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### **Abstract**

This study aims to look at the Influence of Transformational Leadership Style and Work Environment on Employee Performance and Civil Service Motivation as an Intervening Variable in the North Sumatra Provincial Youth and Sports Office, Human Resources (HR) are generally productive individuals who work as the driving force of an organization, both in institutions and companies that have a function as an asset so that they must be trained and developed their abilities. Human resources generally consist of two, namely macro human resources, namely the number of people of productive age in a region, and micro human resources in a narrow sense, namely individuals who work for an institution or company. The results of this study are as follows: Transformational Leadership Style has a positive and significant effect on Employee Performance with an original sample value of 0.388 and p values of 0.002. Transformational Leadership Style had a positive and significant effect on Motivation with an original sample value of 0.572 and p values of 0.000. The Work Environment had a positive and insignificant effect on Employee Performance with an original sample value of 0.149 and p values of 0.109. The Work Environment had a positive and significant effect on Motivation with the original sample value of 0.371 and p values of 0.000. Motivation had a positive and significant effect on Employee Performance with an original sample value of 0.396 and p values of 0.001. Transformational Leadership Style has a positive and significant effect on Employee Performance through Motivation with an original sample value of 0.226 and p values of 0.001. The Work Environment has a positive and significant effect on Employee Performance through Motivation with an original sample value of 0.147 and p values of 0.016.

### **Keywords:**

Transformational Leadership Style, Work Environment, Motivation, Employee Performance

## Background

Human resources (HR) is one of the most important factors that cannot even be separated from an organization, both institutions and companies. HR is also the key that determines the development of the company. In essence, human resources are human beings employed in an



organization as a driver, thinker and planner to achieve the organization's goals. Human Resources (HR) are generally productive individuals who work as the driving force of an organization, both in institutions and companies that have a function as an asset so that they must be trained and developed their abilities. Human resources generally consist of two, namely macro human resources, namely the number of people of productive age in a region, and micro human resources in a narrow sense, namely individuals who work for an institution or company. The definition of human resources on a macro level is all human beings as residents or citizens of a country or within the boundaries of a certain region who have entered the age of the labor force, both those who have entered the age of the labor force, both those who have and have obtained jobs.

Transformational leadership is one of the important dimensions of effective leadership which is also the strongest predictor of leadership *outcomes*, such as the extra effort of subordinates on leadership skills (Bass in Hakim, 2014). The leadership model displayed by a transformational leader is expected to 3 increase the efforts of subordinates to achieve optimal work results. This leadership model is one of the leadership models that is beginning to be taken into account in dealing with organizational change. Transformational leadership is described as a leadership model that can motivate employees, so that they can develop and achieve high levels of performance.

The work environment is a social environment in a company, in which there are people who interact with each other every day. Everyone will spend time working rather than doing anything else. In work, a person will be side by side with many people. The work environment is also one of the factors that affect the success rate of an organization. Therefore, the work environment also needs to be fostered and processed as best as possible in order to provide a comfortable atmosphere for employees.

The motivation that exists in a person is the driving force that realizes a behavior to achieve the goal of self-satisfaction. Often people think that work motivation can be generated if they get good and fair rewards, but in reality, even though they have been given good rewards, the work has not been maximized. Every human being certainly has a basis for why someone is willing to do a certain type of activity or work, why one person works hard, while the other is ordinary. All of this has a basis and a reason that encourages someone to work like that, or in other words, there must be a motivation. Motivation is a psychological characteristic that plays a role in a person's level of commitment, therefore motivation is defined as a driving factor for a person's behavior. If an employee needs or wants something, he will be encouraged to do certain activities to get what he needs to be achieved.

Performance is one that can contribute to a company, performance can drive the company to bind consumers and be able to achieve consumer satisfaction. Employee performance will affect the goals of a particular agency. Needs, job design, satisfaction, fairness and poor expectations can affect the high and low work motivation of employees which will have an impact on employee performance. Good performance is optimal work, namely performance according to organizational standards, with good work every employee can complete the work and responsibilities that have been given and for employees who have a good level of work can contribute to carrying out company activities whose benefits are able to achieve the company's planned goals.

