

## TRANSFORMATIONAL LEADERSHIP, INTRINSIC MOTIVATION, AND TEAMWORK AS PREDICTORS OF BUSINESS FLEXIBILITY IN CULINARY SME RESTAURANTS

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### ABSTRACT

The development of digital technology, market changes, and intense competition require culinary restaurant SMEs to possess high business flexibility in order to adapt quickly. However, many business owners still face challenges in innovation, decision-making, work coordination, and operational development. This study aims to analyze the influence of transformational leadership, intrinsic motivation, and teamwork on the business flexibility of culinary restaurant SMEs in the Bekasi region, West Java. The study employed a quantitative approach using an explanatory survey method through the distribution of questionnaires to culinary restaurant SME owners. Data analysis was conducted using Structural Equation Modeling (SEM) based on Lisrel. The results indicate that transformational leadership, intrinsic motivation, and teamwork have a positive and significant effect on business flexibility, both partially and simultaneously. Intrinsic motivation was found to be the most dominant factor, followed by transformational leadership and teamwork. These findings suggest that SME business flexibility can be enhanced through inspirational leadership, strengthening internal motivation, and effective teamwork collaboration.

**Keywords:** *Transformational Leadership, Intrinsic Motivation, Teamwork, Business Flexibility, Culinary Restaurant SMEs*

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## I. INTRODUCTION

Small and Medium Enterprises (SMEs) are a strategic sector that plays a crucial role in national economic growth, particularly in creating jobs and increasing economic activity. One SME sector experiencing rapid growth is the restaurant and culinary industry. Evolving lifestyles, increasing digital activity, and changing consumption patterns have made the culinary industry one of the most competitive sectors. This situation demands that SMEs in



the restaurant and culinary industry possess strong adaptability to survive and thrive amidst the dynamic business environment (Eggers, 2020; Al-Omouh et al., 2022).

The current business environment is changing rapidly due to the development of digital technology, shifts in consumer behavior, and global economic uncertainty. This situation requires business organizations to have high business flexibility to adapt strategies, operations, and services to meet market needs. Business flexibility is a crucial capability for maintaining business continuity because flexible organizations tend to be more responsive to change and more easily innovate. Other research shows that organizations with strong adaptability and flexibility are more likely to face the dynamics of the business environment and rapid market changes (Udin, 2023).

In the context of SMEs, business flexibility is influenced not only by external factors but also by internal organizational factors such as leadership, work motivation, and teamwork skills. Transformational leadership is a crucial factor in enhancing an organization's ability to cope with changes in the business environment. Transformational leaders are able to provide inspiration, build organizational vision, and encourage members to think innovatively in solving work problems. Other research explains that transformational leadership has a positive relationship with organizational agility and the organization's ability to adapt to business changes (Sharma & Singh, 2022). This finding is further supported by research (Khan et al., 2021), which states that transformational leadership can improve organizational innovation and adaptability in the small and medium enterprise sector.

In addition to leadership, intrinsic motivation also plays a crucial role in shaping an organization's business flexibility. Individuals with high intrinsic motivation tend to be more creative, proactive, and better able to cope with work pressure. Intrinsic motivation drives individuals to work due to internal satisfaction, a sense of responsibility, and a desire to grow. Other research shows that intrinsic motivation significantly influences innovation capacity, organizational learning culture, and organizational adaptability to changes in the work environment (Udin, 2023). Furthermore, other research also explains that intrinsic motivation has a positive relationship with innovative work behavior and organizational adaptability in facing changes in the business environment. (Decuyper and Schaufeli, 2021)

Teamwork is also a crucial factor in increasing the flexibility of SME businesses. Organizations with strong team collaboration capabilities tend to be quicker in making decisions, resolving operational issues, and adapting business strategies to market changes.



In the SME culinary restaurant sector, effective teamwork improves service coordination, accelerates operational processes, and strengthens the organization's ability to face competition. Other research shows that collaborative capability and team coordination have a positive influence on business adaptability and flexibility in the SME sector (Pratama & Rahayu, 2022). These findings align with research by Ferreira et al., 2021, which explains that teamwork capability can increase responsiveness and business flexibility in service-based organizations.

