

The Effect of Transformational Leadership Style and Work Discipline on Employee Performance at The Regional Development Planning Agency of Penukal Abab Lematang Ilir Regency: The Intervening Role of Work Motivation

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Abstract: *This study examines the direct and indirect effects of transformational leadership style and work discipline on employee performance, with work motivation serving as an intervening variable. A quantitative, cross-sectional survey was conducted among employees of the Regional Development Planning Agency (Bappeda) of Penukal Abab Lematang Ilir (PALI) Regency. A census approach involving all 49 employees was applied. Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 3.0. The findings indicate that transformational leadership and work discipline positively and significantly influence work motivation and employee performance. Work motivation also has a positive and significant effect on employee performance and functions as an intervening variable in the relationships between transformational leadership and employee performance and between work discipline and employee performance. These results emphasize that inspirational leadership, individualized support, consistent work discipline, and strengthened employee motivation are important for improving performance in a public-sector planning agency.*

Keywords: *transformational leadership; work discipline; work motivation; employee performance; PLS-SEM*

I. INTRODUCTION

Human resources are a central determinant of organizational growth, continuity, and effectiveness. Human resource management focuses on acquiring, developing, directing, and retaining people whose capabilities support organizational objectives. Because employees implement organizational strategies, the quality of their knowledge, skills, attitudes, and commitment directly affects organizational performance (Hasibuan, 2019; Robbins & Judge, 2022). Organizations therefore need to create conditions that enable employees to use their potential effectively and to contribute to sustained performance improvement.

The Regional Development Planning Agency (Bappeda) of Penukal Abab Lematang Ilir (PALI) Regency is responsible for important regional planning functions, including the preparation of the Regional Medium-Term Development Plan (RPJMD). The quality of these functions depends on skilled and reliable personnel, particularly civil servants and supporting staff. Employee performance is therefore a critical concern because delays, weak coordination, and low-quality outputs can directly affect regional planning and public service delivery.

The agency's performance achievement has fluctuated and has not consistently reached the targeted level. The source manuscript reports that Bappeda PALI has 49 employees, including structural and secretariat personnel, while only approximately 20 employees directly serve 39 regional government agencies (Organisasi Perangkat Daerah/OPDs). This imbalance, together with incomplete office facilities and infrastructure, may reduce the agency's capacity to provide timely and high-quality planning services.

Initial observations also indicated several behavioral and managerial challenges. Some employees did not fully understand the details of their duties and responsibilities, displayed limited initiative in completing tasks creatively, and had difficulty managing available working time. These conditions suggest that performance problems are not only related to staffing levels and facilities but also to leadership practices, work discipline, and employee motivation.

Transformational leadership is a process through which leaders inspire followers, communicate an attractive vision, provide individualized support, stimulate new ways of thinking, and encourage performance beyond ordinary expectations. Bass (1985) explains that transformational leaders build trust, admiration, loyalty, and commitment among followers. In the agency studied, interviews with 15 employees indicated that leaders were perceived as interacting infrequently with subordinates and providing insufficient support when employees faced task-related problems. Limited communication and individualized consideration may weaken employees' confidence, enthusiasm, and willingness to perform at their best.

Work motivation and work discipline are also important. Observations suggested limited social interaction and cooperation among several employees, which could create an uncomfortable work atmosphere and reduce collective effectiveness. In addition, inconsistent adherence to working hours, inadequate time management, and uneven task commitment may undermine performance. A supportive leadership style may strengthen motivation, while consistent discipline can direct motivated behavior toward organizational goals.

Accordingly, this study analyzes the effects of transformational leadership style and work discipline on work motivation and employee performance at Bappeda PALI Regency. It also examines the intervening role of work motivation in the relationships between transformational leadership and employee performance and between work discipline and employee performance.

