



## The impact of transformational leadership style and work environment on employee performance

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### ABSTRACT

This study aims to determine the effects of Transformational Leadership Style and work environments on employee performance at CV. Mitra Rajaya, both individually and collectively. The method employed is a quantitative approach with a descriptive focus. Random sampling was used to select a sample of 96 respondents. Data analysis involved validity testing, reliability testing, classical assumption testing, regression analysis, correlation coefficient analysis, determination coefficient analysis, and hypothesis testing. The findings show that Transformational Leadership Style has a significant impact on employee performance, as does the work environment. Additionally, Transformational Leadership Style and the work environment collectively have a significant influence on employee performance. The correlation coefficient value, indicating the strength of the relationship between the independent and dependent variables, is 0.833, signifying a strong relationship. The coefficient of determination, which represents the combined influence, is 0.694 or 69.4%, with other factors accounting for the remaining 30.6%.

**Keywords:** Transformational, Leadership Style, Work Environments, Employee Performance

### 1. INTRODUCTION

Leaders play a strategic role in achieving company goals (Aboramadan et al., 2021; Shah, Fahlevi, Rahman, et al., 2023). According to Sutikno (2015), leadership in organizations is aimed at influencing the people they lead so that they willingly act as expected or directed by their leaders. Meanwhile, according to Erni and Donni (2018), transformational leadership is a leadership style that can motivate employees by instilling high ideals and values to help achieve the organization's vision and mission. This forms the basis for building trust in leaders (Ekowati et al., 2023).

One of the factors in the transformational leadership style is charisma, for example, and motivation, which provide outstanding examples in all aspects. An exemplary leader sets a high standard in areas such as discipline and attitude (Fahlevi et al., 2022). Motivation is the driving force that instigates, directs, and sustains human behavior. When aspects like charisma and inspirational motivation are not achieved, which are critical elements of leadership style, researchers aim to enhance the attainment of the transformational leadership style at CV. Mitra Rajaya. This data reveals that the level of leadership style achievement needs to be balanced with supervision within each

department and among employees within the department. This is because leaders require more oversight and role modeling when employees fail to meet expectations. Therefore, leaders start to adapt by treating employees well, supervising them during their work, providing encouragement and motivation to subordinates, and enforcing discipline to ensure timely completion of tasks (Shah et al., 2023).

Chukwuma & Obiefuna (2016) argue that motivation generates behavior, maintains progress in behavior, and channels specific actions. Meanwhile, according to Pamela & Oloko (2015), motivation is the key to a successful organization, enabling it to maintain work continuity through well-established methods and support. Mc. Clelland (2017) suggests that there are three types of human needs: a) the need for achievement, reflecting the drive to take responsibility for problem-solving; b) the need for affiliation, an urge to interact with other people; c) the need for power, reflecting the drive to have authority and influence over others.

The direct assessment results presented in the report above indicate that the work environment at CV. Mitra Rajaya, including factors such as room lighting, received a rating of 80 from employees. However, the physical environment and facilities were considered somewhat inadequate or not supportive, with employees rating them at 40. Issues included

an uncomfortable office building, fading room paint, insufficient parking space, and a lack of well-maintained facilities like computer units and office desks.

A supportive work environment with complete facilities can promote effective, efficient work and quality improvement. Conversely, a less supportive work environment can hinder employee concentration, affecting their performance. When employees struggle to concentrate, their productivity may decrease. Transformational leadership style and the work environment are factors that can enhance employee performance. A better leadership style and a comfortable work environment generally lead to higher performance, while inadequate leadership and a less-than-ideal work environment can have a negative impact.

The report mentions that CV. Mitra Rajaya failed to achieve the KPIs in 2021, achieving only 91% of the target of 100%, particularly in the KPI for Service Performance Housekeeping. This KPI is one of the five key performance indicators that must be achieved. In light of this failure to meet KPIs, especially in Service Performance Housekeeping, researchers aim to improve the attainment of this specific KPI at CV. Mitra Rajaya. This data underscores the importance of regular supervision by leaders and among subordinates within each department and between employees within the department itself. This is necessary as some employees fail to comply with regulations and lack supervision from leadership when performing service performance housekeeping, resulting in work that falls short of expectations. Therefore, leaders are prompted to change their approach by treating employees well, closely supervising them during their work, providing encouragement and motivation to subordinates, and enforcing discipline to ensure tasks are completed on time.

## 2. LITERATURE REVIEW

### a. Transformational Leadership Style

According to Northouse (2017), transformational leadership is the process of engaging with others and creating relationships that increase motivation and morality in leaders and followers. Leadership makes followers better understand the usefulness and value of work and encourages followers to overcome self-interest for the sake of the organization. Transformational leadership brings followers to trust, admiration, loyalty, and respect for the leader, and they are motivated to do more than was initially expected of them (Yukl, 2016). According to Robbins and Judge (2017), transformational leadership is a leader who inspires followers to go beyond their interests and who can have a profound and extraordinary influence on his followers.

