

# The Influence of Transformational Leadership Style and Employee Engagement on Employee Performance at PT. Perkebunan Nusantara IV Regional I Medan

Stepany Melani Br Ginting<sup>1</sup>, Khairunnisak<sup>2</sup>, Ahmad Prayudi<sup>3</sup>

<sup>123</sup> Management Study Program, Faculty of Economics and Business, Medan Area University, Indonesia

e-mail: [1fanymunthe020@gmail.com](mailto:1fanymunthe020@gmail.com), [2Khairunnisak748@gmail.com](mailto:2Khairunnisak748@gmail.com),  
[3ahmadprayudi@staff.uma.ac.id](mailto:3ahmadprayudi@staff.uma.ac.id)

## ABSTRACT

The investigation's objectives are testing and analysis. Engagement and Transformational Leadership Style's Effect on Pt. Employee Performance. This study used a quantitative, associative research style. PT. Perkebunan Nusantara IV Regional I Medan employed 770 people in total in 2023. 89 respondents make up the research sample for this study, which was determined using the Solvin formula. methods for analyzing data that employ multiple linear regression in conjunction with the results of the investigation. (1) Employee performance is significantly impacted by transformational leadership style, as evidenced by the significant value (0.000) <0.05 and t-count (6.834)> in comparison to the t-table (1.987). (X2) Employee performance is significantly impacted by employee engagement. The significant value (0.001) < 0.05 and the t-count (3.520)> in relation to the t-table (1.987) demonstrate this. (3) that (Transformational Leadership, and Employee Engagement) simultaneously has a good and significant effect on Employee Performance can be seen The significance level (0.000) < 0.05 and F-count> F-table.

**Keywords:** *Transformational Leadership Style, Employee Engagement, Employee Performance*

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## I. INTRODUCTION

Every business must expand responsibly in the contemporary globalized environment due to fierce competition. Professional human resource management is essential to the company's success in reaching its objectives. The needs of employees and organizational capabilities can be balanced with effective human resource management. As a result, businesses want top performers to lead the charge in accomplishing objectives.



The amount and caliber of work that employee produces while carrying out their duties determines their performance. Good performance can be seen from employees' psychological, emotional, and physical attachment to their work. High performance is important for management to conduct evaluation and strategic planning going forward. An important element in efforts to improve employee performance is leadership that can influence and involve employees.

The leadership style a leader uses is one of the elements that influences employee performance. Transformational leadership styles that are social and care about the common good can motivate and involve employees in achieving company goals. Transformational leaders who are charismatic, inspirational, and provide individualized attention are able to encourage employees to work beyond expectations. James MacGregor Burns first presented the four pillars of transformative leadership in 1978, and Bass built on them in 1985. Idealized influence, motivating inspiration, intellectual stimulation, and tailored consideration are these foundations. Performance is impacted by employee engagement in addition to leadership style. Kahn (1990) identified three components of employee engagement: behavioral, emotional, and cognitive. High work engagement workers are typically more driven, committed, and valuable to the organization. (Ridho, 2023)

PT Perkebunan Nusantara IV Regional I Medan is a subholding of PT Perkebunan Nusantara III with the main commodity of oil palm. The company needs full support from employees as an important asset to achieve its vision, mission, goals and objectives. However, there is instability in employee performance in this company which can be seen from the decline in average employee performance every year. Based on pre-survey data, several problems related to employee performance at PT Perkebunan Nusantara IV Regional I Medan were found, such as difficulty meeting targets, problems completing work on time, and tardiness. In addition, there are problems related to leadership, such as lack of harmonious relationships, lack of direction, and leadership styles that have not met employee expectations. Another problem is related to low employee motivation and engagement.

The impact of transformative leadership on worker performance has been the subject of numerous research. According to Muhammad & Rahardja research from



2021, transformational leadership had a favorable and considerable impact. However, Adi Fadilah and Wilian research from 2023 indicated that transformational leadership had no meaningful impact. This discrepancy in findings points to a research void that requires more investigation. According to Afhan Anuari (2020), employee performance is positively and significantly impacted by employee engagement. High work engagement workers are typically more driven, committed, and valuable to the organization.

