The Role of Motivation: The Effect of Transformational Leadership on Employee Performance

Salustiano Dos Reis Piedade\textsuperscript{a} 
I Made Wardana\textsuperscript{b} 
Gede Riana\textsuperscript{c} 
I Gusti Ayu Manuati Dewi\textsuperscript{d}

\textbf{Article history:}
Received: 09 July 2019  
Accepted: 30 September 2019  
Published: 22 November 2019

\textbf{Keywords:}
employee performance; leadership; motivation; role; transformational;

\textbf{Abstract}
The purpose of this study was to examine the mediating role of the influence of transformational leadership on employee performance. The research was conducted at the Ministry of Education of Timor-Leste with a total population of 765 and a sample size of 263 respondents. Data were analyzed by using Smart-PLS 3.0 Program software. The results showed that transformational leadership was positively and significantly related to employee performance. Motivation plays a role in mediating the effect of transformational leadership on employee performance.

\textbf{Introduction}
Employee performance is the key to organizational success because organizations that perform well are supported by good employee performance (Abu-jarad \textit{et al.}, 2010; Alexandra \textit{et al.}, 2019). Meanwhile, Sugianingrat \textit{et al.}, (2019), states that the success of an organization in achieving strategic objectives is highly dependent on employee performance. Because, Dizgah \textit{et al.}, (2013), states that a vital problem in most organizations is employee performance. Therefore, continuous employee performance is the focus of every organization because through this performance the organization is able to develop and progress. Employee performance is initially what employees do or don't do. Employee performance can include quantity, quality, timeliness, attendance at work, and cooperation (Güngör, 2011).

There are a number of factors that can affect employee performance, including transformational leadership (Bass, 1996; Avolio \& Bass, 2001; García-Morales \textit{et al.}, 2008; Yıldırım \& Birinci, 2013). Employee performance is also influenced by motivation (Kinicki \& Fugate, 2016; Pritchard \& Ashwood, 2008; Cole \& Kelly, 2011; Goerge \& Jones,
Several empirical studies indicate that transformational leadership is positively and significantly related to employee performance (Pawirosumarto et al., 2017; Musa et al., 2018; Manzoor et al., 2019; Buil et al., 2019). However, there are other empirical studies that state that transformational leadership has no positive and significant effect on employee performance (Ekowati et al., 2013; Tambalean, 2014; Prabowo et al., 2018; Vipraprastha et al., 2018; Putra & Dewi, 2019).

Based on empirical results, it shows that there are still inconsistencies in the results of this study and this is a gap in this study. Thus, in this study, motivation plays an important role in improving employee performance. Therefore, motivation is a process used to allocate energy to maximize job satisfaction so that with the right motivational techniques can improve employee performance (Pritchard & Ashwood, 2008), high motivation can focus time and effort to achieve organizational goals (Skripak et al., 2016), high motivation can achieve work performance at a high level (Goerge & Jones, 2012).

Nevertheless, the relationship between transformational leadership, motivation, and employee performance needs to be tested empirically. Therefore, the purpose of this study is to examine the effect of transformational leadership on employee performance through motivation.

### Theoretical Framework and Hypothesis Development

Transformational leadership theory starts with Burns (1973). Where the essence of this theory is the difference between transformational leadership and transactional leadership. Both types of leadership are distinguished in terms of leader behavior that affects followers. With transformational leadership, followers feel trust, admiration, loyalty, and respect for leaders, and they are motivated to do more work than previously expected. Conversely, transactional leadership involves an exchange process that can lead to adherence to followers' demands by leaders but not to generate enthusiasm and commitment to the task's objectives (Yulk, 2010).

Transformational leadership is the behavior of leaders who change and inspire subordinates to work beyond organizational expectations (Bass, 1985; Avolio et al., 2009; Robbins & Judge, 2018). Transformational leadership values such as individual consideration, intellectual stimulation, inspirational motivation, and ideal influence ("four I's") all result in extra effort from workers, higher productivity, higher morale and satisfaction, higher organizational effectiveness, lower turnover, lower absenteeism, and greater organizational adaptability (Robbins & Judge, 2017).

Several empirical studies show that the effect of transformational leadership on performance is shown from the results of research conducted by (Pawirosumarto et al., 2017; Musa et al., 2018; Manzoor et al., 2019; Buil et al., 2019; Hidayat & Budiatma, 2018). The influence of motivation on employee performance is carried out by (Gopal & Chowdhury, 2015; Nabi et al., 2017; Olusadum & Anulika, 2018; Yunita & Saputra, 2019).

Based on theoretical and empirical studies of transformational leadership, motivation and employee performance, the proposed theoretical framework in this study is as shown in Figure 1.

![Figure 1. Theoretical Framework](image)

**The effect of transformational leadership on employee performance**

The transformational leadership style sets more challenging expectations and usually achieves higher performance (Naeem & Khanzada, 2018). Transformational leadership can affect employee performance through behavior: ideal influence, inspirational motivation, intellectual stimulation, and intellectual stimulation. Transformational dreams with their ideal influence will be admired, respected, and trusted. Transformational leadership with the influence of inspirational motivation involves the ability of leaders to inspire enthusiasm and optimism to their followers. Transformational leadership with the influence of intellectual stimulation stimulates the efforts of followers to be innovative and creative by solving problems in new ways.
Transformational leadership with the influence of consideration pays special attention to the needs of each individual follower for achievement and growth by acting as a coach or mentor (Bass & Riggio, 2006). Several previous studies have shown that there is an effect of transformational leadership on employee performance (Pawirosumarto et al., 2017; Musa et al., 2018; Manzoor et al., 2019; Buil et al., 2019). Thus, the research hypothesis was formulated as follows.