II. LITERATURE REVIEW

Employee Performance

Employee performance refers to the quality and quantity of work achieved by an employee in carrying out assigned duties and responsibilities. Moehariono (2021) describes performance as the measurable achievement of work based on an employee's competence and assigned role, while Pratama (2020) links performance to competence, experience, commitment, and the effective use of time in completing work.

Performance is not determined by ability alone. Employees also require sufficient willingness, clear role expectations, and an understanding of how tasks should be performed. Therefore, performance can be viewed as the interaction of competence, motivation, work conditions, leadership, and disciplined execution (Robbins & Judge, 2022; Sihalohe & Siregar, 2019).

Work Motivation

Work motivation is the internal and external drive that encourages employees to exert effort, persist in their tasks, and pursue organizational goals. Sutrisno (2016) defines motivation as a factor that stimulates a person to undertake a particular activity, while Hasibuan (2019) emphasizes the role of motivation in directing employee effort toward the achievement of organizational goals.

Motivation influences managerial effectiveness because leaders must be able to direct, communicate with, and encourage employees. Highly motivated employees are more likely to demonstrate initiative, persistence, creativity, and commitment, all of which can improve the quality and timeliness of their work.

Transformational Leadership Style

Leadership is the ability to influence others so that they willingly perform activities required to achieve predetermined objectives. Transformational leadership extends this role by communicating a clear organizational vision, stimulating creativity, providing encouragement, and aligning followers' personal aspirations with organizational goals (Armansyah, 2022).

Wardani (2020) states that transformational leaders provide individualized consideration and intellectual stimulation. As a result, followers develop trust, admiration, loyalty, and respect for the leader and become willing to perform beyond initial expectations. This view is consistent with Bass (1985), who explains that transformational leadership raises followers' commitment and encourages performance beyond ordinary expectations.

Work Discipline

Work discipline reflects employees' awareness and willingness to comply with organizational rules, standards, and social norms. Hasibuan (2019) describes discipline as employees' awareness and willingness to observe organizational regulations. Setyaningdyah et al. (2013) and Lahat and Susilowati (2019) further show that leadership and organizational practices can strengthen disciplined behavior and employee motivation.

In practice, work discipline is reflected in punctuality, attendance, compliance with working hours, responsible use of work time, observance of procedures, and completion of assignments according to established standards. Consistent discipline helps convert employee motivation and capability into reliable performance outcomes.

Research Hypotheses

Based on the theoretical relationships and the research model, the following hypotheses were examined:

H1: Transformational leadership style has a positive effect on work motivation.

H2: Work discipline has a positive effect on work motivation.

H3: Transformational leadership style has a positive effect on employee performance.

H4: Work discipline has a positive effect on employee performance.

H5: Work motivation has a positive effect on employee performance.

H6: Work motivation functions as an intervening variable in the relationship between transformational leadership style and employee performance.

H7: Work motivation functions as an intervening variable in the relationship between work discipline and employee performance.

III. RESEARCH METHOD

This study used an associative quantitative design with a cross-sectional survey approach. Associative research is intended to examine relationships and effects among two or more variables. Numerical data were collected and analyzed to test the proposed hypotheses.

The population comprised all civil servants and non-civil-servant employees of Bappeda PALI Regency. The agency employed 49 people. Because the population was fewer than 100, a saturated or census sampling technique was adopted, and all 49 employees were included as respondents.

Data were collected using a questionnaire designed to measure transformational leadership style (X1), work discipline (X2), work motivation (Y), and employee performance (Z). The data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 3.0. Model evaluation consisted of assessment of the measurement model (outer model) and the structural model (inner model) following the procedures described by Ghozali and Latan (2020).

The measurement model was evaluated using indicator loadings, average variance extracted (AVE), Cronbach's alpha, and composite reliability. Indicator loadings of 0.70 or higher were preferred, although values between 0.50 and 0.70 may be retained when construct reliability and validity remain adequate. AVE values above 0.50 indicate sufficient convergent validity, while Cronbach's alpha and composite reliability values above 0.70 indicate acceptable internal consistency. Discriminant validity should be confirmed using the Fornell-Larcker criterion and/or the heterotrait-monotrait ratio (HTMT) (Ghozali & Latan, 2020).

