

## **The Interplay of Transactional Leadership, Adaptive Culture, Work Motivation and Performance Of Employees**

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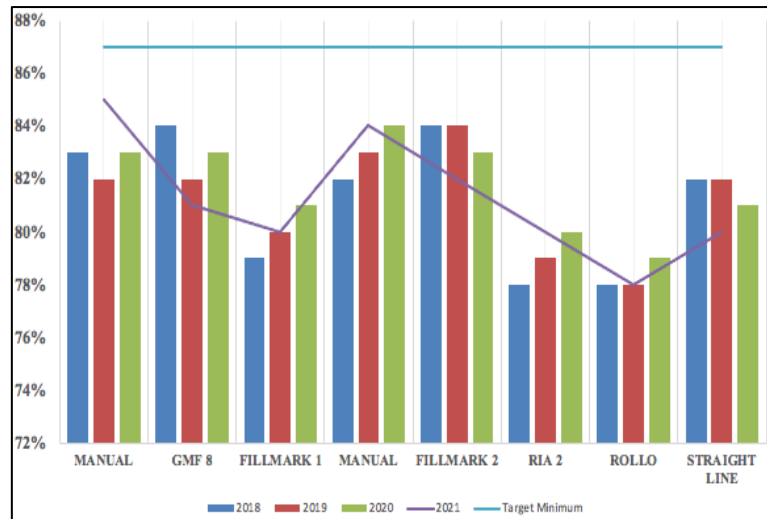
*Abstract: This study aims to theoretical contribution for development concept of leadership factors and organizational culture factors in influencing work motivation and its implications for improving employee performance. A total of 150 questionnaires were distributed to employees of production division of PT X ,Tbk by purposive sampling, then data was processed using structural equation modeling using AMOS 23 application. Results showed that transactional leadership has a positive and significant effect on employee performance, adaptive culture has a positive and significant effect on employee performance, transactional leadership has a significant effect on employee performance with work motivation as mediation, and adaptive culture has a significant and positive effect on employee performance with work motivation as mediation.*

**Keywords:** *Adaptive Culture, Employee Performance, Transactional Leadership, Work Motivation*

### **INTRODUCTION**

PT.X, Tbk is a leading food manufacturer in Indonesia, as a mass-produced manufacturing company, of course PT X, Tbk is required to be able to meet market demand by maintaining productivity in producing products that can compete competitively. However, in recent years, according to internal company data, there has been a decrease in productivity levels in the production department. This is corroborated by the results of interviews conducted by the author with the supervisor of PT X, Tbk, that there is indeed a decrease in the productivity of production employees. This is evidenced by the volume of production produced is not proportional to the production capacity of the machine or the target that has been set.

### **Figure 1. Production Volume Chart of PT X, Tbk for the Period 2018-2021**



Source : Primary Data of PT X ,Tbk, (2021)

It can be seen from the production target achievement report data in Figure 1, that the production achievement of each machine is still below the production target. This has an influence on increasing production costs, because the difference from the production target of each machine (each machine is a minimum of 87% per year) with actual production is a waste of costs, because the existing machines are designed to be able to produce at maximum capacity according to the target. In addition, the difference will have an impact on sales volume and the level of profit generated.

Other supporting data that can be submitted is a recapitulation of the absence of employees in the production division of PT X, Tbk from June 2022 to June 2023.

**Figure 2. The Recapitulation of Absence of Production Division Employees of PT.X, Tbk (Period June 2022 - June 2023)**

Month	Absence Percentage
June	6,31%
July	7,87%
August	5,78%
September	8,34%
October	7,43%
November	6,32%
December	4,67%
January	7,54%
February	5,67%
March	7,43%
April	6,54%
May	6,43%
June	5,76%

Source : Human Resource Management of PT X ,Tbk, ( 2022-2023)

From Table 1 it can be seen that every month there are always absences starting from the lowest level of 4.67% in December 2022, and the highest of 8.34% in September 2022. The level of employee absenteeism also has a significant effect on the level of productivity, because it reflects the number of working hours that are wasted, and does not match the production targets that have been set previously. This is certainly one of the causes of the decline in productivity in achieving a minimum of 87% per year.

