYEE PERFORMANCE AT THE LILA CITA SARI MEKAR BATUR KINTAMANI BANGLI COMPANY

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Abstract

Employee performance is result of work produced by employees in quality and quantity in accordance with their duties and responsibilities in completing their work. The goal of this study is to obtain evidence about the role of work motivation as mediating effect of transformational leadership on employee performance. Research was conducted at the company Lila Cita sari Mekar Batur Kintamani Bangli. Total sample of 33 people. Data collection is using a questionnaires and data analysis using partial least square (PLS) analysis. It was found that transformational leadership variable has no significant effect on employee performance by producing a coef. of pathh of 0.096, t value obtained of 0.897 <1.960. The transformational leadership variable has a significant effect on work motivation by producing a path coefficient of 0.462 with a statistical t value obtained of 6.435 > 1.960. Work motivation variable has a significant effect on employee performance by producing a coef. of path of 0.518, t value obtained of 7.129 > 1.960. The role of work motivation as mediating effect of transformational leadership on employee performance by producing a sobel test value of 4.844 > 1.960, then the role of work motivation is significant.

Keywords: Transformational Leadership, Work Motivation, Employee Performance.

I. INTRODUCTION

Company performance is inseparable from the performance of every employee who works in the company. Employee performance is one of the main factors driving the progress of the company (Wijaya, 2012). According to Mangkunegara (2009) performance is quality and quantity result of work achieved by an employee in carrying out his duties in accordance with responsibilities given to him.

In improving employee performance, one of the things done by Lila Cita Sari Mekar Batur Kintamani Bangli Company is to pay attention to Transformational Leadership factors. For employees given a reliable understanding and direction. Transformational leadership that is instilled by the Lila Cita Sari Mekar Batur Kintamani Bangli Company is based on the ability of employees both in terms of position, pendidikan, years of service, and the abilities of each individual employee.

In mid-2018, the Lila Cita Sari Mekar Batur Kintamani Bangli Company changed the work system for all employee positions. This work system change was made because from 2014 there was no increase in unit entry. For the sake of the system work has done. The biggest influence is felt on the head of the technicians and technicians as well as the CRM admin employees because this system requires that the CRM technicians and admin meet all the targets given by the company. With these conditions, a CRM technician and admin need better Transformational Leadership so that they are still able to achieve targets and assume job responsibilities despite the system changes that occur in the company.

Research problem are:

- a. Does Transformational Leadership affect the performance of employees at Lila Cita Sari Mekar Batur Kintamani Bangli Company?
- b. Does Transformational Leadership influence Work Motivation at Lila Cita Sari Mekar Batur Kintamani Bangli Company?

- c. Does Work Motivation affect employee performance at the Lila Cita Sari Mekar Batur Kintamani Bangli Company?
- d. Does Work Motivation able to act as a mediator of the effect of Transformational Leadership on Employee Performance at Lila Cita Sari Mekar Batur Kintamani Bangli Company?

II. THEORETICAL BASIS

2.1. Employee performance

Performance according to Mulyono (2015) is the work of someone who describes the quality and quantity of work that has been done. Performance between one person and another can be different, due to different driving factors. Employee performance is very important because it will determine the effectiveness of company performance.

2.2. Transformational leadership

Usman (2009) states that transformational leadership behavior is leadership that has its own awareness about its emotional, social awareness and work relationship management. leadership patterns like this are expected to have a positive effect on subordinates in the form of values and beliefs to achieve organizational goals. Khoirusmadi (2010) defines transformational leadership as the ability possessed by a leader to influence his subordinates, so that they will trust, emulate, and respect him. Transformational leadership always starts with a vision that reflects the common goals, and is explained to all employees clearly and simply, always trying to increase employee awareness of the value and importance of their duties and work for the organization, oriented towards achieving the vision by maintaining and maintaining commitments that have been built together, dare to do and respond to change, and explain to all employees about the benefits of the changes made, and develop themselves continuously through various learning media to improve their leadership competencies.

2.3. Work motivation

According to Flippo in Hasibuan (2009) states motivation is a skill, in directing employees and organizations to want to work successfully, so that the desires of employees and organizational goals as well as achieved.

2.4 Effects of Transformational Leadership on Employee Performance

The success of a company is basically supported by its effective leadership, where with transformational leadership can make followers feel the trust, admiration, loyalty, and respect for their leaders. The leader's job is to identify and motivate employees to perform well, which in turn can improve employee performance. This situation is a challenge for a leader to be able to create an organizational climate that can improve employee performance.