The phenomenon that occurs in the North Sumatra Provincial Youth and Sports Office is the lack of control over the way of staff leadership styles by using transformational leadership styles that are not yet familiar to employees, so that the motivation provided is less effective for the growth of employee performance by using transformational leadership styles that make employee performance not good because often changing the way leaders lead makes employees confused in improving their performance So that motivation and performance are not good and the performance is not improved, the researcher is very interested in this problem so that it can be used as research.

#### **Problem Formulation**

The formulation of the problem in this study is as follows:

- 1. Does the Transformational Leadership Style have a positive and significant effect on the Performance of ASN Employees at the North Sumatra Provincial Youth and Sports Service?
- 2. Does the Work Environment have a positive and significant effect on the Performance of ASN Employees at the North Sumatra Provincial Youth and Sports Office?
- 3. Does the T ransformasional Leadership Style have a positive and significant effect on the motivation of ASN employees at the North Sumatra Provincial Youth and Sports Office?
- 4. Does the Work Environment have a positive and significant effect on the motivation of ASN employees at the North Sumatra Provincial Youth and Sports Office?
- 5. Does Motivation have a positive and significant effect on the performance of ASN employees at the North Sumatra Provincial Youth and Sports Office?
- 6. Does the T ransformasional Leadership Style have a positive and significant effect on Employee Performance through the Motivation of ASN employees at the North Sumatra Provincial Youth and Sports Office?

7. Does the Work Environment have a positive and significant effect on the performance of ASN employees through Motivation at the North Sumatra Provincial Youth and Sports Office?

# **Research Objectives**

The objectives of this study are as follows:

- 1. To find out and analyze the influence of Transformational Leadership Style on the Performance of ASN employees at the North Sumatra Provincial Youth and Sports Office.
- 2. To find out and analyze the influence of the Work Environment on the Performance of ASN employees at the North Sumatra Provincial Youth and Sports Office.
- 3. To find out and analyze the influence of Transformational Leadership Style on the Motivation of ASN employees at the North Sumatra Provincial Youth and Sports Office.
- 4. To find out and analyze the influence of the Work Environment on the Motivation of ASN employees at the North Sumatra Provincial Youth and Sports Office.
- 5. To find out and analyze the influence of Motivation on the Performance of ASN Employees at the North Sumatra Provincial Youth and Sports Office.
- 6. To find out and analyze the influence of Transformational Leadership Style on the Performance of ASN Employees through Motivation at the North Sumatra Provincial Youth and Sports Office.
- 7. To find out and analyze the influence of the Work Environment on the Performance of ASN Employees through Motivation at the North Sumatra Provincial Youth and Sports Office

### **Research Benefits**

After getting the objectives in this study, the benefits of the research will be explained as follows:

- 1. To be used as input to employees and organizations to be able to work better and develop again.
- 2. For researchers, it is hoped that it will be used as a reference in this research in daily life.
- 3. For other researchers, it can be used as reference material for new research and new titles.

### **Transformational Leadership Style**

#### Definition of Transformational Leadership Style

According to Robbins and Judge (2017), transformational leadership is a leader who inspires his followers to do things that go beyond their own interests for the sake of the organization so



that they can have more and more extraordinary influence on their employees. Transformational leadership, according to Edison et al. (2017), is a leader who inspires his followers not only to believe in themselves but also to believe in their ability to imagine and create a better future for the company.

# **Transformational Leadership Style Indicators**

According to Robbins and Judge (2017) indicators of transformational leadership style are:

- 1. Charisma is to provide insight and awareness of the vision and mission, arouse pride and foster respect and trust in their subordinates.
- 2. Inspirational motivation is to foster high expectations through the use of symbols to focus efforts and communicate important goals in a simple way.
- 3. Individual attention is to give attention, foster, guide, and train everyone specifically and personally.
- Intellectual stimulation, namely increasing rationality and careful problem solving.
   Transformational leadership is a leader who has the power to influence his subordinates in certain ways. Subordinates feel trusted.