According to Baškarada et al. (2017), transformational leadership is one of the determining factors of employee performance. If a leader apply a leadership style that can create a conducive atmosphere, then increase the level of work performance of an employee so that employee performance will be more productive and comfortable. According to Rafferty (2017), Transformational Leadership can unite all subordinates and change each subordinate's beliefs, attitudes, and personal goals to achieve goals.

Kendra (2017) transformational leadership is described in four main characteristics, namely:

#### 1. Charisma

Charisma is an essential component in the concept of transformational leadership. Charismatic leaders generally gain feelings of love from subordinates. Even subordinates feel confident and trust each other under a charismatic leader. For charismatic leaders, subordinates accept their leader as a model to be desired at all times, enthusiasm for subordinates' work grows, and they can make subordinates work longer hours with pleasure. Through charisma, leaders inspire loyalty and perseverance, instilling pride and loyalty and inspiring respect.

#### 2. Individual Considerations

Every transformational leader will pay attention to individual factors as they cannot be generalized due to differences, interests, and self-development. In the transformational leadership model, individual consideration is defined as behavior that reflects a sensitivity to diversity, unique interests, talents, and self-development. According to Sayiful (2018), individual consideration (consideration) shows friendly behavior, mutual trust, mutual respect, and a hot relationship in collaboration between the leader and group members.

#### 3. Intellectual Stimulation

In transformational leadership, a leader carries out intellectual stimulation. These leadership elements include a leader's ability to create, interpret, and elaborate symbols that appear in life and invite subordinates to think correctly. In a sense, subordinates are conditioned always to ask themselves and develop problem-solving abilities freely.

#### 4. Inspirational Motivational

Leaders provide meaning and challenges to followers to raise enthusiasm and hope, spread the vision, commit to goals, and team support. Transformational leaders intend to motivate and inspire the people around them.

### b. Work Environment

According to Moh. Amir Fiqi (2018) states that the work environment is the physical environment where employees work, affecting their performance, safety, and quality of life. Meanwhile, Siagian (2018) states, "The work environment is where employees carry out their daily work." According to Sedarmayanti (2017), the work environment is divided into two terms: physical and non-physical. The physical work environment is the physical conditions around where employees work, and this physical work environment can influence employees in carrying out their work directly or indirectly.

According to Sedarmayanti (2019), Factors that influence the work environment are:

1. Lighting/lighting
2. Temperature at work
3. Humidity in the workplace
4. Air circulation in the workplace
5. Noise at work
6. Mechanical Vibration in the Workplace
7. Smells at work
8. Set colors at work
9. Workplace decoration

- 10. Music on
- 11. Safety at work

**c. Employee Performance**

According to Hamali (2016), performance results from work that has a powerful relationship with the organization's strategic goals, customer satisfaction, and contributing to the economy. Furthermore, according to Huseno (2016), performance is an action consisting of several elements and is not a result that can be seen at that moment, but performance is seen as a process. Mangkunegara (2017) states, "Employee performance is the result of work in terms of quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him." Meanwhile, Juliansyah (2016) states that performance is the results achieved by employees or employees according to the standards that apply to the job.

Employee performance indicators, according to Mangkunegara (2015), are as follows:

1. Work result  
Includes the level of quantity and quality that has been produced and the extent to which supervision has been carried out.
2. Job Knowledge  
The level of knowledge related to work tasks will directly affect the quantity and quality of work results.
3. Mental agility  
The level of ability and speed in receiving work instructions and adapting to existing work methods and situations.
4. Attitude  
Level of work enthusiasm and positive attitude in carrying out work tasks.
5. Initiative  
Initiative from within company members to carry out work and overcome problems without waiting for orders from superiors or showing responsibility for work that is an employee's obligation.
6. Time and attendance discipline  
Punctuality rate and attendance rate.

### 3. RESEARCH METHODS

This research uses quantitative research methods because this research uses numbers with statistical calculations and aims to test the hypotheses made. The approach used is the case study method, where the researcher explores programs, events, processes, and activities for one or more people (Sugiyono, 2016).