Although various previous studies have discussed the relationship between transformational leadership, intrinsic motivation, and teamwork on organizational performance and business adaptability, most studies have focused on large companies, the manufacturing sector, or organizational performance in general. Research specifically examining business flexibility in the culinary restaurant SME sector is still relatively limited, especially those that integrate these three internal organizational variables into a single research model. Furthermore, most previous studies have focused more on innovation and business performance, while studies on business flexibility as an organization's adaptive capacity to face market changes are still limited in the context of culinary SMEs in Indonesia.

Another research gap is evident in the limited empirical research that places intrinsic motivation as the dominant factor in shaping SME business flexibility, particularly in the culinary restaurant sector, which is characterized by dynamic business dynamics and is highly dependent on the speed of market adaptation. Furthermore, previous research generally examines the influence of variables partially, resulting in limited research analyzing the simultaneous influence of transformational leadership, intrinsic motivation, and teamwork on business flexibility within a single, integrative model.

This phenomenon indicates that the flexibility of culinary restaurant SMEs is significantly influenced by the organization's ability to develop transformational leadership, intrinsic motivation, and effective teamwork. However, a preliminary survey of culinary restaurant SMEs in the Bekasi area revealed various challenges, including low adaptability to market changes, suboptimal service innovation, weak teamwork coordination, and limitations in developing flexible operational systems. These conditions demonstrate the need to strengthen internal organizational factors to increase the flexibility of culinary restaurant SMEs.



Based on the description, this study was conducted to analyze the influence of transformational leadership, intrinsic motivation, and teamwork on the business flexibility of culinary restaurant SMEs in the Bekasi area of West Java Province.

## II. LITERATURE REVIEW

### **.Transformational Leadership**

Transformational leadership is a leadership style that inspires organizational members to achieve shared goals through changes in values, motivation, and work behavior. In modern organizational research, transformational leadership is viewed as an effective leadership approach for creating organizations that are adaptive, innovative, and responsive to changes in the business environment. Transformational leadership has a significant impact on organizational agility and adaptive capability because leaders are able to encourage creativity, innovation, and continuous organizational learning (Sharma & Singh, 2022).

Another study (Ali et al., 2023) showed that transformational leadership positively influences organizational flexibility and innovative work behavior in the small and medium-sized business sector. Transformational leaders are considered capable of creating a work environment that supports collaboration, adaptive decision-making, and the development of a more flexible work culture in the face of business dynamics. Furthermore, research (Khan et al., 2021) also explains that transformational leadership can improve an organization's ability to respond to market changes by strengthening organizational vision, workplace communication, and empowering team members.

In the context of SMEs in the culinary and restaurant industry, transformational leadership is crucial because most decision-making remains owner-centered. Leaders who are able to build inspiring communication, provide work motivation, and encourage organizational innovation will more easily increase business flexibility. Thus, transformational leadership functions not only as an organizational control process but also as a strategic factor in enhancing a business's adaptability to changes in the business environment.

### **Intrinsic Motivation**

Intrinsic motivation is an individual's internal drive to perform work due to personal satisfaction, a sense of responsibility, and a desire for growth. Individuals with high intrinsic motivation tend to work with greater enthusiasm, exhibit greater creativity, and are more



adaptable to changes in the work environment. In modern organizational research, intrinsic motivation is viewed as a crucial factor in enhancing performance. *innovative work behavior, organizational commitment*, and individual adaptability in facing the dynamics of the business environment.

Research (Kim Park, 2022) explains that intrinsic motivation can increase work creativity, employee engagement, and individual ability to solve problems innovatively in a dynamic work environment, making individuals more proactive in facing organizational change and better able to support organizational flexibility. These findings are reinforced by research (Ferreira et al., 2021), which shows that intrinsic motivation has a significant relationship with work flexibility and organizational adaptability, particularly in the service-based business sector and SMEs.