IV. RESULT AND DISCUSSION

Measurement Model Evaluation

Convergent Validity

Convergent validity was evaluated through indicator loadings and AVE values. In the initial measurement model, one indicator had a loading below 0.70. After model refinement, all retained indicators had loadings above 0.70, indicating that the indicators adequately represented their respective constructs. The AVE values were 0.791 for transformational leadership style, 0.846 for work discipline, 0.806 for work motivation, and 0.848 for employee performance. Because all values exceeded 0.50, the four constructs demonstrated satisfactory convergent validity.

Average Variance Extracted (AVE)

The AVE values for transformational leadership style, work discipline, work motivation, and employee performance all exceeded the recommended threshold of 0.50. These results provide additional evidence that the indicators explain an adequate proportion of variance in their respective constructs. Discriminant validity should be reported separately using the Fornell-Larcker criterion and/or HTMT values obtained from the SmartPLS output.

Reliability

Reliability was assessed using Cronbach's alpha and composite reliability. All constructs had Cronbach's alpha and composite reliability values above 0.70. Therefore, the measurement scales demonstrated acceptable internal consistency and were considered reliable for subsequent structural model analysis.

Structural Model and Hypothesis Discussion

Effect of Transformational Leadership on Work Motivation

Transformational leadership style had a positive effect on work motivation, with a path coefficient of 0.153. This result indicates that stronger transformational leadership practices are associated with higher employee motivation. Leaders who communicate an inspiring future, provide clear direction, listen to employee ideas, and offer individualized support can strengthen employees' confidence and willingness to contribute.

The finding is consistent with Tucunan et al. (2014), Kartawidjaja (2020), and Putra and Indrawati (2015), who reported that transformational leadership positively influences employee motivation and related performance outcomes. In managerial terms, leaders at Bappeda PALI should maintain constructive relationships with employees, explain how tasks should be completed, support problem solving, and create opportunities for employee development.

Effect of Work Discipline on Work Motivation

Work discipline had a positive effect on work motivation, with a path coefficient of 0.209. Adherence to working hours, responsible use of work time, and compliance with organizational rules can create a more orderly work environment and encourage employees to complete their duties consistently. The result suggests that higher discipline is accompanied by stronger motivation to achieve work targets.

This finding is supported by Lahat and Susilowati (2019) and Chesty (2022), who found that consistent discipline and employee competence can strengthen work motivation. Discipline should, however, be implemented fairly and accompanied by clear standards, feedback, and recognition so that it is perceived as a performance-supporting mechanism rather than merely as control.

Effect of Transformational Leadership on Employee Performance

Transformational leadership style had a positive effect on employee performance, with a path coefficient of 0.252. Leaders who communicate an ideal organizational future, provide solutions, and demonstrate a service-oriented attitude can create trust and psychological comfort, enabling employees to perform more effectively.

The result is consistent with Priyatmo (2018), Sahrul (2023), and Putra and Indrawati (2015), who found that transformational leadership contributes to improved employee performance. For Bappeda PALI, the practical implication is that leaders should combine strategic direction with active coaching and individualized attention, especially when employees face complex planning and coordination tasks.

Effect of Work Discipline on Employee Performance

Work discipline had a positive effect on employee performance, with a path coefficient of 0.209. Compliance with rules, punctuality, effective use of working time, and completion of tasks according to standards can increase productivity and work quality. Disciplined employees are more likely to deliver reliable outputs and to reduce avoidable delays.

This finding is in line with Arisanti (2019) and Acrisa and Sinaga (2022), who reported that work discipline is positively associated with employee performance. An accurate attendance system, consistent supervision, and transparent enforcement of procedures can help institutionalize disciplined behavior.