Based on direct observation by the researcher, that the quality and consistency of the leadership of the production section of PT X, Tbk is currently not in line with the expected transformation goals. Several things that can confirm this, including (a) supervision of the implementation of the production process has not been running optimally because supervisors and managers on the other hand are also preoccupied with quality control and production targets to ensure the accuracy of production in quality and quantity, (b) supervision in terms of work discipline has not been running well.

Seeing the importance of leadership on performance, it is necessary for leaders who can really carry out their functions appropriately so that all parties in an organization can carry out their duties properly. One of the most appropriate leadership styles in the manufacturing industry, especially in the production division with the expectation of zero defects in the production process, is the transactional leadership style because this leadership style is considered capable of providing motivation to employees and rewards if the specified target is achieved so that employees feel encouraged to work better (Vuuren, 2021)

To improve the performance of qualified and professional employees, one of the other factors that is suitable for implementation in the work environment is organizational culture and a culture that is responsive to challenges and changes is an adaptive culture, in accordance with the opinion of Constanza, et al (2015), Isa et al., (2016)

Adaptive culture organizations are characterized by managers at all levels of the organization displaying leadership that spearheads changes in strategy and tactics whenever necessary to satisfy the interests of stakeholders by Costanza et al (2015) (Sunarsih, 2014).

Quoting Wulandary (2017), organizational culture can help improve employee performance because it creates tremendous motivation for employees to do their best by taking advantage of the opportunities provided by their organization. The values embraced by make employees feel comfortable at work, have commitment and loyalty, and inspire employees to try harder, improve performance

Referring to the background study above, this study aims to determine: (1) the direct and indirect effects of transactional leadership and adaptive culture on employee performance through work motivation in the operational division of PT. X, Tbk.

## **THEORETICAL FRAMEWORK**

Both transactional and transformational leadership styles, as well as a combination of both, significantly influence creativity and innovation (Vuuren, 2021) as well as employee performance A leader understands his or her position when able to have impact and power on employees and use his or her power to effectively achieve the goals set by the organization. If a leader is able to combine the right and effective leadership style in the organization, it will empower employees, and carry out tasks more efficiently and effectively so that creative and innovative abilities are stimulated, and lead to improved performance (Vuuren, 2021) The

importance of motivating employee work from the applied leadership style is to improve employee performance. Based on the description above, it can be assumed that the hypothesis proposed in this study is:

**H1: Transactional leadership has a positive and significant influence on employee performance.**

Culture plays an important role in the success and even survival of an organization. The key is to always adapt to changes in the company's external environment. An effective organizational culture can perform the adaptation process & enable members to recognize environmental threats and develop solutions to change quickly (Aboramadan et al., 2020). Conversely, a culture that does not support the recognition of and response to environmental changes may hinder the organization's ability to adapt to those changes, ultimately leading to decreased performance (Sung & Kim, 2021).

Research by Sabuhari et al., (2021), Sunarsih (2014) found a positive relationship between organizational culture and employee performance. In addition, cultural dimension practice factors such as uncertainty avoidance, future orientation, gender and power distance, egalitarianism, and human orientation have a strong correlation with employee performance (Gupta, 2011). An empirical study by Isa et.al., (2016) examined the influence of corporate culture on employee performance and organizational productivity. The results confirmed that corporate culture is proven to improve employee performance. Adaptive culture is an important resource for organizations to handle threats in the environment and manage change and predict organizational survival. Based on the description above, it can be assumed that the hypothesis proposed in this study is:

**H2: Adaptive culture has a positive and significant influence on employee performance.**

The previous research findings which show that the significant and positive relationship exists between transactional leadership on motivation, motivation on employee performance, and transactional leadership on employee performance with motivation as intervening have positive correlation. If the transactional leadership and organizational culture are supported by high work motivation, a company will be able to improve performance action (Wahyuni et al., 2019). Therefore, it can be concluded that employee motivation plays an important role in doing work, so leaders need to identify ways to motivate employees. The importance of the role of leadership in providing motivation is in accordance with previous research findings which show that motivation is closely related to leadership factors. One leadership style, transactional leadership, is closely related to the use of rewards and sanctions related to employee behavior, effort, or results of Kabiru & Bula (2020), Alrowwad, et al., (2020). The main reason for using rewards is to create an incentive mechanism where employees expect efforts to improve performance and feel rewarded (Mulyati et al., 2023). Based on the description above, it can be assumed that the hypothesis proposed in this study is:

**H3: Transactional leadership has a positive and significant influence on employee performance with work motivation as mediation.**

An adaptive organizational culture must be aligned with organizational values (corporate values) to encourage employee empowerment in the organization. A comfortable organizational culture will motivate employees to perform so that the productivity achieved by employees will be high. Motivation is a series of processes that arouse, direct, and maintain human behavior towards achieving goals (Greenberg et al., 2020). Furthermore, it was found that organizational culture and work motivation also have a positive and significant effect on employee performance, where if the organizational culture is getting better and work motivation is getting higher, it can have an effect on improving employee performance (Sumiati, 2021). Based on the description above, it can be assumed that the hypothesis proposed in this study is:

**H4: Adaptive culture has a positive and significant influence on employee performance with work motivation as mediation.**

In an organisation, motivation is crucial since strong motivation leads to great employee performance and vice versa. Persuasive company leaders are necessary to enable all employees to collaborate and consistently be (Jonathan & Dewi, 2023). Motivation is the force that allows a person to act towards a specific goal (Indahingwati et al., 2019). Motivation is very important for employees so that the work charged can be done properly according to company operational standards. Motivated employees are more oriented towards autonomy and freedom compared to less motivated employees, leading to decreased opportunities for profitable development (Fahriana & Sopiah, 2022). The more an employee is motivated, the more productive his performance will be (Murora & Semana, 2021). Based on the description above, it can be assumed that the hypothesis proposed in this study is:

**H5: Motivation has a positive and significant influence on employee performance**

## **METHODS**

Researchers use a quantitative approach, according to Creswell (2003) statement that quantitative research is research with objective theory testing through testing relationships between variables. Variables are measured using instruments, then the data is analyzed according to statistical procedures. Creswell (2003) also argues that quantitative research is closely related to social survey techniques including formal statistical analysis, content analysis, structured observation, experiments, structured questionnaires, structured interviews and so on. This study is a causality research whose main purpose is to obtain facts related to the causal relationship between dependent variables and independent variables (Amruddin et al., 2022)

In this study, researchers used transactional leadership indicators proposed by Robbins and Judge (2015), namely contingent reward, active management by exception, and passive management by exception. Adaptive culture indicators are adopted from Costanza, et al (2015) namely values on anticipation and confidence, action-orientation on an open attitude to change, the ability to develop, implement change, and maintain change. Motivation indicators are based on Maslow's hierarchy of human needs through indicators of physiological needs, safety needs, social needs, esteem needs. While employee performance indicators are adopted from (Mondy et al., 1998) through indicators of quantity of work, quality of work, dependability, adaptability and cooperation. The measurement scale uses a Likert scale (1 - 5)

The population of this study, namely employees of the production section of PT X, Tbk Surabaya, is 278 people, after using purposive sampling method or setting certain conditions to obtain certain objectives where the specified conditions are that the respondents of this study are production employees who have worked for at least 5 years. This is based on the assumption that with a working period of that long it is considered to have a perception of the transactional leadership style of the division leader. Therefore, the respondents were 150 employees. In this regard, the sampling technique is a census.

In data analysis using the structural equation model (SEM) method. The software used for structural analysis is AMOS 23.

