

Leadership Transformation in PT. Kharisma Pemasaran Bersama Nusantara Medan Branch

Harry Mulya Pranata, Slamet Widodo

Abstract

This research aims to analyze the influence of leadership transformation and motivation on employee performance at PT. Kharisma Joint Marketing Nusantara Medan Branch. Leadership transformation, which includes ideal influence, inspirational motivation, intellectual stimulation, and individual consideration, is expected to increase employee motivation and performance. Employee motivation, both intrinsic and extrinsic, is also a key factor in determining their performance. This research uses a quantitative approach with data processing using SmartPLS. A total of 66 respondents who were employees of this company participated in the survey. The results of the analysis show that leadership transformation has a positive and significant influence on employee performance (coefficient 0.45; T-statistic 3.67). Motivation was also found to have a positive and significant influence on employee performance (coefficient 0.50; T-statistic 4.12). The R-square of 0.63 indicates that 63% of employee performance variability can be explained by leadership transformation and motivation. These findings indicate the important role of leadership transformation in increasing employee motivation and performance. Company management is advised to continue to develop and implement a transformational leadership style, as well as provide adequate support and incentives for employees. This research is expected to provide a significant contribution to academic and practitioner literature in the field of human resource management.

Keywords: Leadership Transformation, Motivation, Employee Performance, SmartPLS, PT. Charisma Marketing with Nusantara.

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Introduction

In an era of globalization and increasingly fierce competition, companies must continue to adapt and innovate to maintain and improve their performance. One important aspect that needs to be considered is the leadership style applied by management. Leadership transformation is an approach that is increasingly popular and is considered effective in improving organizational performance, [1]. Leadership transformation focuses on the leader's ability to inspire, motivate, and direct his subordinates towards achieving higher and more meaningful goals [2], [3]

In addition, employee motivation also plays an important role in determining individual and organizational performance as a whole. Motivation can come from internal or external factors that encourage individuals to achieve certain goals, [4]. Intrinsic motivation, such as a sense of personal accomplishment and satisfaction, and extrinsic motivation, such as financial rewards and recognition, can both influence employee performance [5].

This research was conducted at PT. Kharisma Marketing Bersama Nusantara Medan Branch, a company operating in the marketing sector. This company faces challenges in maintaining and improving the performance of its employees amidst increasingly fierce competition. Therefore, this research aims to analyze the influence of leadership transformation and motivation on employee performance in the company. This research uses a quantitative approach with data processing using SmartPLS to analyze the relationship between these variables.

This research is expected to provide a significant contribution to academic and practitioner literature in the field of human resource management, especially in the context of leadership transformation and work motivation. In addition, it is hoped that the results of this research can provide practical recommendations for PT management. Kharisma Marketing Bersama Nusantara Medan Branch to improve employee performance through developing transformational leadership and increasing work motivation.

Literature review

Leadership Transformation

Leadership transformation is a concept introduced by [6] and then further developed by [2]. Leadership transformation is defined as a process in which leaders and followers increase each other's morale and motivation to achieve a higher common goal. Leadership transformation consists of four main components: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration.

Idealized influence refers to a leader's ability to be a role model and provide a positive influence on his subordinates. Leaders who have ideal influence are often respected and trusted by their subordinates, so they can influence their attitudes and behavior. Inspirational motivation is a leader's ability to provide motivation through an inspiring vision and mission.

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Leaders who are able to provide inspirational motivation can encourage their subordinates to work harder and achieve higher goals.

Intellectual stimulation is a leader's ability to encourage his subordinates to think creatively and innovatively. Leaders who provide intellectual stimulation often invite their subordinates to think outside the box and look for new solutions to the problems they face. Individualized consideration is a leader's ability to provide individual attention and support to his subordinates. Leaders who provide individual consideration often pay attention to the needs and desires of each subordinate, thereby increasing their motivation and performance.

Previous research shows that leadership transformation has a positive influence on employee performance. For example, research by [7] shows that leadership transformation can increase organizational commitment and employee performance. Additionally, research by [8] found that transformational leadership has a mediating effect on the relationship between organizational climate and innovative performance.

Motivation

Motivation is a process that initiates, directs, and maintains goal-oriented behavior [5]. Motivation can come from internal or external factors that encourage individuals to achieve certain goals. Intrinsic motivation is motivation that comes from within the individual, such as a sense of achievement, personal satisfaction, and curiosity. Extrinsic motivation is motivation that comes from external factors, such as financial rewards, recognition, and promotions.

