

The Influence of Transactional Leadership and Work Motivation on the Performance of Agricultural Business Employees in Karanggeneng District

Lutfi Satrio Arif¹, Titin², Abid Muhtarom³

Postgraduate Study Program in Management, Lamongan Islamic University, Lamongan, Indonesia
Email: satrioarif@unisla.ac.id titin@unisla.ac.id abidmuhtarom@unisla.ac.id

Article Info	ABSTRACT
Keywords: transactional leadership, work motivation, employee performance, human resource management	This study aims to analyze the influence of transactional leadership and work motivation on employee performance. The research uses a quantitative approach with a survey method. The research population is all agricultural business employees in Karanggeneng District, Lamongan Regency, as many as 346 employees. The sample was determined using the Slovin formula and simple random sampling technique so that 185 respondents were obtained. Data was collected through interviews and questionnaires, then analyzed using IBM SPSS through validity tests, reliability tests, classical assumption tests, multiple linear regression, t tests, F tests, and determination coefficients. The results showed that transactional leadership had a positive and significant effect on employee performance ($t = 7.130$; $\text{sig.} = 0.000$). Work motivation also has a positive and significant effect on employee performance ($t = 3.055$; $\text{sig.} = 0.003$). Simultaneously, transactional leadership and work motivation had a significant effect on employee performance ($F = 30.377$; $\text{sig.} = 0.000$). The R-Square value of 0.524 indicates that 52.4% of employee performance variations can be explained by transactional leadership and work motivation, while the rest are explained by factors outside the model. Based on standardized beta values, transactional leadership is the most dominant variable in influencing employee performance.
This is an open access article under the CC BY-NC license 	Corresponding Author: Lutfi Satrio Arif Postgraduate Study Program in Management, Lamongan Islamic University, Lamongan, Indonesia satrioarif@unisla.ac.id

INTRODUCTION

In a competitive business environment, organizations are required to manage human resources effectively in order to be able to produce high performance. Human resources not only play a role as operational implementers, but also become a strategic factor that determines the success of the organization in achieving goals. Therefore, the issue of employee performance is an important concern in human resource management.

Employee performance describes an individual's ability to complete tasks according to job standards, targets, and responsibilities. Good performance can be seen from the quality of work, quantity, punctuality, effectiveness, independence, and the ability to work together.

Conversely, low performance can hinder productivity, lower service quality, and reduce organizational competitiveness.

According to Luluk Nur Azizah, work motivation is an encouragement that comes from within and outside a person to do work optimally to achieve organizational goals and personal goals. Employees who have high work motivation tend to show better enthusiasm, responsibility, and productivity in carrying out their work.

One of the factors that affect employee performance is leadership style. Transactional leadership emphasizes the exchange relationship between leaders and subordinates. Leaders provide direction, supervision, rewards, and corrections for deviations, while employees provide performance according to specified targets. This leadership style is relevant in organizations that require clarity of tasks, work discipline, and measurable target achievement.

In addition to leadership, work motivation also plays an important role in encouraging employees to work more optimally. Work motivation is related to internal and external motivations that make employees strive to achieve work goals. Highly motivated employees tend to show greater responsibility, diligence, and commitment to getting work done.

The object of this research is an agricultural business employee in Karanggeneng District, Lamongan Regency. Based on the scope of the study, the main problem studied was how transactional leadership and work motivation affect employee performance. This research is important because there is a need to understand human resource factors that can improve performance in the agricultural business sector.

Based on this background, this study aims to analyze the partial influence of transactional leadership on employee performance, the partial influence of work motivation on employee performance, the simultaneous influence of transactional leadership and work motivation on employee performance, and determine the most dominant variables in influencing employee performance.

Literature Review

Human Resource Management

Human resource management is the process of managing individuals in an organization in order to make optimal contributions to the achievement of goals. From a management perspective, human resources need to be planned, developed, directed, and evaluated so that the organization is able to produce effective and efficient performance.

Dessler explained that human resource management includes policies and practices related to recruitment, training, assessment, awarding, and employment relationship management. Thus, leadership management and motivation are an important part of building employee performance.

Transactional Leadership

Transactional leadership is a leadership style that emphasizes transactions or exchanges between leaders and subordinates. Leaders provide awards, direction, and supervision, while subordinates carry out tasks according to predetermined standards. This style is suitable for use when organizations need clarity of work targets, rules, and evaluations.