For testing the proposed hypothesis, the data obtained is then processed according to the needs of the analysis. The data is processed and presented based on the principles of descriptive statistics which will be used for discussion purposes. Meanwhile, for the sake of analysis and hypothesis testing, an inferential statistical approach is used.

## RESULT

Descriptive analysis is used to analyze the characteristics of respondents. Characteristics of respondent data collection based on gender, education level, age, and tenure as shown in Table 2 below:

Table 2. Respondent's Characteristics

<b>Catagory</b>	<b>Item df Categories</b>	<b>Amount</b>	<b>%-age</b>
<b>Sex</b>	Male	83	55%
	Female	67	45%
	Total	150	100%
<b>Age</b>	26 y.o – 30 y.o	16	15%
	31 y.o – 35 y.o	40	27%
	36 y.o – 40 y.o	38	25%
	41 y.o – 45 y.o	39	21%
	46 y.o – 50 y.o	10	7%
	More than 50 y.o	7	5%
	Total	150	100%
<b>Education</b>	Senior High School	64	43%
	Vocation	54	36%
	Bachelor	32	21%
	Total	150	100%
<b>Tenure</b>	5 years – 10 years	43	29%
	11 years – 15 years	67	45%
	16 years – 20 years	40	27%
	Total	150	100%

Source : questionnaire processed (2023)

Based on the results of respondent data collection, it is known that most of the production division employees at PT X Tbk are female. In terms of age, the number of respondents aged

31-35 years dominates with a total of 40 out of 150 respondents or 27%. For the level of education, 36% are at the diploma level, and 21% at the undergraduate level, which means that the majority of respondents are at the secondary to advanced education level. Based on the length of service, it is dominated by a working period of 11 to 15 years, which means that the working period of production employees is quite mature and eligible to experience transactional leadership and adaptive culture at PT X Tbk.

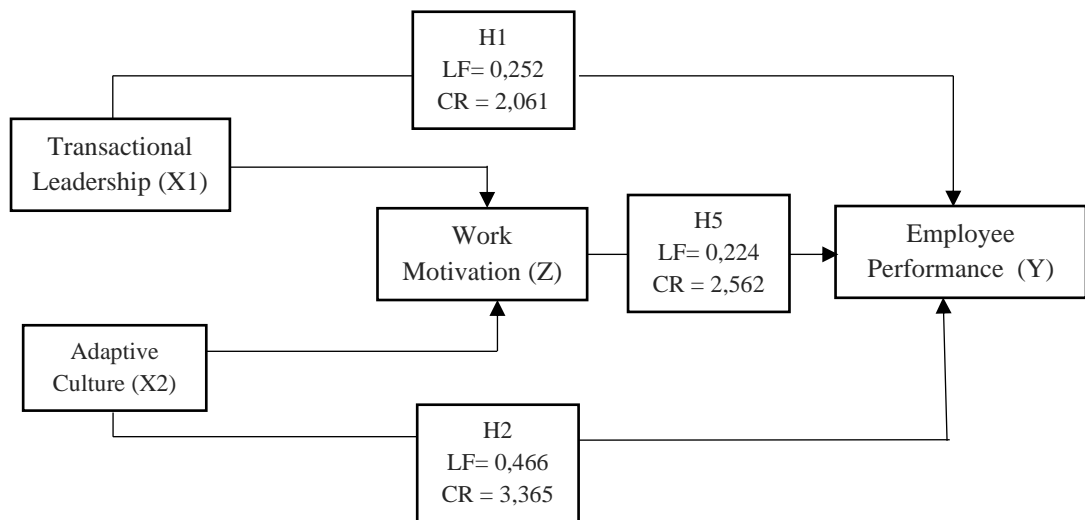
**Hypothesis Test**

Statistical hypothesis testing of processing results with SEM is carried out by looking at the significant level of the relationship between variables shown through the critical ratio (c.r) and the significance probability value of each relationship between variables. The following is the output of the research hypothesis testing table using the AMOS 23 test tool as in Table 3 below:

**Table 3. Regression Weight**

No	Hypothesis	Variable	Estimate	S.E	C.R	P
1	H1	TL → EP	,252	,122	2,061	,039
2	H2	AC → EP	,446	,133	3,365	***
5	H5	WM → EP	,224	,088	2,562	,010

**Figure 3 Structural Equation Model Based on Conceptual Model Framework Along with Parameter Values and Statistical Test Results**



Based on results of data processing according to Table 3, the structural equation model can be presented as can be seen in Figure 2 described that employee performance is influenced by transactional leadership (0.252 X transactional leadership), the value of employee performance is influenced by adaptive culture by (0.484 X adaptive culture), the value of employee performance is influenced by work motivation by (0.224 X work motivation).

To determine the mediating effect of work motivation on the effect of transactional leadership on employee performance and the mediating effect of work motivation on the effect of adaptive culture on employee performance, the Sobel Test is carried out as follows:

**a. The Effect of Transactional Leadership on Employee Performance with Work Motivation as Mediator**

**Table 4. Coefficient of Effect of Transactional Leadership on Employee Performance**

Model	Unstandardized Coefficient		Standardized Coefficient	t	Sig.
	B	Std. Error	Beta		
(Constant)	4.692	.630		7.451	.000
KT	<b>.578</b>	<b>.030</b>	.846	19.287	.022

Source : data processed (2023)

**Table 5. Coefficient of Influence of Transactional Leadership, Work Motivation and Employee Performance**

Model	Unstandardized Coefficient		Standardized Coefficient	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.977	.711		2.779	.006
KT	.321	.049	.470	6.529	.000
MK	<b>.300</b>	<b>.048</b>	.448	6.225	.000

Source : data processed (2023)

Based on the Beta and Standard Error values in Table 4 and Table 5, the Beta and Standard Error values for each variable of transactional leadership (X1) and work motivation (Z) are obtained as follows:

a = 0.578: Direct effect coefficient of the independent variable transactional leadership (X1) on the mediating variable work motivation (Z);

b = 0.300: Direct effect coefficient of the mediating variable work motivation (Z) on the dependent variable employee performance (Y).

Sa = 0,030 : *Standard Error* dari a. , Sb = 0,048 : *Standard Error* dari b.

By entering the values a,b. Sa, and Sb into Sobel's equation:

$$S_{ab} = \sqrt{b^2 S_a^2 + a^2 S_b^2 + S_a^2 S_b^2}$$

$$S_{ab} = \sqrt{(0,300)^2(0,030)^2 + (0,578)^2(0,048)^2 + (0,030)^2(0,048)^2}$$

$$S_{ab} = \sqrt{(0,090)(0,00090) + (0,334)(0,002) + (0,00090)(0,002)}$$

$$S_{ab} = \sqrt{(0,00008) + (0,001) + (2,1 \times 10^{-6})}$$

$$S_{ab} = \sqrt{0.001} = 0.029$$

To test the significance of indirect influence, it is necessary to calculate the t value of the coefficient by the following formula:

$$t = \frac{ab}{S_{ab}}$$

$$t = \frac{(0,578)(0,300)}{0,029} = \frac{0,1734}{0,029} = 5,9378$$

Through the calculation mentioned above, obtained the value of  $S_{ab} = 0.029$ . By entering the values a, b, and  $S_{ab}$  above, the value of t is calculated = 5.9378. The calculated t value of 5.9378 is greater (>) than 1.96 so that it can be concluded that work motivation (Z) mediates transactional leadership (X1) to employee performance (Y) in the production division of PT. X, Tbk. Thus the H3 hypothesis is accepted. The t-value of the calculation mentioned above can be confirmed by using the calculation of the online Sobel Test Calculator on <http://quantpsy.org/sobel/sobel.htm> and the results are as follows:

**Figure Error! No text of specified style in document.. Output Sobel Test Hipotesis 3**

Input:		Test statistic:	Std. Error:	p-value:
a	0.578	Sobel test: 5.937802024	0.02916727	0.012
b	0.300	Aroian test: 5.93778815	0.02920279	0.023
$s_a$	0.030	Goodman test: 5.95227882	0.0291317	0.015
$s_b$	0.048	Reset all	Calculate	