### **Work Environment**

#### **Definition of Work Environment**

According to Sedarmayanti, (2017) the work environment is the entire tool and materials faced, the surrounding environment in which a person works, his work methods, and his work arrangements both as an individual and as a group. Meanwhile, according to Afandi (2018), the work environment is something that is around employees and can be influential in carrying out the tasks given to them.

#### **Work Environment Indicators**

According to Sedarmayanti (2017), the dimensions and indicators of the work environment are as follows:

- 1. Physical work environment
- a. Lighting An important factor in the work environment with sufficient lighting will help employees complete tasks more effectively.
- b. Circulating workspace Oxygen is a gas needed by living things to maintain survival for metabolic processes. The air can be said to be dirty when the oxygen in the air has been reduced and has been mixed with gases or odors that are harmful to the health of the body.
- c. Space layout A good workspace layout will create comfort in working



- d. Decoration Decoration has to do with a good color scheme, therefore decoration is not only related to the results of the workspace.
- e. Work Noise requires concentration, so noise should be avoided so that the implementation of work can be carried out efficiently so that work productivity increases
- f. Facilities Company facilities are needed as a support in completing every work in the company. The availability of adequate facilities will support the smooth process of work.
- 2. Non-physical work environment
- a. Relationship with leaders The relationship between superiors and subordinates or employees must be well maintained and must be mutually respectful between superiors and subordinates, by respecting each other, it will create respect among each individual.
- b. Relationships with colleagues Relationships with colleagues are relationships with colleagues that are harmonious without conflict between colleagues. One of the factors that affects employees to stay in one organization is because of the existence of harmonious and familial relationships.

#### Motivation

### **Definition of Motivation**

According to Mangkunegara (2017), motivation is a condition or energy that drives employees who are directed or directed to achieve the goals of the organization or company. According to Sedarmayanti (2017) motivation is the force that encourages a person to do an action or not which in essence exists internally and externally, positively or negatively, while work motivation is something that causes encouragement or work spirit or a driver of work morale.

### **Motivation Indicators**

The indicators that can be used to measure motivation according to Mangkunegara (2017) are as follows:

- 1. Responsibility, namely an employee has a high responsibility for his work.
- 2. Work performance, namely an employee is willing to do a job as well as possible.
- 3. Opportunity to advance, namely an employee who wants to get a fair wage according to his job.
- 4. Recognition of performance, i.e. an employee who wants to be recognized for his work
- Challenging job is an employee who wants to learn to master the job in his field.

### **Employee Performance**



According to Fahmi (2017) performance is the operational effectiveness of an organization, the part of the organization and its employees based on the standards and criteria that have been set beforehand, because the organization is basically run by humans, so performance is actually human behavior in playing the role they play in an organization to meet the standards of behavior that have been set in order to produce the desired actions and results. According to Sutrisno (2016:) Performance is the result of employee work seen in terms of quality, quantity, working time, and cooperation to achieve the goals that have been set by the organization.

# **Employee Performance Indicators**

According to Fahmi (2017) Performance Indicators are:

- 1. Quantity Measured from the employee's perception of the number of activities assigned and the results.
- 2. Quality Can be measured from employees' perception of the quality of the work produced and the perfection of the task against the employee's skills and abilities. The results of the work done are close to perfect or meet the expected goals of the work.
- 3. Utilization of working time is measured from the employee's perception of an activity that is completed from the beginning of time to output. Can complete at a predetermined time and maximize the time available for other activities.
- 4. Cooperation Ability to handle relationships with others

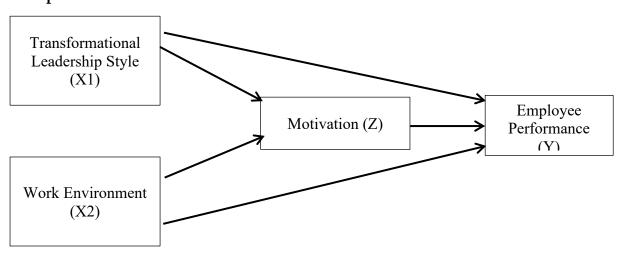
#### Factors affecting Performance

According to Kasmir (2018) the factors that affect performance are:

- 1. Ability and expertise. The ability and expertise or skills that a person has in doing a job.
- Knowledge. Knowledge of work, someone who has good knowledge will produce good work.
- Work plan. It is a job plan that will make it easier for employees to achieve their goals.
- Personality. Namely, the personality of a person or the character that an employee has is different.
- 5. Work motivation. Work motivation is an encouragement for a person to do work.
- Organizational culture. Organizational culture is the habits or norms that apply and are owned by an organization or company.
- 7. Leadership. Leadership is the behavior of a leader in regulating, managing and commanding his subordinates to carry out a task and responsibility given to him.
- Leadership style. It is the style or attitude of a leader in facing or ordering his subordinates.

- 9. Job satisfaction. It is a feeling of pleasure or, joy or a feeling of liking a person before and after doing work.
- 10. Work environment. It is the atmosphere or conditions around the place where a person works.
- 11. Loyalty is a person's loyalty to continue working and defending the company where they work.
- 12. Commitment. It is the employee's compliance to carry out the company's policies and regulations at work.
- 13. Work discipline is the effort of employees to carry out their work activities seriously.

# **Conceptual Framework**



Gamabr 1 : Conceptual Framework

Source: Processed by Researcher (2025)

# Hypothesis

The hypothesis of this study is as follows:

- H1 The Transformational Leadership Style has a positive and significant effect on the Performance of ASN Employees at the North Sumatra Provincial Youth and Sports Office.
- H2 The Work Environment has a positive and significant effect on the Performance of ASN Employees at the North Sumatra Provincial Youth and Sports Office.
- H3 The Transformational Leadership Style has a positive and significant effect on the Motivation of ASN Employees at the North Sumatra Provincial Youth and Sports Office.



- H4 The Work Environment has a positive and significant effect on the Motivation of ASN Employees at the North Sumatra Provincial Youth and Sports Office.
- H5 Motivation has a positive and significant effect on the performance of ASN employees at the North Sumatra Provincial Youth and Sports Office.
- H6 The Transformational Leadership Style has a positive and significant effect on the Performance of ASN Employees at the North Sumatra Provincial Youth and Sports Office.
- H7 The Work Environment has a positive and significant effect on the Performance of ASN Employees through Motivation at the North Sumatra Provincial Youth and Sports Office.

### **Research Methods**

## Type of Research

The type of research used by researchers is a type of quantitative research. According to Sugiyono (2019), quantitative research is a research method based on the philosophy of positivism used in a certain population or in a sample of data using quantitative or statistical research tools.

#### **Research Sources**

The research source used is a primary data source. According to Sugiyono (2019) Primary data is a data source that directly provides data to data collectors. The primary data used in this study is data obtained based on questionnaire answers distributed to all respondents.

## **Population and Sample**

### **Population**

This study uses a population of 80 ASN employees. According to Sugiyono (2019) population is a generalization area consisting of: objects / subjects that have certain quantities and characteristics that are determined by the researcher to be studied and then drawn conclusions.

## Sample

The sample of this study is all the populations in the study, which is 80 ASN employees and the sample technique used is the saturated sample technique, which is to take all populations as samples. According to Sugiyono (2019), the sample is part of the number and characteristics possessed by the population. According to Sugiyono (2019), the saturation sampling technique is a technique used based on all populations as samples.

### Location and Time of research

This research was conducted from the end of September to December, this research was conducted at the North Sumatra Youth and Sports Office. Jalan Williem Iskandar No. 30 Medan.

### **Data Collection**

This data collection is carried out using a questionnaire and distributing it to the sample. According to Sugiyono (2019), a questionnaire is a data collection technique by providing questions or written statements to respondents to be answered. Here are some things to know about the questionnaire according to Sugiyono:

# Variable Operational Definition

The operational definition of the variables in this study is as follows:

**Table.1: Operational Definition of Variables** 

Types of Variables	Variable Definition	Indicators	
Transformational	According to Robbins	According to Robbins and	
Leadership Style	and Judge (2017),	Judge (2017) indicators of	
(X1)	transformational	transformational leadership	
	leadership is a leader who	style are:	
	inspires his followers to	1. Charisma	
	do things that go beyond	2. Inspirational motivation	
	their own interests for the	3. Individualized attention	
	sake of the organization so	4. Stimulation of the intellect	
	that they can have more	of feeling trusting.	
	and more extraordinary		
	influence on their		
	employees.		
Work Environment	According to	According to	
(X2)	Sedarmayanti, (2017) the	Sedarmayanti (2017), the	
	work environment is the	dimensions and indicators	
	entire tool and materials	of the work environment	
	faced, the surrounding	are as follows:	
	environment in which a	1. Physical work	
	person works, his work	environment	
	methods, and his work	a. Lighting	
	arrangements both as an	b. Circulation of the	
	individual and as a group.	workspace	
		c. Space layout	
		d. Decoration	
		e. Noise	

	T	T
		f. Facilities.
		2. Non-physical work
		environment
		a. Relationship with the
		leadership
		b. Relationships between
		colleagues
Motivation	According to	The indicators according
(Z)	Mangkunegara (2017),	to Mangkunegara (2017)
	motivation is a condition	include the following:
	or energy that drives	1. Responsibility
	employees who are	2. Job performance
	directed or directed to	3. Opportunities to
	achieve the goals of the	advance
	organization or company.	4. Recognition of
		performance
		5. Challenging work
Employee Performance	According to Fahmi (2017)	According to Fahmi
(Y)	performance is the	(2017) Indicators that can
	operational effectiveness	measure Performance are:
	of an organization, the	1. Quantity
	part of the organization	2. Quality
	and its employees based	3. Utilization of working
	on the standards and	time
	criteria that have been set	4. Cooperation
	beforehand, because the	
	organization is basically	
	run by humans, so	
	performance is actually	
	human behavior in	
	playing the role they play	
	in an organization to meet	
	the standards of behavior	
	that have been set in order	
	to produce the desired	
	actions and results.	

# **Data Analysis Techniques**

The data analysis technique used in this study is a quantitative data analysis method. The data analysis in this study uses Structural Equation Modeling (SEM) based

on Partial Least Square (PLS) using SmartPLS 3.3.3 software which is run with computer media.

## Measurement Model (Outer Model)

The procedure in testing the measurement model consists of a validity test and a reliability test.

## 1. Validity Test

Validity tests are used to assess the validity of a questionnaire or not. A questionnaire is said to be valid if the questionnaire questions are able to reveal something measured by the questionnaire. Validity testing is applied to all question items that exist on each variable.

## 2. Reliability Test

In general, reliability is defined as a series of tests to assess the reliability of statement items. Reliability tests are used to measure the consistency of measuring tools in measuring a concept or measuring the consistency of respondents in answering statement items in questionnaires or research instruments. To measure the level of reliability of research variables in PLS, you can use the value of the alpha coefficient or Cronbach's alpha and composite reliability). Cronbach's alpha value is recommended to be greater than 0.7 and composite reliability is also recommended to be greater than 0.7. (Sekaran, 2014)

### Structural Model (Inner Model)

This test was carried out to determine the relationship between exogenous and endogenous constructs which has been hypothesized in this study (Hair et al., 2017). To generate the inner model test values, the steps in SmartPLS are carried out by bootstrapping method. The structural model was evaluated using R-square for dependent variables, Stone-Geisser Q-square test for predictive elevation and t-test as well as the significance of the structural path parameter coefficient with the following explanation:

## 1. Coeficient of Determination / R Square (R2)

In assessing the model with PLS, it starts by looking at the R-square for each dependent latent variable. The interpretation is the same as the interpretation on regression. Changes in the R-square value can be used to assess the influence of certain independent latent variables on dependent latent variables whether they have a substantive influence (Ghozali, 2012). The R2 value is generally between 0 and 1

# 2. Predictive Relevance (Q2)

This test is used to measure how well the observation values are generated by the model as well as the estimation of its parameters. If the value of Q2 is greater than 0, it indicates that the model has predictive relevance which means it has a good

observation value, while if the value is less than 0 it indicates that the model does not have predictive relevance (Ghozali, 2014).