### **Teamwork**

Teamwork is a collaborative process between individuals within an organization to achieve common goals through effective communication, coordination, and task allocation. In the restaurant culinary business, teamwork plays a crucial role because business operations require the involvement of various departments, such as production, customer service, marketing, and business management. (Salas et al., 2021) explain that effective teamwork is characterized by open communication, clear task coordination, mutual trust, and collaboration among team members in completing work.

Other research shows that effective teamwork can improve organizational innovation, problem-solving skills, and business flexibility. (Gilson et al., 2021) found that teams that collaborate effectively are better able to cope with changes in dynamic work environments, especially in organizations undergoing digital transformation and changes in work systems. Research (Siagian, 2020) also shows that teamwork has a positive influence on an organization's ability to create innovation and improve business operational effectiveness. In the context of SMEs in the culinary restaurant sector, good teamwork allows each member of the business to support each other, share information, and collaborate in creating service and product innovations according to market needs. Furthermore, research (Hermawan and Nurdin, 2022) explains that effective teamwork can improve organizational coordination in the face of competitive pressures and changes in consumer behavior.

### **Business Flexibility**

Business flexibility is an organization's ability to adapt its strategies, work systems, resources, and operations to changes in the business environment quickly and effectively. Business flexibility is a crucial factor for SMEs because a dynamic business environment



demands that organizations respond to market changes, technological developments, changes in consumer behavior, and uncertain economic conditions. (Uslu, 2017) explains that business flexibility is an organization's ability to make rapid operational adjustments to maintain business continuity and increase competitiveness.

Research (Duchek, 2021) shows that business flexibility significantly influences an organization's ability to navigate uncertain business environments and enhances business resilience. Flexible organizations tend to innovate more easily, develop new strategies, and maintain business stability during crises. Research (Burnard and Bhamra, 2023) also explains that organizational flexibility is a key factor in enhancing a business's ability to survive and recover from external disruptions such as pandemics, technological change, and global economic pressures. Furthermore, (Sumiati et al., 2019) emphasize that business flexibility enables SMEs to be more responsive to changing customer needs and market dynamics, thereby maintaining long-term business sustainability.

### **Relationship between variables**

Previous studies have shown that transformational leadership, intrinsic motivation, and teamwork are closely related to organizational business flexibility. Transformational leadership can create an innovative and adaptive organizational culture (Riaz & Khalili, 2021), intrinsic motivation increases creativity and individual readiness for change (Deci et al., 2021), while teamwork strengthens organizational coordination and collaboration in solving business problems (Salas et al., 2021). The combination of these three factors is believed to enhance the ability of culinary restaurant SMEs to respond effectively to changes in the business environment.

In the context of culinary restaurant SMEs, business flexibility is a crucial capability for maintaining business continuity amid increasingly complex competition and rapid changes in consumer behavior. Therefore, research on transformational leadership, intrinsic motivation, and teamwork as predictors of business flexibility is crucial for providing an empirical understanding of the factors influencing the adaptability of culinary restaurant SMEs.

## **III. METHODS**

This research method uses a quantitative approach with descriptive and verification methods. The descriptive method is used to describe the conditions of the research variables, while the verification method is used to test the relationships and influences between the research variables. This study aims to analyze the influence of transformational leadership,



intrinsic motivation, and teamwork on the business flexibility of culinary restaurant SMEs in the Bekasi area, West Java Province.

The population in this study is all 1,738 culinary restaurant SMEs in the Bekasi region (Bekasi City and Regency) in 2023, with workforce categories according to Law No. 20 of 2008 for micro businesses with 1-4 workers, and small businesses with 5-19 workers. The sample is calculated using the Slovin formula as follows:

$$n = \frac{N}{1 + Ne^2}$$

$n$  : Number of samples required.