Bass explained that transactional leadership can be seen through contingent reward and management by exception. Contingent rewards are related to rewarding employees when they reach their targets. Management by exception is related to supervision, correction, and actions of leaders when errors or irregularities occur in the execution of work.

Work Motivation

Work motivation is the drive that influences a person to take certain actions in achieving a goal. In the context of an organization, motivation determines the level of willingness of employees to devote energy, time, and thoughts to completing work. Motivation can come from economic needs, recognition, a sense of security, responsibility, and opportunities for growth.

Hasibuan explained that motivation can increase employee morale, productivity, discipline, creativity, and responsibility. Motivational indicators in this study include responsibility, task implementation according to targets, work goals, feedback, pleasure in work, sustainable effort, and work achievement.

Employee Performance

Employee performance is the result of work achieved by employees in carrying out tasks according to the responsibilities given. Performance can be measured through the quality of work, quantity of work, punctuality, effectiveness, need for supervision, and interpersonal relationships.

Mangkunegara said that performance is influenced by ability and motivation. Thus, performance improvement requires not only technical ability, but also psychological encouragement as well as proper leadership support.

Framework of Thought and Hypothesis

This study places transactional leadership and work motivation as independent variables, while employee performance as dependent variables. Transactional leadership is thought to improve performance through clarity of tasks, rewards, and supervision. Work motivation is thought to improve performance through internal and external encouragement that makes employees work more optimally.

The hypothesis of this study is: H1, transactional leadership affects employee performance; H2, work motivation affects employee performance; H3, transactional leadership and work motivation simultaneously affect employee performance; and H4, there are the most dominant variables in influencing employee performance.

Human Resource Management

Human resource management is the process of managing individuals in an organization in order to make optimal contributions to the achievement of goals. From a management perspective, human resources need to be planned, developed, directed, and evaluated so that the organization is able to produce effective and efficient performance.

Dessler explained that human resource management includes policies and practices related to recruitment, training, assessment, awarding, and employment relationship management. Thus, leadership management and motivation are an important part of building employee performance.

Transactional Leadership

Transactional leadership is a leadership style that emphasizes transactions or exchanges between leaders and subordinates. Leaders provide awards, direction, and supervision, while subordinates carry out tasks according to predetermined standards. This style is suitable for use when organizations need clarity of work targets, rules, and evaluations.

Bass explained that transactional leadership can be seen through contingent reward and management by exception. Contingent rewards are related to rewarding employees when they reach their targets. Management by exception is related to supervision, correction, and actions of leaders when errors or irregularities occur in the execution of work.

Work Motivation

Work motivation is the drive that influences a person to take certain actions in achieving a goal. In the context of an organization, motivation determines the level of willingness of employees to devote energy, time, and thoughts to completing work. Motivation can come from economic needs, recognition, a sense of security, responsibility, and opportunities for growth.

Hasibuan explained that motivation can increase employee morale, productivity, discipline, creativity, and responsibility. Motivational indicators in this study include responsibility, task implementation according to targets, work goals, feedback, pleasure in work, sustainable effort, and work achievement.

Employee Performance

Employee performance is the result of work achieved by employees in carrying out tasks according to the responsibilities given. Performance can be measured through the quality of work, quantity of work, punctuality, effectiveness, need for supervision, and interpersonal relationships.

Mangkunegara said that performance is influenced by ability and motivation. Thus, performance improvement requires not only technical ability, but also psychological encouragement as well as proper leadership support.

Framework of Thought and Hypothesis

This study places transactional leadership and work motivation as independent variables, while employee performance as dependent variables. Transactional leadership is thought to improve performance through clarity of tasks, rewards, and supervision. Work motivation is thought to improve performance through internal and external encouragement that makes employees work more optimally.

The hypothesis of this study is: H1, transactional leadership affects employee performance; H2, work motivation affects employee performance; H3, transactional leadership and work motivation simultaneously affect employee performance; and H4, there are the most dominant variables in influencing employee performance.

METHOD

This study uses a quantitative approach with a descriptive type of research. The quantitative approach is used because the research aims to examine the relationship and influence between variables through numerical data and statistical analysis.

The variables in the study consisted of transactional leadership (X1), work motivation (X2), and employee performance (Y). Transactional leadership is measured through contingent rewards and management by exception. Work motivation is measured through responsibilities, work targets, goals, feedback, pleasure with work, effort, and achievements. Employee performance is measured through quality, quantity, timeliness, effectiveness, supervision needs, and interpersonal relationships.