H1: Transformational leadership has a positive and significant effect on employee performance

2.5. The Effect of Transformational Leadership on Work Motivation

According to Mulyadi (2016), Transformational Leadership is every form given to all employees in return for contributions made to the company. Motivation talks about how to encourage one's work spirit, so that they want to work by optimally providing their abilities and expertise to achieve organizational goals. Motivation is important because with motivation it is expected that every employee will work hard and enthusiastically to achieve high performance (Suntoyo, 2012). According to Herzberg (in Wiludjeng, 2007) indicators of motivation are Achievement (achievement), Recognition (recognition), Responsibility (responsibility), Challenging work (challenging work), Advancement (progress). The importance of motivation in organizations so that someone will work if there is a motive because without a motive, people will not do anything.

H2: Transformational leadership has a positive and significant effect on work motivation.

2.6. Effect of Work Motivation on Employee Performance

According to Hasibuan (2012) motivation concerns how to encourage the enthusiasm of subordinates' work, so that they want to work hard by giving all their abilities and skills to realize company goals. According to Anoraga (2009) for employees who have high work motivation to make themselves feel happy and obtain satisfaction in their work, an employee will try more to get maximum results.

H3: Work motivation has a positive and significant effect on employee performance

2.7. The Effect of Work Motivation as a Mediator The Effect of Transformational Leadership on Employee Performance

Hasibuan (2002) says that one of the goals of transformational leadership is to increase work motivation. So if an employee considers that the transformational leadership that is applied is quite good at the company in accordance with what employees expect, it will be able to motivate employees to improve employee performance.

H4: Work motivation plays a role as a mediator of the effect of transformational leadership on employee performance.

According to Hasibuan (2012) states that motivation is concerned with how to encourage the passion of subordinates, so that they want to work hard by giving all their abilities and skills to realize company goals. According to Anoraga (2009) for employees who have high Transformational Leadership make themselves feel happy and get their own satisfaction in their work, an employee will try more to get maximum results, so that it will be able to increase employee motivation.

H5: Transformational leadership has a positive and significant effect on employee performance.

III. RESEARCH METHODS

1) Research Sites

This research was conducted at the Lila Cita Sari Mekar Batur Kintamani Bangli Company, located at Banjar Toyabungkah, Batur Tengah Village, Kintamani District, Bangli Regency, Bali.

2) Research Object

The object of this research is the role of work motivation as mediating effect of transformational leadership on employee performance at Lila Cita Sari Mekar Batur Kintamani Bangli Company.

3) Variable Identification

The variables used in this study can be identified as follows:

a. Independent Variable

The independent variable (Independent), is a variable that influences or causes the change or the emergence of a dependent or dependent variable, Sugiyono (2013: 59). The independent variable in this study, is transformational leadership.

b. Dependent Variable

Dependent variable (Dependent), is a variable that is affected or variables that are the result due to the independent variable, Sugiyono (2013: 59). The dependent variable in this study is performance (Y)

c. Mediation Variable (Intervening Variable)

Intervening variables theoretically are variables that influence dependent and independent relationships into direct and indirect relationships. directly that can be observed and measured, (Ghozali, 2013). The intervening variable in this study is work motivation.

4) Types and Sources of Data

Type of qualitative data is data that is not in the form of numbers or data that cannot be calculated or summarized in the form of information obtained from companies or data in the form of

words, schematics and images, (Sugiyono, 2013). Type quantitative data is data expressed in the form of numbers and can be calculated by the unit of calculation, (Sugiyono, 2013).

5) Data Sources

a. Primary data is data obtained directly from the research object and not through an intermediary or obtained directly from the original source (Sugiyono, 2013).

b. Secondary data is data collected indirectly from the source. Secondary data is usually collected by data collection agencies and published to the data user community (Sugiyono, 2013).

6) Population

The population is the entire research unit, the unit of analysis that has certain characteristics that are used as research objects. All respondents who made up the population were 33 people.

7) Samples

The sample is a portion of the number and characteristics possessed by the population (Sugiyono, 2008). In this study, the entire population of 33 people was used as the sample. The sampling technique uses saturated samples

8) Data Collection Method

a. Observation

b. Interview

c. Questionnaire

Furthermore, so that the questionnaire can be said to be valid and invalid then an instrument test is carried out as follows:

a. Validity test

b. Reliability Test

9) Data Analysis Techniques

PLS analysis (partial least square)

IV. RESULTS AND DISCUSSION

1) Evaluation of the Measurement Model or Outer Model

a. Discriminant Validity

Table 1
Discriminant Validity Results

Research variable	AVE	\sqrt{AVE}	Correlation		
			Transf. Lead (X1)	Work motivation (X2)	Emp. Perform. (Y)
Transformational leadership(X1)	0.604	0.777	1.000	0.462	0.336
Work motivation(X2)	0.558	0.746		1.000	0.563
Employee performance (Y)	0.511	0.714			1.000