#### 3. t-Statistic

At this stage, it is used for hypothesis testing, namely to find out the significance of the relationship between variables in the research using the bootstrapping method. In the full model, Structural Equation Modeling, in addition to confirming the theory, also explains whether or not there is a relationship between latent variables (Ghozali, 2012). A hypothesis is said to be accepted if the statistical t value is greater than the t of the table. According to (Latan and Ghozali, 2012) the criteria for t values in the table are as follows:

- Score 1.96 with a significance level of 5%

# 4. Path Coefficient

This test is used to determine the direction of the relationship between variables (positive/negative). If the value is 0 to 1, then the direction of the relationship between the variables is declared positive. Meanwhile, if the value is 0 to -1, then the direction of the relationship between the variables is declared negative.

#### 5. Fit Model

This test is used to determine the level of fit of the research model with the ideal model for this study, by looking at the NFI value on the program. If the value is closer to 1, then the better (*good fit*).

## **RESULTS AND DISCUSSION**

### Outer Model Analysis

The outer model test is used to determine the specification of the relationship between the latent variable and its manifest variable, this test includes convergent validity, discriminant validity and reliability.

### 1.Convergent Validity

The convergent validity of the measurement model with reflexive indicators can be seen from the correlation between the score item/indicator and the construction score. Individual indicators are considered reliable if they have a correlation value above 0.70. However, at the scale development stage of research, loading 0.50 to 0.60 is still acceptable. Based on the results for outer loading, it shows that there is an indicator that has a loading below 0.60 and is not significant. The structural model in this study is shown in the following figure:

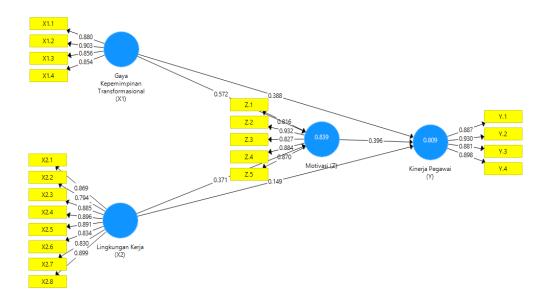


Figure 2: Outer Model

Source: Smart PLS 3.3.3

The Smart PLS output for the loading factor gives the results in the following table: Outer Loadings as follows:

Table 2. Outer Loadings

	Transformational Leadership Style (X1)	Employee Performance (Y)	Work Environment (x2)	Motivation (Z)
X1.1	0,880			
X1.2	0,903			
X1.3	0,856			
X1.4	0,854			
X2.1			0,869	
X2.2			0,794	
X2.3			0,885	
X2.4			0,896	
X2.5			0,891	
X2.6			0,834	
X2.7			0,830	
X2.8			0,899	
Y.1		0,887		
Y.2		0,930		
Y.3		0,881		
Y.4		0,898		

<b>Z.1</b>		0,816
<b>Z.2</b>		0,932
<b>Z.3</b>		0,827
<b>Z.4</b>		0,884
<b>Z.</b> 5		0,870

Source: Smart PLS 3.3.3

The result of the table above is that there is a loading factor value greater than 0.07, meaning that each indicator in the variable has a valid value and can conduct further research.

# 2.Discriminate Validity

In this section, the results of the discriminant validity test will be described. The discriminant validity test uses a cross loading value. An indicator is declared to meet the discriminant validity if the cross loading value of the indicator on the variable is the largest compared to other variables. The following are the cross loading values of each indicator:

Table 3. Discriminant Validity

	Transformational Leadership Style (X1)	Employee Performance (Y)	Work Environment (x2)	Motivation (Z)
X1.1	0,880	0,798	0,732	0,761
X1.2	0,903	0,765	0,761	0,814
X1.3	0,856	0,782	0,773	0,777
X1.4	0,854	0,706	0,809	0,787
X2.1	0,831	0,796	0,869	0,817
X2.2	0,802	0,763	0,794	0,726
X2.3	0,698	0,689	0,885	0,695
X2.4	0,761	0,706	0,896	0,768
X2.5	0,719	0,746	0,891	0,768
X2.6	0,736	0,674	0,834	0,750
X2.7	0,764	0,660	0,830	0,758
X2.8	0,746	0,716	0,899	0,738
Y.1	0,759	0,887	0,715	0,764
Y.2	0,815	0,930	0,821	0,784
Y.3	0,711	0,881	0,696	0,752
<b>Y.4</b>	0,849	0,898	0,768	0,839
<b>Z.1</b>	0,783	0,699	0,864	0,816