Effect of Work Motivation on Employee Performance

Work motivation had the strongest positive effect on employee performance, with a path coefficient of 0.639. Employees with high motivation are more likely to work seriously, persist when facing difficulties, seek creative solutions, and complete assignments with results that benefit the organization.

This result supports Hasibuan (2019), Arisanti (2019), and Zameer et al. (2014), who found that motivation contributes to productivity, morale, job satisfaction, and performance. Managers should therefore encourage creativity, acknowledge employee contributions, align tasks with competence, and provide meaningful development opportunities.

Intervening Role of Work Motivation in the Relationship between Transformational Leadership and Employee Performance

The indirect effect of transformational leadership on employee performance through work motivation was positive and significant. This result confirms that transformational leadership improves performance not only directly but also by strengthening employee motivation. A clear and inspiring vision, individualized consideration, and intellectual stimulation can encourage employees to exert greater effort and to pursue organizational goals more actively.

The finding is consistent with Anggoro and Santosa (2023) and Sumardi and Yanthi (2025), who reported that work motivation transmits part of the influence of transformational leadership to employee performance. Thus, leadership development should emphasize both inspirational behaviors and concrete motivational practices.

Intervening Role of Work Motivation in the Relationship between Work Discipline and Employee Performance

The indirect effect of work discipline on employee performance through work motivation was also positive and significant. Work discipline creates behavioral consistency, while motivation provides the energy and willingness needed to translate that consistency into higher performance. Employees who understand and accept work standards are more likely to feel purposeful and to complete their duties effectively.

This result is consistent with Chesty (2022) and Acrisa and Sinaga (2022), whose findings show that discipline and motivation are closely connected with employee performance. Consequently, disciplinary systems should be integrated with supportive leadership, recognition, equitable workload allocation, and opportunities for professional growth.

V. CONCLUSION, IMPLICATION, RECOMMENDATIONS

Conclusions

Based on the PLS-SEM analysis, the study concludes that:

1. Transformational leadership style has a positive and significant effect on work motivation at Bappeda PALI Regency.
2. Work discipline has a positive and significant effect on work motivation at Bappeda PALI Regency.
3. Transformational leadership style has a positive and significant effect on employee performance.
4. Work discipline has a positive and significant effect on employee performance.
5. Work motivation has a positive and significant effect on employee performance and shows the strongest reported path coefficient in the structural model.
6. Work motivation functions as a significant intervening variable in the relationship between transformational leadership style and employee performance.
7. Work motivation functions as a significant intervening variable in the relationship between work discipline and employee performance.

Managerial Implications

The results indicate that employee performance can be improved through an integrated approach to leadership, motivation, and discipline. Leaders should communicate organizational goals clearly, inspire employees, provide individualized support, and involve employees in problem solving. Such practices can strengthen motivation and indirectly improve performance.

The agency should also reinforce work discipline through clear procedures, consistent attendance monitoring, fair enforcement, and constructive feedback. Discipline will be more effective when employees understand its purpose and when it is accompanied by recognition, reasonable workload allocation, adequate facilities, and development opportunities.

Recommendations

1. Employees should be encouraged to develop creative and practical solutions to work-related challenges, including the appropriate use of new methods and digital technologies.
2. Assignments and responsibilities should be aligned with employees' educational backgrounds, competencies, and workload capacities so that tasks can be completed effectively and efficiently.
3. Bappeda PALI should implement an accurate and transparent attendance and time-management system that records, manages, and monitors employee attendance while supporting fair performance evaluation.
4. Future studies should examine additional explanatory or moderating variables, use larger and more diverse samples, and replicate the model in other public-sector organizations.

Study Limitations

The study was conducted in a single public-sector agency and relied on questionnaire responses collected at one point in time. Therefore, the findings should be generalized cautiously. Future research may use longitudinal designs, multiple organizations, objective performance indicators, and more complete reporting of PLS-SEM statistics, including bootstrapped path coefficients, effect sizes, predictive relevance, and HTMT values.

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