The population in this study were all CV Mitra Rajaya employees, namely 127 people. In this research, the author narrowed the population, namely the total number of CV employees. Mitra Rajaya was 96 people by calculating the sample size using the Slovin technique. The sampling technique used in this research was proportional random sampling. Proportional sampling was carried out by taking subjects from each stratum or each region determined to be balanced by the number of subjects in each stratum or region (Arikunto, 2016). The collected data was processed using SPSS version 26.0

## 4. RESULTS AND DISCUSSION

**Validity and Reliability Test**

Validity test to test whether the statement in each question item on the questionnaire is valid or not. To process the validity test, the researcher used SPSS Version 26 with the criteria, if the calculated r value > r table, then the instrument is valid

**Table 1. Validity Test on Transformational Leadership Style Variables**

Statement	R count	R table	Info
Leaders set an example for subordinates	0.852	0.200	Valid
Leaders provide encouragement to their subordinates	0.837	0.200	Valid
Leaders tolerate subordinates who make mistakes	0.753	0.200	Valid
Leaders are fair to subordinates	0.857	0.200	Valid
Leaders accept opinions and suggestions from subordinates	0.841	0.200	Valid
Leaders involve subordinates in decision making	0.893	0.200	Valid
Leaders give rewards to subordinates who have good performance	0.900	0.200	Valid
Leaders evaluate subordinates' work results	0.863	0.200	Valid
Leaders are always looking for new ideas to convey to subordinates	0.808	0.200	Valid
Leaders are able to motivate subordinates to have enthusiasm and hope	0.775	0.200	Valid

Source: Primary Data, 2023

**Table 2. Validity Test Results Based on Work Environment Variables**

Statement	R count	R table	Info
The lighting/light in the workplace is good	0.871	0.200	Valid
There is sufficient light in the workplace	0.855	0.200	Valid
Air ventilation in the workplace is good	0.878	0.200	Valid
The sounds at work are not loud	0.871	0.200	Valid
AC facilities in the workplace are good	0.774	0.200	Valid
The office facilities at the workplace are good	0.920	0.200	Valid
The color arrangement in the work space is comfortable	0.925	0.200	Valid
The work space is adequate	0.898	0.200	Valid
There is a security guard unit at work	0.761	0.200	Valid

Source: Primary Data, 2023

**Table 3. Validity Test Results Based on Performance Variables**

Statement	R count	R table	Info
Work very precisely on target in completing a job	0.919	0.200	Valid
Have been thorough in completing the work	0.920	0.200	Valid
speed of work done	0.930	0.200	Valid
Have a positive attitude in completing work	0.896	0.200	Valid
Take the initiative in dealing with work problems	0.855	0.200	Valid
Always arrive at the office on time	0.854	0.200	Valid

Source: Primary Data, 2023

Based on the chart information above, all variables obtained  $r$  count  $>$   $r$  table (0.200), so that all questionnaire items were claimed to be valid. For this reason, the questionnaire used is suitable for processing as research data.

**Table 4. Reliability Test Results**

Variable	Cronbach Alpha	Standar	Info
Transformational leadership style (X1)	0,951	0.600	Reliable
Working environment (X2)	0.955	0.600	Reliable
Employee Performance (Y)	0.950	0.600	Reliable

Based on the test results in the chart above, it is proven that the variables transformational leadership style (X1), work environment (X2), and employee performance (Y) are claimed to be reliable. This is proven by each variable having a Chronbath Alpha value greater than 0.60.

### Classic Assumption Test

#### Normality test

Based on the test results in the table above, a significance value of  $0.163 > 0.050$  was obtained. Thus, the assumed distribution of equations in this test is normal.

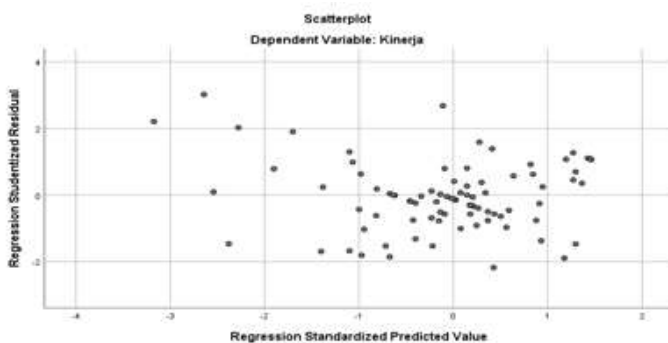
#### Multicollinearity Test

Based on the results of the multicollinearity test in the table above, the tolerance value for the transformational leadership style variable is 0.362. The work environment is 0.362, where both values are more than 0.1, and the Variance Inflation Factor (VIF) value for the transformational leadership style variable is 2.764, and the work environment is 2.764. where the value is less than 10. Thus, this regression model does not have multicollinearity.

#### Autocorrelation Test

Based on the test results in the table above, this regression model does not have autocorrelation, this is proven by the Durbin-Watson value of 1.949 which is in the interval 1,550 – 2,460.

#### Heteroscedasticity Test



**Figure 1. Heteroscedasticity Test**

Based on the results, the points on the scatter plot graph do not have a clear distribution pattern or do not form specific patterns, and the points are spread above and below the number 0 on the Y axis; thus, this shows that there is no heteroscedasticity disturbance in the regression model so that this regression model is suitable for use.