## II. LITERATURE REVIEW

### Definition of Employee Performance

According to Viona & Begawati, (2023), The quantity and caliber of work that an employee accomplishes in relation to the duties assigned to them determines their performance. accomplish their responsibilities in accordance with the duties that have been delegated to them. Work process and quality are also used to measure employee performance in addition to results, output, or end outcomes. also from the caliber of the job process. Employee performance is essential to every business or organization because it enables the company to achieve its goals. achieve the goals that have been declared. When an organization achieves its goals, it can be considered to have conformed with the planning standards.

According to Manik & Bancin (2022), The result of an individual's work on duties and responsibilities in line with their areas of expertise is known as employee performance. In order to jointly promote the business and avoid breaking any ethical or legal requirements in its implementation, these personnel fulfill their tasks and obligations in line with their areas of expertise. The degree to which programs or policies for the organization's vision, mission, and goals – all of which are determined by strategic planning – are successfully executed is reflected in employee performance.

### Definition of Transformational Leadership Style

According to Hairudinor (2020) Followers of transformational leaders can be excited, aroused, and inspired to work harder to achieve group objectives. They also



consider each follower's problems and areas for improvement. Lastly, they assist followers in gaining a fresh perspective on issues, which alters their knowledge of them. The interaction process between superiors and subordinates that is founded on values, beliefs, and presumptions regarding the organization's vision and mission is essentially what transformational leadership is. Theoretically, transformational leadership is the capacity of a leader to maximize the accomplishment of organizational objectives by influencing the work environment, motivation, routines, and values of their subordinates.

### **Definition of Employee Engagement**

According to Wibowo Fransisca et al (2021), Employee engagement is a mindset that characterizes a worker's passion and commitment to their work. According to Syarif & Fadhli (2023),state that when employees and the organization have an emotionally entwined connection, it indicates that they are fully concerned with achieving the organization's goals rather than just their pay, position, or advancement. According to the aforementioned description, work attachment is defined as an employee's positive mood, cognitively sound motivation, and happiness while performing their duties.

### **III. METHODS**

Associative research, which examines the relationship or effect between two or more variables, is the type of study that is being used. This study will examine how employee engagement and transformational leadership style, two independent variables, affect employee performance, the dependent variable. The population of this study consisted of all 770 employees of PT. Perkebunan Nusantara IV Regional I Medan in 2023, as the research was carried out by the said organization. Additionally, the Solvin formula was applied to the study's sample, yielding 89 responders. Multiple linear regression analysis using SPSS was employed for data analysis in this study. Primary information gathered by means of interviews, observation, and survey distribution among PT Perkebunan Nusantara IV Regional I Medan. While secondary data obtained

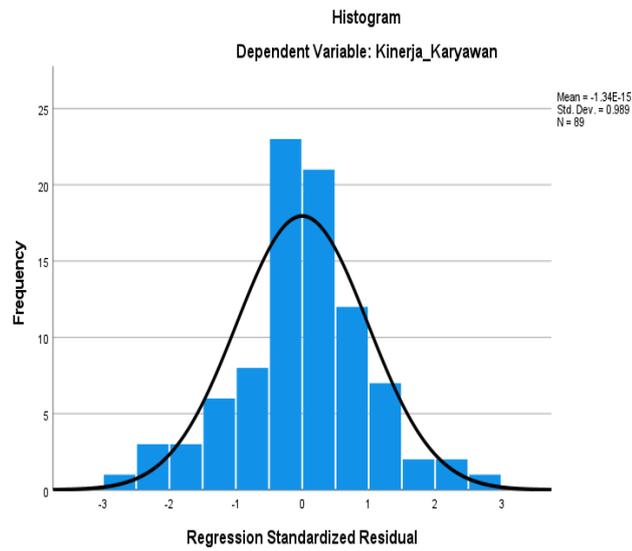


from the documentation of PT Perkebunan Nusantara IV Regional I Medan, such as the author's profile. Data collection techniques carried out by observation and questionnaire.