Figure 4 shows the mediation test for hypothesis 3 by looking at the results of the Sobel test, Aroian test, and Goodman test. The test results via the Sobel test show that the indirect effect is significant, as evidenced by the value in the p-value column, namely all tests, both Sobel (0.012), Aroian (0.023) and Goodman Test (0.015), which show a number smaller than  $\alpha$  5%, with a value sobel test 5,937 is greater (>) than 1.96 so it can be concluded that there is an influence of transactional leadership (X1) on employee performance (Y) in the production division of PT X,Tbk.

**a. The Influence of Adaptive Culture on Employee Performance with Work Motivation as a Mediation**

**Table 6. Coefficient of Influence of Adaptive Culture on Employee Performance**

Model	Unstandardized Coefficient		Standardized Coefficient	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.394	.674		5.038	.000
AC	.661	.033	.853	19.918	.000

Source : data processed (2023)

**Table 7. Coefficient of Influence of Adaptive Culture ,Work Motivation and Employee Performance**

Model	Unstandardized Coefficient		Standardized Coefficient	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.279	.695		1.839	.006
AC	.384	.054	.496	7.096	.000
MP	.287	.047	.428	6.126	.000

Source : data processed (2023)

Based on the Beta and Standard Error values in Table 6 and Table 7, the values of Beta and Standard Error respectively adaptive culture variables (X2) and work motivation (Z) are as follows:

a = 0.661: Direct effect coefficient of adaptive culture independent variable (X2) to work motivation mediation variable (Z);

b = 0.287 : Direct effect coefficient of work motivation mediating variable (Z) on employee performance dependent variable (Y).

Sa = 0,033 : *Standard Error* dari a. ; Sb = 0,047 : *Standard Error* dari b.

By entering the values a,b. Sa, and Sb into Sobel's equation:

$$S_{ab} = \sqrt{b^2 S_a^2 + a^2 S_b^2 + S_a^2 S_b^2}$$

$$S_{ab} = \sqrt{(0,287)^2(0,033)^2 + (0,661)^2(0,047)^2 + (0,033)^2(0,047)^2}$$

$$S_{ab} = \sqrt{(0,082)(0,00109) + (0,437)(0,002) + (0,00109)(0,002)}$$

$$S_{ab} = \sqrt{(0,00009) + (0,001) + (2,4 \times 10^{-6})}$$

$$S_{ab} = \sqrt{0,001} = 0,033$$

To test the significance of the indirect effect, it is necessary to calculate the t value of the coefficient with the following formula:

$$t = \frac{ab}{S_{ab}}$$

$$t = \frac{(0,661)(0,287)}{0,033} = \frac{0,1897}{0,033} = 5,8343$$

Through the above calculation, the value of S\_ab = 0.033 is obtained. By entering the values of a, b, and S\_ab above, the calculated t value = 5.8343 is obtained. The calculated t value of 5.8343 is greater (>) than 1.96 so it can be concluded that work motivation (Z) mediates adaptive culture (X2) on employee performance (Y) in the production division of PT.X, Tbk. Thus the hypothesis H3 is accepted. The calculated t value above can be confirmed

by using the online Sobel Test Calculator calculation at <http://quantpsy.org/sobel/sobel.htm> and the results are as follows:

**Figure 5. Output Sobel Test of Hypothesis 3**

Input:		Test statistic:	Std. Error:	p-value:
a	0.661	Sobel test: 5.84098765	0.03247858	1e-8
b	0.287	Aroian test: 5.83433884	0.0325156	1e-8
s <sub>a</sub>	0.033	Goodman test: 5.84765924	0.03244153	1e-8
s <sub>b</sub>	0.047	Reset all	Calculate	

Source : data processed (2023)

Figure 5 shows a test of mediation of hypothesis 3 by looking at the results of the Sobel test, Aroian test, and Goodman test. The test results through the Sobel test that the indirect effect is significant, as evidenced by the value in the p-value column, namely all tests both Sobel (1e-8), Aroian (1e-8) and Goodman Test (1e-8) which show numbers smaller than  $\alpha$  5%, with a Sobel test value of 5.840 greater (>) than 1.96 so that it can be concluded that there is an effect of adaptive culture (X2) on employee performance (Y) in the production division employees of PT X, Tbk through work motivation (Z) as a mediating variable.