## Multiple Linear Regression

**Table 5. Result of Multiple Linear Regression Test**

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
1 (Constant)	7.673	1.357		5.656	.000
Transformational leadership style	.141	.051	.263	2.764	.007
Work_environment	.324	.051	.607	6.371	.000

a. Dependent Variable: Performance

Based on the analysis of regression calculations in the table above, the regression equation  $Y = 7.673 + 0.141X1 + 0.324X2$  can be obtained. From the equation above, it can be concluded as follows:

- The constant value is 7,673, which means that if the variables Transformational Leadership Style (X1) and Work Environment (X2) do not exist, then there is an Employee Performance (Y) value of 7,673.
- Value of transformational leadership style (X1) 0.141 means that if the constant remains and there is no change in the work environment variable (X2), then every 1 unit change in the transformational leadership style variable (X1) will result in a change in employee performance (Y) of 0.141 points. The calculated t value  $>$  t table or (2.764  $>$  1.986) is obtained based on the test results in the table above. Strong with a  $\rho$  value  $<$  Sig.0.05 or (0.007  $<$  0.05). Thus, Ho is rejected, and Ha is accepted. This shows a partially significant influence between transformational leadership style and employee performance
- The work environment value (X2) of 0.324 means that if the constant remains and there is no change in the transformational leadership style variable (X1), then every 1 unit change in the work environment variable (X2) will result in a change in employee performance (Y) of 0.324 points. The calculated t value  $>$  t table or (6.371  $>$  1.986) is obtained based on the test results in the table above. Strong with a  $\rho$  value  $<$  Sig.0.05 or (0.000  $<$  0.05). Thus, Ho is rejected, and Ha is accepted. This shows a partially significant influence between the work environment and employee performance.

**Table 6. Simultaneous Hypothesis Results (F Test)**

Model	ANOVA <sup>a</sup>		Standardized Coefficients Beta	t	Sig.
	Unstandardized Coefficients B	Std. Error			
1 Regression	999.342	2	499.671	105.544	.000b
Residual	440.283	93	4.734		
Total	1439.625	95			

a. Dependent Variable: Performance

b. Predictors: (Constant), Work\_environment, Transformational\_leadership\_style,

Based on the test results in the table above, the calculated F value  $>$  F table or (105.544  $>$  3.095) is obtained. This is also strengthened by the  $\rho$  value  $<$  Sig.0.05 or (0.000  $<$  0.05). Thus, Ho is rejected and Ha is accepted, this shows that there is a significant simultaneous influence between the transformational leadership style and the work environment on employee performance.



**Table 7. Results of Simultaneous Correlation Coefficient Analysis Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.833a	.694	.688	2.176	1.949

a. Dependent Variable: Performance

b. Predictors: (Constant), Work\_environment, Transformational\_leadership\_style,

Based on the test results in the table above, a correlation coefficient value of 0.833 is obtained, meaning that the transformational leadership style and work environment variables have a solid relationship to employee performance between the interpretation guideline values of 0.800-1.000. In the table above, the coefficient of determination value obtained is 0.694, so it can be concluded that the transformational leadership style and work environment variables influence employee performance by 69.4%. In comparison, the remaining 30.6% is influenced by other factors that were not researched.

## 4. CONCLUSIONS AND RECOMMENDATIONS

### Conclusion

Based on the description in the previous chapters and from the results of the analysis and discussion regarding the influence of transformational leadership style and the work environment on employee performance, as follows, there is a partially significant influence between the transformational leadership style and employee performance at CV. Mitra Rajaya. There is a partially significant influence between the work environment and employee performance at CV. Mitra Rajaya. Transformational leadership style and work environment significantly affect employee performance. The correlation coefficient value or level of influence between the independent and dependent variables is 0.833, meaning that they have a powerful relationship. The coefficient of determination or contribution of simultaneous influence is 0.694 or 69.4%, while other factors influence the remaining 30.6%.

### Suggestion

Based on the results of research that has been carried out at CV. Mitra Rajaya South Jakarta regarding transformational leadership style and work environment on employee performance, the suggestions we can give are the weakest statement of the transformational leadership style is the leader evaluates the work results of subordinates. In order to be even better, companies must review the importance of evaluating the results of leaders' work toward their subordinates. The work environment with the weakest statement is whether there is a security guard unit where you work. In order to make it even better, companies must review their security needs by recruiting a unit of security officers to increase the anticipation of crime and work comfort. The weakest statement of employee performance is the number, according to the work results. In order to make it even better, the company must review the importance of evaluating the results of the work carried out so that the work results can achieve what the company expects with the standards set.

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