**IV. RESULTS**  
**Classical Assumptions**

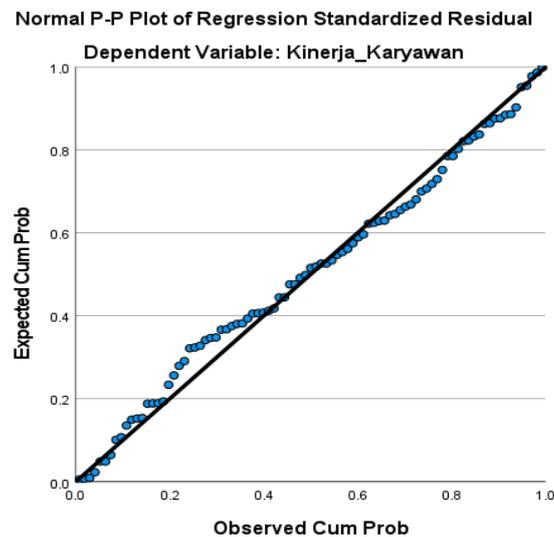
**1. Normality Test**

**a. Histogram Approach**



The variables are normally distributed, meaning they don't fluctuate to the left or right, as seen by the bell-shaped data distribution in Figure 1.

**b. Normal P-P Plot Graph Approach**



The image's presentation of points that follow the data's diagonal line is seen in Figure 2. This implies that the researcher's residuals fall within normal bounds. To further verify that the data is regularly distributed along the diagonal line, the Kolmogorov-Smirnov test is employed.

### C. Kolmogorov-Smirnov Approach

#### One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		89
Normal Parameters <sup>a,b</sup>	Mean	.0000000
	Std. Deviation	3.11424280
Most Extreme Differences	Absolute	.084
	Positive	.049
	Negative	-.084
Test Statistic		.084
Asymp. Sig. (2-tailed) <sup>c</sup>		.168

Given that Table 1's Asymp. Sig. (2-tailed) is 0.92 and higher than the significance level of 0.05 ( $0.092 > 0.05$ ), the normality assumption is met. Thus, based on the test requirements, it is possible to conclude that the data is generally distributed.

## 2. Multicollinearity Test

### Coefficients<sup>a</sup>

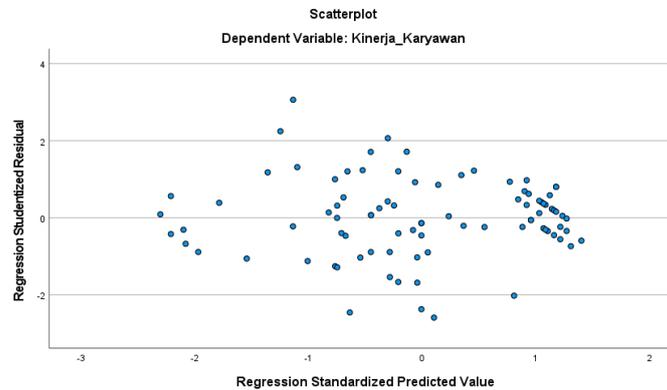
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	2.002	1.324		1.511	.134		
Kepemimpinan_Transformasional	.553	.081	.609	6.834	.000	.313	3.194
Employee_Engagement	.331	.094	.314	3.520	.001	.313	3.194

#### a. Dependent Variable: Kinerja\_Karyawan



Table 2 shows that all independent variables have VIF values less than 10 and tolerance values greater than 0.1. Therefore, it can be said that there are no multicollinearity problems in the study's data.

### 3. Heteroscedasticity Test



Since Figure 3 lacks a clear pattern and the dots are scattered above and below the number 0 on the Y axis, the graphical method suggests that there is no heteroscedasticity in the regression model that is worthwhile using.