## DISCUSSION

### The Effect of Transactional Leadership on Employee Performance

The first hypothesis which states that there is an influence of transactional leadership on employee performance in the production division of PT.X, Tbk can be accepted. Based on the research results, the model of the influence of transactional leadership variables on employee performance in the production division can be written in a quantitative formulation as follows: Employee Performance) = 0.252 X Transactional Leadership, the qualitative meaning can be interpreted that, transactional leadership variables have a sufficient influence in supporting employee performance in the production division of PT.X, Tbk.

The meaning of these results is that the transactional leadership style applied to employees in the production division of PT.X, Tbk which is characterized by paying enough attention to employee desires will have a direct impact on improving employee performance. The pattern of relationships developed by transactional leadership is based on a mutual system of reinforcement, namely the leader understands the basic needs of employees and the leader finds a solution to the workings of the employee. Transactional leaders design ways of working in such a way that is tailored to the type and level of position and carry out interactions or relationships of mutualism. Transactional leadership applied by a leader will encourage employees to work even better. These results support previous research conducted by Alrowwad et al., (2020), Kabiru & Bula (2020) proving that transactional leadership style has a positive and significant effect on employee performance.

### **The Effect of Adaptive Culture on Employee Performance**

The second hypothesis which states that there is an influence of adaptive culture on employee performance can be accepted. Based on the research results, the model of the influence of adaptive culture variables on employee performance in the production division company can be written in a quantitative formulation as follows: Employee Performance = 0.446 X Adaptive Culture, which can be interpreted to mean that adaptive culture has a sufficient influence in improving the performance of production division employees with an influence value of 0.446 or 44.6%.

Isa et al., (2016) suggest that individuals who are in accordance with organizational culture have a tendency to have high job satisfaction and commitment to the organization, so that they will motivate themselves to be able to improve performance. The results also show that cultural values significantly affect organizational effectiveness through improving output quality and reducing labor procurement costs. By understanding and realizing the importance of organizational culture for each individual, it will encourage leaders to create a culture that emphasizes interpersonal relationships rather than a culture that emphasizes work tasks (Sabuhari et al., 2021). This reinforces previous research that a strong culture of an organization will help improve performance levels of organizational culture will increase morale and empower teamwork (Alkhodary, 2023).

### **The Effect of Transactional Leadership on Employee Performance with Work Motivation as Mediation**

The results of the sobel test show that there is an effect of transactional leadership on employee performance in the production division through work motivation (Z) as a mediating variable proven or accepted.

A leader can motivate employees, among others, by providing opportunities for employees to participate in decision making, creating a harmonious atmosphere, and a working relationship of mutual trust and respect. (Pervaiz et al., 2021). (Mavhungu & Bussin, 2017). Different leadership styles will certainly color the behavior & type of leadership so that it can give rise to task-oriented leadership styles and employee-oriented leadership styles. In the transactional leadership style, leaders use extrinsic motivation to improve employee performance, such as salaries, bonuses, wages, social security, profit sharing, recognition, and promotions (Kreitner & Kinicki, 2010). Every leader can influence their subordinates, for example on motivation and employee performance. A leader must realize that human resources are the key factor that most affects the productivity of the company. The previous study of Kabiru & Bula (2020) concluded that through transactional leadership employees are motivated to become more productive and efficient team members. Motivation is needed if needs are met, employees will focus more on their duties and responsibilities so that they can achieve company goals.