The research population is all agricultural business employees in Karanggeneng District, Lamongan Regency, as many as 346 employees. The research sample was determined using the Slovin formula so that 185 respondents were obtained. The sampling technique uses probability sampling with simple random sampling.

The types of data used are primary data and secondary data. Primary data was obtained through interviews and questionnaires, while secondary data was obtained from supporting documents and relevant literature. The research instrument uses the Likert scale. Data analysis techniques include validity test, reliability test, classical assumption test, multiple linear regression analysis, determination coefficient, t-test, and F test. The regression equation used is $Y = a + b_1X_1 + b_2X_2 + e$.

RESULTS AND DISCUSSION

Overview of respondents and data feasibility

The number of respondents to the study was 185 agricultural business employees in Karanggeneng District, Lamongan Regency. Instrument testing shows that the data is feasible to analyze through the stages of validity test, reliability test, and classical assumption test. The Kolmogorov-Smirnov normality test yields an Asymp value. Sig. is 0.355 so that the residual is normally distributed. The multicollinearity test showed a tolerance value of 1,000 and VIF of 1,000 on each independent variable, so there were no symptoms of multicollinearity. The heteroscedasticity test through the scatterplot showed a random spread point around the zero axis so that the regression model did not experience heteroscedasticity.

Results of Multiple Linear Regression Analysis

Multiple linear regression analysis was used to determine the influence of transactional leadership and work motivation on employee performance. The regression results are presented in Table 1.

Table 1. Multiple Linear Regression Results

Variable	B	Std. Error	Beta	t	Sig.
Constant	42,993	3,879	-	11,082	0,000
Transactional Leadership (X1)	0,440	0,062	0,458	7,130	0,000
Work Motivation (X2)	0,415	0,136	0,196	3,055	0,003

Based on Table 1, the regression equation obtained is $Y = 42.993 + 0.440X_1 + 0.415X_2$. A constant value of 42.993 indicates that if transactional leadership and work motivation are considered constant, then employee performance is at a value of 42.993. The transactional leadership coefficient of 0.440 indicates that every single unit increase in transactional leadership will increase employee performance by 0.440 units. The work motivation coefficient of 0.415 indicates that every one unit increase in work motivation will increase employee performance by 0.415 units.

All regression coefficients have positive values, so that an increase in transactional leadership and work motivation tends to be followed by an increase in employee performance. Based on the standardized beta value, transactional leadership has the highest beta of 0.458, making this variable the most dominant factor in the research model.

Partial Test Results

The t-test is used to determine the influence of each independent variable on employee performance. The results of the partial test showed that transactional leadership had a calculated t value of 7.130 greater than the table t of 1.973 with a significance of 0.000. Thus, transactional leadership has a positive and significant effect on employee performance. These results show that clarity of rewards, supervision, and correction from leaders can drive improved employee work outcomes.

Work motivation has a calculated t value of 3.055 greater than the t table of 1.973 with a significance of 0.003. Thus, work motivation has a positive and significant effect on employee performance. This means that the higher the work drive, responsibility, and effort of employees in achieving the target, the better the performance will be produced.

Simultaneous Test Results and Determination Coefficients

Table 2. Simultaneous Test Results and Coefficient of Determination

Testing	Value	Interpretation
R	0,724	The relationship of independent variables with performance is in a strong category
R Square	0,524	The model explains 52.4% variation in employee performance
Adjusted R Square	0,492	Model explains 49.2% variation in performance after adjustment
F count	30,377	Greater than F table 3.05
Sig. F	0,000	Less than 0.05; Significant models
Durbin-Watson	1,963	There is no indication of serious autocorrelation

The results of the F test showed an F value of 30.377 with a significance of 0.000. Because the calculated F value is greater than the F of the table of 3.05 and the significance value is less than 0.05, transactional leadership and work motivation simultaneously have a significant effect on employee performance. Thus, the improvement of employee performance is not only determined by a single factor, but is also influenced by a combination of directed leadership and strong work motivation.

The R Square value of 0.524 indicates that 52.4% variation in employee performance can be explained by transactional leadership and work motivation. The remaining 47.6% were influenced by other variables outside the study, such as competence, work discipline,

work environment, organizational culture, compensation, job satisfaction, and organizational commitment.