<b>Z.2</b>	0,897	0,871	0,833	0,932
<b>Z.3</b>	0,710	0,655	0,646	0,827
<b>Z.4</b>	0,745	0,695	0,726	0,884
<b>Z.</b> 5	0,740	0,840	0,704	0,870

Source: Smart PLS 3.3.3

In table 3 above there is a loading factor value in each variable and each loading factor has a value greater than the loading factor of other variables in other words the loading factor of the Transformational Leadership Style variable is greater than the loading factor of other latent variables, for the Employee Performance variable the loading factor is greater than the other latent variables, while the loading factor of the Work Environment variable is greater than other latent variables, for the Motivation variable the loading factor is greater than other latent variables, meaning that the value above is a valid value discriminantly.

## 3. Composite reliability

In this study, the reliability test was carried out using two methods, namely Cronbach's alpha and Composite reliability. Cronbach's alpha measures the lower bound of a construct's reliability value, while Composite reliability measures the actual value of a construct's reliability. Based on this opinion, this study uses Composite reliability to test reliability. The rule of thumb alpha or Composite reliability value must be greater than 0.7 even though a value of 0.6 is still acceptable. The table below shows the values of Cronbach's alpha and Composite reliability.

**Table 4.** Construct Reliability and Validity

	Cronbach's Alpha	Composite Reliability	Average Extracted Variance (AVE)
Transformational Leadership Style (X1)	0,896	0,928	0,763
Employee Performance (Y)	0,921	0,944	0,809
Work Environment (x2)	0,951	0,959	0,744
Motivation (Z)	0,917	0,938	0,751

Source: Smart PLS 3.3.3

The reality value in Table 4 above shows that the value of all variables in the reliability test either using Cronbach's Alpha or Composite reliability is > 0.70, and the validity test using AVE (Average Variance Extracted) is > 0.50. Therefore, it can be

concluded that the variables tested are valid and also reliable, so that they can be continued to test the structural model.

# Inner Model Analysis

Evaluation of the structural model (*inner model*) is carried out to ensure that the structural model built is robust and accurate. The stages of analysis carried out in the evaluation of the structural model are seen from several indicators, namely:

### 1. Coefficient of Determination (R2)

Based on the data processing that has been carried out using the SmartPLS 3.0 program, the R Square values are obtained as follows:

**Table 5.R Square Results** 

rable 5.1x 5quare Results			
	R Square	Adjusted R Square	
Employee Performance (Y)	0,809	0,801	
Motivation (Z)	0,839	0,834	

Source: Smart PLS 3.3.3

There is an R square value of Employee Performance of 0.809 and the percentage is 80.9%, meaning that the influence of the variables Transformational Leadership Style, Work Environment and Motivation affects Employee Performance by 80.9%, the rest is in other variables. There is an R square value of 0.839 in the Motivation variable and a percentage of 83.9%, meaning that the influence of Transformational Leadership Style and Work Environment has an effect on Motivation by 83.9% and the rest is in other variables.

### 2. Hypothesis Testing

After assessing the inner model, the next thing is to evaluate the relationship between latent constructs as hypothesized in this study. The hypothesis test in this study was carried out by looking at T-Statistics and P-Values. The hypothesis was declared accepted if the *T-Statistics* value > 1.96 and the P-Values < 0.05. The following are the results of *Path Coefficients* direct influence:

Table 6.Path Coefficients

	· · · · · · · · · · · · · · · · · · ·			
	Original	T Statistics	P Values	Result
	Sample (O)	(1	r values	Kesuit