Source: Appendix 4

From table 1, AVE square value of the construct of Transformational Leadership (X1) is 0.777, greater than the correlation of latent variables with other constructs. The square root value AVE construct

of Work Motivation (X2) is 0.746, greater than the correlation of latent variables with other constructs. Furthermore, the square root value AVE Performance construct (Y) is 0.714, greater than the correlation of latent variables with other constructs. Thus, all constructs in the model tested meet the discriminant validity criteria

b. Convergent Validity

Table 2

Outer Loading Construct of Transformational Leadership

Leaders always be respectful and respect the opinions and ideas of each subordinate. (X1.1.)	0.660
The leadership always gives enthusiasm to the employees even if there is a decrease in work or company targets that are not met. (X1.2.)	0.858
Leaders always convey creative ideas or ideas with work-related technical advice (X1.3.)	0.786
The leadership always establishes good relations and communication to all employees. (X1.4.)	0.791

Based on Table 2, the output results meet convergent validity. It can be seen in the table above that the indicator "Leaders always provide morale to employees even if there is a decline in work or company targets that are not met. (X1.2.)" Has the highest outer loadings

Table 3

Outer Loadings Constructions of Work Motivation

Indicator	Outer Loadings
I feel that basic needs have been properly met (X2.1)	0.733
The company is able to provide security to employees at work (X2.2)	0.861
I feel comfortable with my co-workers (X2.3)	0.615
My leader gives praise when I carry out work assignments with satisfying results (X2.4)	0.735
I have the opportunity to improve my skills and abilities (X2.5)	0.768

Source: Appendix 5

Based on Table 5, the output results meet convergent validity. It can be seen in the table above that the indicator "The company is able to provide security to employees at work (X2.2)" has the highest outer loadings value compared to other indicators that are 0.861, it can be explained that these indicators can reflect the construct of Work Motivation (X2).

Table 4

Outer Loadings Performance Constructions

Indicator	Outer Loadings
I try to achieve the work in accordance with standards of quality set (Y1)	0,733
The company is able to provide security to employees at work (X2.2)	0,861
I feel comfortable with my co-workers (X2.3)	0,615
My leader gives praise when I carry out work assignments with satisfying results(X2.4)	0,735
I try to achieve the work in accordance with culture company (Y2)	0,768
I try to achieve the work according to the procedure (Y3)	

I try to achieve the results of work by utilizing existing resources (Y4)	
I was able to complete the work adequately (Y5)	

Sauce: Appendix 6

Based on Table 6, the output results meet convergent validity. It can be seen in the table above that the indicator "I am trying to achieve work results by utilizing existing resources (Y4)" has the highest outer loadings value compared to other indicators that are 0.778, it can be explained that these indicators can reflect the construct of Performance (Y).

c. Composite Reliability

Table 5
Composite Reliability Testing Results

Variable	Composite Reliability	Cronbach Alpha	Information
Transformational leadership (X1)	0.858	0.779	Reliable
Work motivation (X2)	0.861	0.802	Reliable
Employee performance (Y)	0.839	0.770	Reliable

Source: Appendix 7

Table 5, follows the results of composite reliability and Cronbach's alpha output both for the construct of X1, X2 and Y are all above 0.70. Thus, it can be explained that all constructs have good reliability.

2) Evaluation of Structural Model or Inner Model

Table 6
R-square value of endogenous variables

Variable	R – square
Work motivation	0,213
Employee performance	0324

Source: Appendix 8

Table 8, shows that the performance value of 0.324 is included in the moderate model, meaning that the variation of Transformational Leadership is able to explain the variation in performance by 32.4 percent, the remaining 67.6 percent is explained by variations of other variables. While work motivation has an R-square value of 0.213 or includes a moderate model, meaning that variations in transformational leadership and performance that is equal to 21.3 percent, the remaining 78.7 percent is explained by variations of other constructs outside the model.

To measure how well the observational values generated by the model and also the estimated parameters it is necessary to calculate the Q-square as follows:

$$\begin{aligned}
 Q^2 &= 1 - (1 - (R_1)^2)(1 - (R_2)^2) \\
 &= 1 - (1 - 0,213)(1 - 0,324) \\
 &= 1 - (0,787)(0,676) \\
 &= 1 - 0,532 \\
 &= 0,468
 \end{aligned}$$

Based on these results, the estimated global model is included in moderate criteria, meaning that 46.8 percent of the variation in endogenous constructs can be predicted by variations in exogenous constructs.