### **The Effect of Adaptive Culture on Employee Performance with Work Motivation as Mediation**

The results of the sobel test show that there is an effect of adaptive culture on the performance of PT. X,Tbk production division employees through work motivation as a proven mediating variable or hypothesis 3 is accepted.

A good or ideal organizational culture is a culture that is able to be accepted and run well by employees, where it can boost the organization to be of higher quality, reflected in the behavioral attitudes of the joints of the organization, and also responsive to external conditions. Adaptive organizational culture must be aligned with organizational values (corporate values) to encourage employee empowerment in the organization. With hope, the greater the encouragement of employees to move forward with the organization. In line with that, organizational leaders together with human resources managers in the organization need to ensure and know whether the organizational values that apply and translate into employee performance are in accordance with the existing adaptive culture.

Organizational culture has a great influence in making the work environment comfortable, so that the relationship between employees and company leaders can be established properly. A positive organizational culture will create an atmosphere in a comfortable work environment so that workers can avoid work stress where the atmosphere of pressure can be minimized properly. With an adaptive and good organizational culture, it will increase employee motivation, if the organization expands a strong culture to satisfy and identify employees, this will increase employee motivation (Lewaherilla & Huwae, 2022). In addition, it supports Sumiati (2021) research that organizational culture will create increased motivation, which in turn will have an impact on improving employee performance.

### **The Effect of Work Motivation on Employee Performance**

The fifth hypothesis which states that there is an effect of work motivation on employee performance in the production division of PT.X, Tbk can be accepted. Based on the research results, the model of the influence of work motivation variables on employee performance in the production division company can be written in a quantitative formulation as follows:  $\text{Employee Performance} = 0.224 \times \text{Work Motivation}$ , it can be interpreted quantitatively that the work motivation variable has a sufficient influence in supporting employee performance in the production division of PT.X, Tbk.

The work motivation felt by employees of PT X Tbk encourages employees to be able to provide better performance. Work motivation obtained through the two independent variables in this study, namely transactional leadership and adaptive culture, provides opportunities for employees to develop new abilities as a motivation that greatly affects employees in producing better performance. The results of this study are in line with the research of Murora & Semana (2021) which shows that providing the right motivation can be used as a spirit or encouragement for employees to work better. An employee who has low motivation will display feelings of discomfort and displeasure towards workers, as a result, performance is not maximized and company goals are not maximized so that company goals will not be achieved.

Research conducted by Kiruja (2013) which states that the higher the employee motivation, the higher the employee performance, this is because motivation has a positive and significant effect on employee performance. Research conducted by Murora & Semana (2021) recommended that when top management focuses on increasing employee motivation, leaders can improve employee performance positively especially put more effort in vertical promotion based on career management development as a way of employee motivation.

## CONCLUSION

Based on the results of this study it can be concluded that: transactional leadership is proven to be able to improve the performance of employees of the production division of PT X, Tbk; Adaptive culture is proven to be able to improve the performance of employees of the production division of PT X, Tbk; Work motivation is proven to mediate the influence of transactional leadership on the performance of employees of the production division of PT X, Tbk; Work motivation is proven to be able to mediate the influence of adaptive culture on the performance of employees of the production division of PT X, Tbk and work motivation is proven to affect the performance of employees of the production division of PT X, Tbk.

Following up on the conclusions, the practical implications are: (1) The leader of the production division of PT X, Tbk, is expected to increase direct supervision of the production process, so that actions with the aim of reprimands and warnings can be more effective in improving the performance of employees of the production division of PT X Tbk. (2) The leader of the production division can improve the performance of employees in the division he leads by actively solving the internal problems of the production division, so that the production process can run optimally and innovate products while adhering to standard operational procedures and quality control. (3) The leader of the production division of PT X, Tbk can analyze policies related to increasing employee rewards in the production division in an effort to improve employee performance. (4) The leader of the production division of PT X, Tbk is expected to increase direct supervision of the production process, so that actions with the aim of reprimand or warning can be more effective in improving the performance of employees of the production division of PT X Tbk.

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