Discussion

The positive influence of transactional leadership on employee performance shows that leadership patterns that provide clarity of tasks, rewards, and corrective actions are able to encourage employees to work more purposefully. In the context of agricultural businesses, employee jobs often demand order, punctuality, and adherence to work standards. Therefore, transactional leadership can help ensure that work is done according to the set targets.

Work motivation that has a positive effect on performance indicates that employee motivation in carrying out work is an important factor in achieving work results. Highly motivated employees tend to be more responsible, more enthusiastic, and more consistent in completing tasks. Motivation can also increase a sense of belonging to work, so that employees are encouraged to improve the quality of work.

Simultaneously, transactional leadership and work motivation have a significant effect on employee performance. These findings reinforce the view that employee performance is formed through managerial support and individual encouragement. Leaders who are able to provide direction and reward will be more effective when supported by strong employee motivation. As such, organizations need to maintain a balance between a clear leadership system and efforts to increase work motivation.

Based on standardized beta values, transactional leadership is the most dominant variable in influencing performance. These findings show that in the context of this study, the clarity of instructions, rewarding, supervision, and correction from leaders is more strongly explained by performance variations than work motivation. However, work motivation is still important because it has also been proven to have a significant effect on improving employee performance.

CONCLUSION

Transactional leadership has a positive and significant effect on employee performance. The better the implementation of transactional leadership through rewards, supervision, and work correction, the better employee performance. Work motivation has a positive and significant effect on employee performance. A strong work drive, responsibility, and effort to achieve targets are proven to improve employee performance.

Transactional leadership and work motivation simultaneously have a significant effect on employee performance. Both variables were able to explain 52.4% of the variation in employee performance, while the rest were influenced by other factors outside the research model.

The most dominant variable based on standardized beta values is transactional leadership. The practical implication of this research is that organizations need to strengthen role clarity, reward systems, constructive supervision, and work motivation in order for employee performance to improve sustainably.

REFERENCES

- Afrin, S., Kassim, A. B. M., Yusof, M. F., Hassan, M. S., Islam, M. A., & Khairuddin, K. N. B. (2023). Investigating the determinants of employee performance for sustainability: A study on the Bangladesh insurance industry. *Sustainability*, 15(7), 1-16.
- Bass, B. M. (1990). From transactional to transformational leadership: Learning to share the vision. *Organizational Dynamics*, 18, 19-31.
- Bass, B. M. (1997). Does the transactional-transformational leadership paradigm transcend organizational and national boundaries? *American Psychologist*, 52, 130-139.
- Christian Benardo, G. M. Pentury, & F. Leuhery. (2023). Job satisfaction moderates the influence of transactional leadership style and work motivation on employee performance at KPKNL Ambon. *ECOMBISMA: Journal of Business Economics and Management*.
- Dessler, G. (2002). *Human resource management*. Jakarta: PT Prenhallindo.
- Hamzah, B. U. (2012). *Motivation theory and its measurement*. Jakarta: Bumi Aksara.
- Hasibuan, M. S. P. (2014). *Human resource management*. Jakarta: Bumi Aksara.
- Cashmere. (2016). *Human resource management: Theory and practice*. Jakarta: PT Raja Grafindo Persada.
- Mahdi, Aiyub, & Darmawati. (2020). The Influence of Transactional and Transformational Leadership Styles on Teacher Performance with Job Satisfaction as an Intervening Variable in State Vocational Schools in North Aceh. *Indonesian Journal of Management*, 5(2).
- Mangkunegara, A. P. (2014). *Corporate human resource management*. Bandung: Remaja Rosdakarya.
- Meirinhos, G., Cardoso, A., Neves, M., Silva, R., & Rego, R. (2023). Leadership styles, motivation, communication and reward systems in business performance. *Journal of Risk and Financial Management*, 16(2).
- Robbins, S. P., & Judge, T. A. (2008). *Organizational behavior*. Jakarta: Salemba Four.
- Sugiyono. (2014). *Quantitative and qualitative research methods*. Bandung: Alfabeta.
- Tommy Saputra. (2023). The Influence of Transactional Leadership on the Performance of Employees of Independent Savings and Loan Cooperatives. *Journal of Research Innovation*, 3(9).
- Trzeciak, M., & Banasik, P. (2022). Motivators influencing the efficiency and commitment of employees of agile teams. *Journal of Open Innovation: Technology, Market, and Complexity*, 8(4).
- Azizah, L. N. (2023). *Work Motivation and Organizational Behavior*. Lamongan: FEB Lamongan Islamic University.