$N$  : Population size

and : Sampling error rate, usually 5%

$$n = \frac{1.738}{1 + 1.738 (0,05)^2}$$

$$n = \frac{1.738}{1+4,345}$$

$$n = 325,16 \text{ dibulatkan } 330 \text{ responden}$$

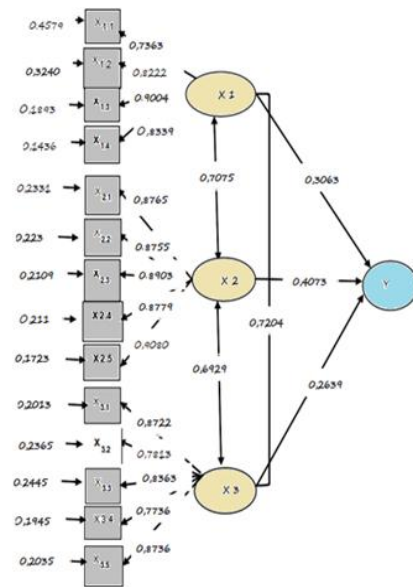
Data collection was conducted using a questionnaire, administered to restaurant culinary SMEs. Prior to analysis, the data were tested for validity, reliability, and normality to ensure instrument quality and the appropriateness of the research data. Reliability testing used Cronbach's Alpha, with a reliability value  $>0.600$  as the criterion for instrument reliability.

The data analysis technique uses descriptive and verification analysis with a multivariate Structural Equation Modeling (SEM) approach to test the relationship between variables, both direct and indirect relationships in the research model.

#### IV. RESULTS

##### Results





Source: Results of Lisrel data processing, 2025.

Picture I

Path Coefficient of Transformational Leadership, Intrinsic Motivation, and Teamwork on Business Flexibility

Based on the study findings, the Business Flexibility variable was proven to be influenced by Transformational Leadership, Intrinsic Motivation, and Teamwork, both collectively and individually. Through the Lisrel 8.80 structural analysis, the path coefficient and correlation values indicate the magnitude of the direct and indirect influence of Transformational Leadership, Intrinsic Motivation, and Teamwork on Business Flexibility, which are explained as follows:

Table 1

The Direct and Indirect Effects of Transformational Leadership, Intrinsic Motivation, and Teamwork Variables on Business Flexibility

	Path Coefficient	Direct Influence	Influence Through			Total Indirect	Total
			Transformational Leadership	Intrinsic Motivation	Teamwork		
Transformational Leadership	0,3063	9,38%		8,83%	5,82%	14,65%	24,03%
Intrinsic Motivation	0,4073	16,59%	8,83%		7,45%	16,28%	32,87%
Teamwork	0,2639	6,96%	5,82%	7,45%		13,27%	20,23%
<b>Total</b>		32,93%	14,65%	16,28%	13,27%	44,19%	77,13%

Source: Data processing results, 2025.



## Discussion

The results of the study indicate that Business Flexibility in culinary restaurant SMEs is significantly influenced by Transformational Leadership, Intrinsic Motivation, and Teamwork, both simultaneously and partially. Based on the results of the Lisrel 8.80 analysis, the total influence of the three variables on Business Flexibility reached 77.13%, while the remaining 22.87% was influenced by other factors outside the study. These findings indicate that the ability of SMEs to adapt to changes in the business environment is largely determined by the quality of leadership, individual internal drive, and the effectiveness of teamwork within the organization..

Transformational Leadership has a total influence of 24.03% on Business Flexibility, consisting of a direct influence of 9.38% and an indirect influence through Intrinsic Motivation and Teamwork of 14.65%. These results indicate that transformational leaders play a crucial role in building organizational adaptability by providing vision, motivation, and support to team members in facing business changes. Leaders who are able to inspire and encourage innovation will help organizations become more flexible in adjusting strategies, services, and business operations. This finding aligns with research (Riaz and Khalili, 2021) which states that transformational leadership can increase organizational flexibility by strengthening a culture of innovation and business adaptability.