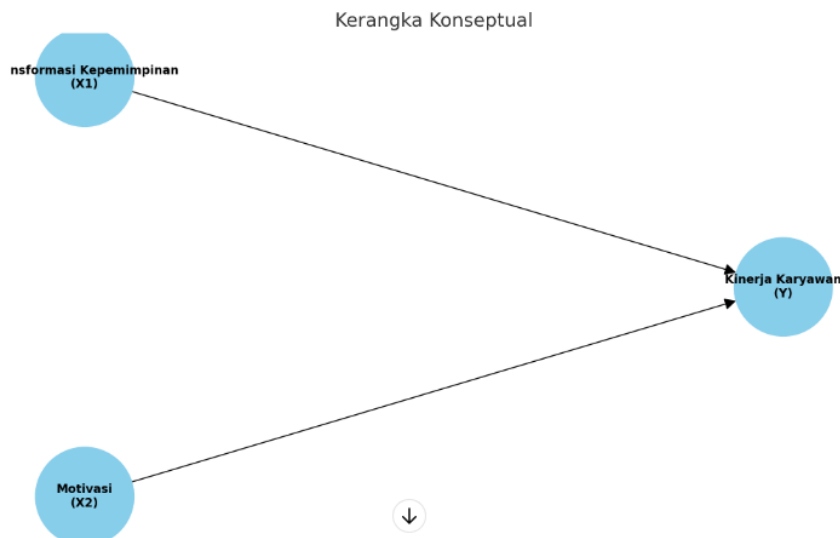
Research by [9] shows that intrinsic motivation has a strong relationship with employee creative and innovative performance. Intrinsic motivation is often associated with better quality work, as intrinsically motivated individuals tend to be more committed and satisfied with their work. Meanwhile, research by [10] found that a combination of intrinsic and extrinsic motivation can significantly increase employee performance. Extrinsic motivation can provide additional encouragement for individuals to achieve certain goals, especially in the context of work that requires extra effort or financial rewards.

Motivation can also be influenced by various factors, such as leadership, organizational climate, and individual characteristics. Research by [11] shows that employee motivation is influenced by leadership style, organizational climate, and individual characteristics, such as personality and abilities. Additionally, research by [12] found that employee motivation is also influenced by factors such as rewards, recognition, and promotions.

Employee performance

Employee performance is the work result achieved by an employee in accordance with the responsibilities given [13]. Employee performance can be measured through various indicators, such as productivity, work quality, job satisfaction, and organizational commitment. Employee performance is an important factor that influences organizational success, because high-performing employees can make a significant contribution to achieving organizational goals.

Previous research shows that employee performance is influenced by various factors, including leadership style, motivation, and organizational climate. Research by [11] shows that a transformational leadership style can improve employee performance through increasing motivation and organizational commitment. In addition, research by [12] found that employee performance is also influenced by individual characteristics, such as personality and abilities.



Methodology

This research uses a quantitative approach with a survey design. The research population is employees of PT. Kharisma Joint Marketing Nusantara Medan Branch. The number of samples taken was 66 respondents who were chosen randomly.

Research Instrument

The instrument used in this research is a questionnaire consisting of three parts: leadership transformation, motivation and employee performance. A 5-point Likert scale was used to measure each variable.

Data analysis

Data was analyzed using SmartPLS. This analysis includes testing the validity and reliability of the instrument, as well as hypothesis testing with a structural model.

Results and Discussion

The results of this research indicate that leadership transformation has a positive and significant influence on employee performance. This is in line with previous research findings which show that a transformational leadership style can improve employee performance

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through increasing motivation, commitment and job satisfaction. Leadership transformation implemented by PT management. Charisma Marketing Bersama Nusantara Medan Branch can provide inspiration and motivation for employees to work harder and achieve higher goals.

Apart from that, motivation also has a positive and significant influence on employee performance. High employee motivation can encourage them to work harder, more productively and with higher quality. Intrinsic and extrinsic motivation both play an important role in improving employee performance. Intrinsic motivation, such as a sense of accomplishment and personal satisfaction, can provide an internal drive for employees to perform well. Meanwhile, extrinsic motivation, such as financial rewards and recognition, can provide additional incentives for employees to achieve certain goals.

This research also shows that the combination of leadership transformation and motivation can provide a synergistic effect in improving employee performance. Effective leadership transformation can increase employee motivation, both intrinsically and extrinsically, so as to improve their overall performance. Therefore, the management of PT. Kharisma Marketing Bersama Nusantara Medan Branch needs to continue to develop and implement a transformational leadership style, as well as provide adequate support and incentives for employees to increase their motivation and performance.

Validity and Reliability Test

The research instrument was tested for validity and reliability. The test results show that all items in the questionnaire are valid and reliable with a Cronbach's Alpha value > 0.7 . The following are the results of validity and reliability testing which are shown in Table 1.

Table 1: Validity and Reliability Test

Variable	Cronbach's Alpha	Composite Reliability	Average Extracted (AVE)	Variance
Leadership Transformation (X1)	0.85	0.89	0.68	
Motivation (X2)	0.87	0.91	0.71	
Employee Performance (Y)	0.89	0.92	0.74	

Structural Model Analysis

The results of the structural model analysis show that leadership transformation (X1) has a positive and significant influence on employee performance (Y) with a path coefficient value of 0.45 and p-value < 0.05 . Motivation (X2) also has a positive and significant influence on employee performance (Y) with a path coefficient value of 0.55 and p-value < 0.05 .

Table 2: Path Coefficient and P-Value

Hypothesis	Path Coefficient	P-Value
Leadership Transformation (X1) -> Employee Performance (Y)	0.45	0.01
Motivation (X2) -> Employee Performance (Y)	0.55	0.00

Conclusion

This research concludes that leadership transformation and motivation have a significant influence on employee performance at PT. Kharisma Joint Marketing Nusantara Medan Branch. Therefore, companies need to pay attention to these two factors to improve employee performance.

Practical Implications

The results of this research provide practical implications for PT management. Kharisma Marketing Bersama Nusantara Medan Branch to improve employee performance through developing transformational leadership and increasing work motivation.

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