3) Hypothesis Testing Results

Table 7

Path Coefficients

	O	M	STDEV	STERR	O/STERR
Transformational Leadership (X1) → Performance (Y)	0.096	0.102	0.107	0.207	0.897
Transformational Leadership (X1) → Work motivation (X2)	0.462	0.474	0.071	0.071	6.435
Work Motivation (X2) → Performance (Y)	0.518	0.526	0.072	0.072	7.129

- (1) First hypothesis testing results show that relationship of transformational leadership variables with employee performance shows a coef. of path of 0.096, t value of 0.897 < t table (1.96), so hypothesis 1 is rejected.
- (2) Second hypothesis testing results that relationship of transformational leadership variables with work motivation shows a coef. of path of 0.462, t value of 6.4350 > t table (1.96), so hypothesis 2 is accepted.
- (3) Third hypothesis testing results show that the relationship between work motivation and employee performance shows a a coef. of path of 0.518, t value of 7.129 > t table (1.96), so hypothesis 3 is accepted.
- (4) Fourth hypothesis testing indicate that relationship of transformational leadership variables on work motivation variables, t value of 6.435 > t table (1.96), that means is significant. Direct effect of work motivation variables on employee performance, t statistics 7.129 > t table (1.96), that means on model is significant. So hypothesis 4 is accepted. The significance value of the effect of mediation can also be known by the Sobel test:

$$Z = \frac{0,462 \times 0,518}{\sqrt{0,518^2 \times 0,071^2 + 0,462^2 \times 0,072^2}} = \frac{0,2393}{\sqrt{0,00245}} = \frac{0,2393}{0,0494} = 4,844$$

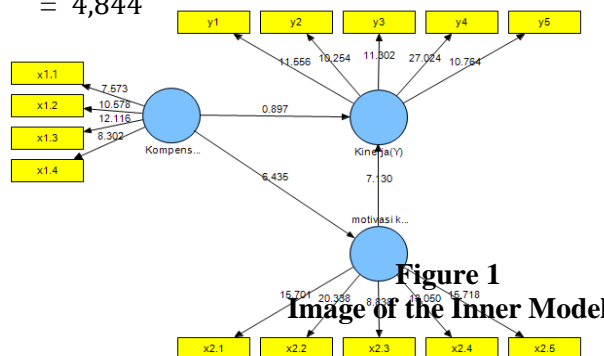


Figure 1
Image of the Inner Model

Based on the above calculation, the Z value is greater than the t-table value (4.844 > 1.96), it can be explained that work motivation is significant in mediating between the effects of transformational leadership on Employee Performance.

V. RESEARCH DISCUSSION

1) The Effect of Transformational Leadership on Employee Performance

Transformational leadership has a positive but not significant effect on the construct of employee performance. This can be seen from the t-Statistics value lower than 1.96 which is equal to 0.897. This

shows that the transformational leadership variable does not have a significant effect on employee performance. This means that the better the transformational leadership given by the company has a negative effect on the convenience of employees working at the company.

2) The Effect of Transformational Leadership on Work Motivation

Transformational leadership has a significant positive effect on the construct of work motivation. This can be seen from the t-statistic value greater than 1.96 which is 6.435. This shows that the transformational leadership variable has a positive and significant influence on work motivation. This means that the better transformational leadership is given, the work motivation will increase.

3) The Effect of Work Motivation on Employee Performance

Work motivation has a significant positive effect on employee performance construct. This can be seen from the t-statistic value greater than 1.96 which is 7.129. This shows that the work motivation variable has a significant positive effect on employee performance. This means that the higher the work motivation that is in the employee, the better the performance of an employee.

4) The Role of Work Motivation as a Mediator The Effect of Transformational Leadership on Employee Performance

Based on the Sobel test results showing a significance value of 4.844 (> 1.96), the mediating role of work motivation is significant. This shows that the work motivation variable has a significant positive effect on the effect of transformational leadership on employee performance. This means that transformational leadership will affect performance if mediated by work motivation.

VI. CONCLUSIONS AND SUGGESTIONS

1) Conclusions

The conclusion that can be taken that transformational leadership variables have no significant effect on employee performance, but tend to have a positive direction. Transformational leadership variables are proven to have a positive and significant effect on work motivation. Work motivation variables proved to have a positive and significant effect on employee performance. Work motivation variables are proven to be able to play a positive and significant mediating influence on transformational leadership variables on employee performance.

2) Suggestions

The company should provide guidance on how to use the maximum resources to achieve better performance and pay attention to the basic needs of employees so that they remain enthusiastic at work.

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