### Hypothesis Test Results

#### Test t (Partial Test)

The t-test is conducted to partially test the transformational leadership style (x1), and employee engagement (x2) partially or respectively affect employee performance. To test this hypothesis, it is done by comparing t count with t table with the following conditions:

H0 is accepted, if  $t \text{ count} \leq t \text{ table}$  or  $\text{sig } t \geq \alpha$  (0.05)

H1 is accepted, if  $t \text{ count} > t \text{ table}$  or  $\text{sig } t < \alpha$  (0.05)

It is known, to find the t table as follows:

Probability = 5% or (0.05)

$df = n - k - 1$

$df = 89 - 2 - 1$

$df = 86$

$t \text{ table} = \text{probability} \times df$

$t \text{ table} = 0.05 \times 86$



So, we get t tabel = 1.987

### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.002	1.324		1.511	.134
	Kepemimpinan_Transformasional	.553	.081	.609	6.834	.000
	Employee_Engagement	.331	.094	.314	3.520	.001

#### a. Dependent Variable: Kinerja\_Karyawan

1. Employee performance is significantly impacted by the transformational leadership style variable. This is demonstrated by the significant value (0.000) <0.05 and the t-count (6.834)> in comparison to the t table (1.987).
2. The employee engagement variable has a major effect on employee performance. This is shown by the t-count (3.520) > compared to the t-table (1.987) and the significant value (0.000) < 0.05.

#### F test (simultaneous)

The purpose of this test is to determine how employee engagement and transformational leadership style, two independent variables, affect employee performance, a dependent variable, either jointly or separately.

It is known, to find the F table as follows

Probability = 5% or (0.05)

df 1 = k

df 2 = n-k-1

F table = probability X (df 1) X (df 2)

F table = 0.05 X 2 X 86

So, we get F table = 3.102



Table 4

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3136.711	2	1568.356	158.036	.000 <sup>b</sup>
	Residual	853.469	86	9.924		
	Total	3990.180	88			

a. Dependent Variable: Kinerja\_Karyawan

b. Predictors: (Constant), Employee\_Engagement, Kepemimpinan\_Transformasional

Table 4 indicates that the F-count value is 158.036 at a significance level of 0.000. The F-table is 3.102 at the 95% confidence level ( $\alpha = 0.05$ ). The significance level (0.000) <0.05 and F-count> F-table thus show that the independent variables' concurrent effects on employee performance (employee engagement and transformational leadership style) are significant in both computations.

**Test Coefficient of Determination (R<sup>2</sup>)**

Table 5

**Test Results of the Coefficient of Determination****Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.887 <sup>a</sup>	.786	.781	3.15025

a. Predictors: (Constant), Employee\_Engagement, Kepemimpinan\_Transformasional

b. Dependent Variable: Kinerja\_Karyawan

The variables of employee engagement and transformational leadership style account for 78.1% of employee performance, according to Table 5's Adjusted R Square value of 0.781. The remaining 21.9% is explained by other factors not covered in this study.

**A. The Effect of Transformational Leadership Style on employee performance**

Employee performance is significantly impacted by the Transformational Leadership Style variable, according to the t test. The significant value (0.000) <0.05 and the t-count (6.834) > in comparison to the t-table (1.987) demonstrate this. indicates that H1 is accepted and Ho is denied. This indicates that employee performance will rise by 0.553 for every unit increase in the Transformational Leadership Style variable.

The statement "I feel that my ideas are valued and listened to by my leader" had the highest mean value of 3.78, indicating that the majority of respondents agreed and strongly agreed with the researchers' pre-survey results. With 71.91% of respondents agreeing and strongly agreeing, this indicates that respondents believe leaders value their opinions. However, the statement that received the lowest mean score –3.29– was "I feel appreciated and recognized by my leader when I achieve targets or complete tasks well." With 47.19% of respondents disagreeing and fewer agreeing, this data shows a divide in the recognition and appreciation of employee accomplishments.

Additionally, it should be mentioned that the statement about equitable incentives and recognition received a mean score of 3.42, suggesting a tendency from neutral to agree. This makes it clearer that there is still room for improvement in the area of rewards and recognition. There are a number of ways to close this gap, including: Creating a more organized and open system of rewards, Employee accomplishments should be regularly acknowledged. Teach leaders how to give constructive criticism. Create a culture of gratitude throughout the company, Put in place leadership development initiatives that emphasize staff appreciation and motivation.