		O/STDEV		
		1)		
Transformational				
Leadership Style (X1) ->	0,388	2,963	0,002	Accepted
<b>Employee Performance (Y)</b>				
Transformational				
Leadership Style (X1) ->	0,572	5,688	0,000	Accepted
Motivation (Z)				
Work Environment (X2) ->	0.140	1 225	0.100	Deiostad
<b>Employee Performance (Y)</b>	0,149	1,235	0,109	Rejected
Work Environment (X2) ->	0.271	2 604	0.000	Aggantad
Motivation (Z)	0,371	3,694	0,000	Accepted
Motivation (Z) ->	0.206	2 101	0.001	A1
<b>Employee Performance (Y)</b>	0,396	3,181	0,001	Accepted

Source: Smart PLS 3.3.3

In table 6 above there is a direct influence and the explanation is as follows:

- 1. Transformational Leadership Style has a positive and significant effect on Employee Performance with an original sample value of 0.388 and p values of 0.002. This means that if the transformational leadership style increases, the performance of employees will also increase, on the contrary, if it decreases, it will also decrease employee performance.
- 2. Transformational Leadership Style had a positive and significant effect on Motivation with the original sample value of 0.572 and p values of 0.000. This means that if the transformational leadership style increases, the motivation will also increase, and vice versa, if it decreases, the motivation will also decrease.
- 3. The Work Environment has a positive and insignificant effect on Employee Performance with the original sample value of 0.149 and p values of 0.109. This means that if the work environment improves well, then of course employee performance will also increase and if it decreases, it is not necessarily that employee performance will also decrease.
- 4. The Work Environment has a positive and significant effect on Motivation with the original sample value of 0.371 and p values of 0.000. This means that if the work environment increases well, motivation will also increase, on the contrary, if it decreases, motivation will also decrease.
- 5. Motivation has a positive and significant effect on Employee Performance with the original sample value of 0.396 and p values of 0.001. This means that if motivation increases well, employee performance will increase, on the contrary, if it decreases, employee performance will also decrease.

Table 7.Path Coefficients

	Original Sample (O)	T Statistics (  O/STDEV  )	P Values	Result
Transformational Leadership Style (X1) -> Motivation (Z) -> Employee Performance (Y)	0,226	2,983	0,001	Accepted
Work Environment (X2) -> Motivation (Z) -> Employee Performance (Y)	0,147	2,156	0,016	Accepted

Source: Smart PLS 3.3.3

In table 7 above there are indirect values and explanations as follows:

- 1. Transformational Leadership Style has a positive and significant effect on Employee Performance through Motivation with an original sample value of 0.226 and p values of 0.001. This means that motivation is an intervening variable because it is able to influence indirectly and significantly.
- 2. The Work Environment has a positive and significant effect on Employee Performance through Motivation with an original sample value of 0.147 and p values of 0.016. This means that motivation is an intervening variable because it is able to influence indirectly positively and significantly.

### Conclusion

Transformational Leadership Style had a positive and significant effect on Employee Performance with an original sample value of 0.388 and p values of 0.002.

- 1. Transformational Leadership Style had a positive and significant effect on Motivation with an original sample value of 0.572 and p values of 0.000.
- 2. The Work Environment had a positive and insignificant effect on Employee Performance with an original sample value of 0.149 and p values of 0.109.
- 3. The Work Environment had a positive and significant effect on Motivation with the original sample value of 0.371 and p values of 0.000.
- 4. Motivation had a positive and significant effect on Employee Performance with an original sample value of 0.396 and p values of 0.001.
- 5. Transformational Leadership Style has a positive and significant effect on Employee Performance through Motivation with an original sample value of 0.226 and p values of 0.001.

6. The Work Environment has a positive and significant effect on Employee Performance through Motivation with an original sample value of 0.147 and p values of 0.016.

## Suggestion

- 1. Organizations must be able to control employees with a leadership style that changes and is not monotonous.
- 2. Organizations must create a safe and good work environment for employees and an environment that makes employees feel at home in the organization.
- 3. Organizations must motivate employees to work even better.
- 4. It is hoped that this research will be used as input to improve problems that exist in organizations.
- 5. It is hoped that this research will be used as a reference material for other researchers and new research and develop this research.

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