Intrinsic motivation is the variable with the largest influence on Business Flexibility, with a total contribution of 32.87%, consisting of a direct effect of 16.59% and an indirect effect of 16.28%. This indicates that an individual's internal drive to develop, achieve, and take responsibility plays a dominant role in increasing the adaptability of culinary restaurant SMEs. Individuals with high intrinsic motivation tend to be more creative, proactive, and able to find solutions to changes in the business environment. In the context of culinary restaurant SMEs, intrinsic motivation drives business owners and employees to continuously innovate products, improve service quality, and adapt business strategies to market needs. These findings support the theory (Deci et al., 2021) which explains that intrinsic motivation can increase innovative behavior and an individual's ability to cope with organizational change.

Teamwork has also been shown to significantly contribute to Business Flexibility, with a total influence of 20.23%, consisting of a direct influence of 6.96% and an indirect influence of 13.27%. These results indicate that coordination, communication, and collaboration among team members play a crucial role in creating organizational flexibility.



In the restaurant culinary industry, effective teamwork enables each business unit to support each other in addressing changing consumer demands, changes in work systems, and the use of digital technology. A solid team will accelerate the decision-making and problem-solving process, making it easier for the organization to adapt to business dynamics. This finding aligns with research (Salas et al., 2021) which states that effective teamwork can improve an organization's ability to respond quickly and adaptively to environmental changes.

Overall, the research findings confirm that improving the Business Flexibility of culinary restaurant SMEs is not solely dependent on organizational structural factors, but is also significantly influenced by aspects of organizational behavior and human resources. Intrinsic motivation is a dominant factor that can encourage individuals to be more adaptive to change, while transformational leadership and teamwork play a supporting role in creating an innovative and collaborative work environment. Therefore, strengthening Business Flexibility in culinary restaurant SMEs needs to be done through improving leadership quality, developing internal work motivation, and strengthening team collaboration so that SMEs can survive and thrive amidst increasingly dynamic business competition.

## V. CONCLUSION AND SUGGESTION

### Conclusion

Based on the research results, it can be concluded that:

1. Transformational Leadership, Intrinsic Motivation, and Teamwork have a positive and significant influence on the Business Flexibility of culinary restaurant SMEs in the Bekasi area, both partially and simultaneously. The analysis results show that these three variables contribute 77.13% to increasing business flexibility, while the remainder is influenced by other factors outside the study.
2. Intrinsic Motivation is the most dominant variable in increasing business flexibility, contributing 32.87% to the total. This indicates that an individual's internal drive to develop, innovate, and take responsibility significantly determines the ability of SMEs to adapt to market changes and business dynamics. Transformational Leadership contributed 24.03%, indicating that inspiring, visionary leaders who motivate organizational members can improve business adaptability. Meanwhile, Teamwork contributed 20.23%, indicating that effective coordination, communication, and collaboration among team members can strengthen the organization's response to



changes in the business environment.

3. Overall, this study confirms that the business flexibility of culinary restaurant SMEs is not only influenced by external factors but also greatly influenced by internal organizational factors, particularly aspects of organizational behavior and human resources. Therefore, strengthening transformational leadership, increasing intrinsic motivation, and developing effective teamwork are important strategies for improving the adaptability and competitiveness of culinary restaurant SMEs in a dynamic business era.

### **Suggestion**

Based on the research results, there are several suggestions that can be given, namely:

1. For SMEs in the culinary and restaurant industry, it's crucial to improve transformational leadership through inspiring communication skills, motivational delivery, and the development of a business vision that adapts to market changes. Business owners also need to create a work environment that fosters intrinsic employee motivation, such as by offering rewards, opportunities for self-development, and involvement in business decision-making.
2. Strengthening teamwork needs to be done through increased coordination, communication, and collaboration among organizational members so that operational processes and services can be more flexible and responsive to consumer needs. SMEs are also advised to utilize digital technology to support operational flexibility and accelerate business adaptation to changes in the business environment.
3. For future researchers, it is recommended to expand the research by adding other variables that can influence business flexibility, such as digital innovation, organizational culture, market orientation, and technological capabilities. Further research can also be conducted in other business sectors or regions to obtain broader and more comprehensive results regarding the factors influencing SME business flexibility.

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