These ste This research is in line with Turambi (2022), which claims that employee performance is positively and significantly impacted by transformational leadership. As may be observed, t-count (3.321) > t-table (1.890) and Sig (0.000) < 0.032 Zeindra's research, Lukito (2020), supports the idea that a transformational leadership style significantly and favorably affects employee performance. observed t-count (4.351) > t-table (1.980) and Sig (0.000) < 0.012. Employees are anticipated to be more satisfied when they receive praise



and acknowledgment from their managers, which can boost motivation and output.

## **B. The Effect of Employee Engagement on Employee Performance**

The employee engagement variable has a major effect on staff performance. The significant value  $(0.000) < 0.05$  and t-count  $(3.520) >$  in relation to t-table  $(1.987)$  show that  $H_0$  is rejected and  $H_1$  is accepted, meaning that for every unit increase in the Employee Engagement variable, employee performance will increase by 0.788.

Based on the results of the pre-survey conducted by the researcher, most of the respondents gave answers agreeing and strongly agreeing, as evidenced by the mean value of the statement "I am willing to work more than is usually expected to help the company" obtained the highest mean value of 3.49. This shows that respondents have a high enough willingness to provide extra effort for the company, with 57.31% of respondents agreeing and strongly agreeing. On the other hand, the statement "I never neglect my work and always concentrate on working" recorded the lowest mean value of 3.38. This data indicates a gap in the concentration and focus aspect of work, with 44.94% of respondents disagreeing and strongly disagreeing with the statement.

To overcome this, the company needs to implement, Develop a time management and work focus program, Provide training on concentration and productivity techniques, Create a more conducive work environment, Implement a reward system that encourages consistency of performance, Hold self-development programs to improve work discipline.

This is in line with research conducted by Gentari et al (2023) In contrast to the t-table  $(1,887)$  that can be derived, the Sig value  $(0.000) < 0.05$  and t-count  $(2,120) >$  demonstrate that employee engagement has a positive and significant impact on employee performance. Research by Wijaya et al. (2020) further supports this, demonstrating that employee engagement significantly and favorably affects employee performance. t-count  $(4.221) >$  t-table  $(1.990)$  and sig  $(0.000) < 0.022$ .



### C. The Effect of Transformational Leadership Style and Employee Engagement on Employee Performance

At a significance level of 0.000, the F-count value is 158.036. At a 95% confidence level ( $\alpha = 0.05$ ), the F-table is 3,102. The concurrent impacts of the independent variables (employee engagement and transformational leadership style) on employee performance are therefore significant in both calculations, as indicated by the significance level (0.000)  $<0.05$  and  $F\text{-count} > F\text{-table}$ . This is in line with research conducted by Bustomi et al (2022) and Wijaya et al (2020) which states that Transformational Leadership Style and Employee Engagement have a positive and significant effect on Employee Performance.

Based on the results of research on the influence of transformational leadership style and Employee Engagement on employee performance, there is a positive relationship between the three variables. From the aspect of transformational leadership, the highest mean value of 3.78 on the statement "ideas are valued and listened to by the leader" indicates that the leader has successfully implemented an approach that values employee contributions.

Meanwhile, in the context of employee engagement, the highest mean score of 3.49 on the statement "willingness to work beyond expectations" indicates that employees have good work engagement. However, there are areas for improvement, as indicated by the lower mean score (3.38) on the work concentration aspect.

Both of these factors contribute positively to employee performance. Transformational leaders proved capable of creating a supportive work environment, while engaged employees showed a willingness to put in extra effort. However, improvements are still needed in the performance recognition system (mean 3.29) and increased work focus to optimize overall employee performance.

## V. CONCLUSION AND SUGGESTION

Based on the results of the analysis and discussion carried out for this study, the researchers have come to the following conclusions:



1. Partial testing indicate that employee performance is positively and significantly impacted by transformational leadership style. The first theory is accepted in PT. Perkebunan Nusantara IV Regional I Medan.
2. Partial experiments indicate that employee performance is positively and significantly impacted by employee engagement. The second theory is approved at PT. Perkebunan Nusantara IV Regional I Medan.
3. Based on the concurrent test that shows employee engagement and transformational leadership style have an impact on worker performance at the same time. The third theory is approved by PT. Perkebunan Nusantara IV Regional I Medan.

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