**H1: Transformational leadership has a positive and significant effect on employee performance.**

**Transformational Leadership and Motivation**

Leadership style is an important determinant of motivation (Gopal & Chowdhury, 2014). Transformational leadership changes and motivates followers in a way; make employees aware of the importance of work results, persuade employees to increase the interests of the team or organization compared to personal interests, and activate their higher needs (Yulk, 2010). Bass states that transformational leadership is an important factor because the role of leadership is motivating others to do more than expected (Bass, 1996). This happens because employees trust, admire, be loyal, and respect the leader so they are motivated to work harder for the organization (Avolio & Bass, 2001; Yulk, 2010).

Several previous studies have shown that there is an influence of transformational leadership on motivation by (Bao & Nizam, 2015; Nabi et al., 2017; Oluasadum & Anulika, 2018). Thus, the research hypothesis was formulated as follows.

**H2: Transformational leadership has a positive and significant effect on motivation.**

**Employee Motivations and Employee Performance**

Goerge and Jones state that motivation is a psychological force in a person that determines the direction of that person’s behavior in an organization, the level of effort, and perseverance in facing obstacles (Goerge & Jones, 2012). Motivation is a process that energizes employees and encourages them to pursue their goals. A well-designed and well-run performance appraisal have a strong motivational impact on employee performance (Khan et al., 2017).

Some empiricism shows that employee motivation has a direct impact on employee performance. There are several empirical studies found that employee motivation has a positive and significant effect on employee performance (Nadeem et al., 2014; Shahzadi et al., 2014; Bao & Nizam, 2015; Nabi et al., 2017; Oluasadum & Anulika, 2018). Motivated employees can work hard to improve their effectiveness and efficiency to help the organization achieve its goals. Thus, the research hypothesis was formulated as follows.

**H3: Motivation has a positive and significant effect on employee performance.**

**Motivation can mediate the effect of transformational leadership on employee performance**

Motivation is a process that takes into accounts the intensity, direction, and persistence of individual efforts to achieve goals (Robbins & Judge, 2018). Increase the level of motivation at work; the use of the time that is efficient will improve work performance (Pritchard & Ashwood, 2008). Because, highly motivated employees focus their efforts to achieve certain goals (Skripak et al., 2016). Therefore, if you want to produce more results, you need to increase motivation (Bolduc, 2000). Based on the description above, motivation has an important role in improving employee performance. Therefore, employee motivation is a very important role in improving employee performance.

Some previous studies show that there is a relationship between transformational leadership and employee performance (Bao & Nizam, 2015; Nabi et al., 2017; Oluasadum & Anulika, 2018), and motivation on employee performance is carried out by (Bao & Nizam, 2015; Nabi et al., 2017; Oluasadum & Anulika, 2018). Thus, the research hypothesis was formulated as follows.

**H4: Motivation can mediate the effect of transformational leadership on employee performance.**

2 Materials and Methods

The populations in this study are, civil servants in the Timor Leste Ministry of Education. The total number of employees was 765 and overall 263 respondents were selected using the Sloven method and a confidence level of 95%, the sample taker used the proportional random sampling technique. Questionnaires were distributed to selected respondents in each general director, national directors, and each department. Of the total 263 questionnaires...
distributed, all were completed and collected again and this sample size was considered sufficient for the process and analysis because the minimum sample for multivariate analysis was 30 (Alreck & Settle, 2004).

In this study using the Smart-PLS 3.0 analysis tool Ringle et al., (2015), in predicting the relationship between transformational leadership, motivation, and employee performance. Transformational leadership was measured by 4 dimensions consisting of 12 indicators (Ashikali & Groeneveld, 2015). Motivation is measured using indicators adapted from Chang and Chen (2008), cited by Shazzadi et al., (2014), and employee performance is measured using indicators adapted from (Koopmans et al., 2014). Testing the role of mediation using approach (Baron & Kenny, 1986).

3 Results and Discussions

3.1 Outer Model Evaluation

The following are the results of the correlation test between transformational leadership, motivation and employee performance. The reliability test uses composite reliability (CR) and average variance extracted (AVE) parameters (Hair et al., 2014). Table I shows the results of the construct reliability test where the minimum CR value is 0.76 and the minimum AVE value is 0.5. Based on the parameters of Hair et al., (2014), CR and AVE all constructs have good internal consistency to be used in analyzing the relationships between variables.

Validity test shows that the value of all outer loadings is more than 0.6, the validity test also uses Discriminant Validity with Fornell Larscker Criteron, Heterotrait-monotrait (HTMT90) and cross-loadings. The results of the Discriminant validity Fornell Larscker Criteron test show that all latent variables have good discriminant validity (Table 2). Because it is based on the Fornell-Larcker criteria, which postulate that, the AVE construct must be higher than all of its correlations (Hair et al., 2014; Henseler et al., 2015; Henseler, 2017).

The results of the discriminant validity test with cross-loadings indicate that the value of each indicator of one variable is greater than that of the other cross-loadings and meets the criteria of good discriminant validity (Hair et al., 2014) (Table 3). Based on the results of the analysis show all constructs are valid and meet the requirements.

3.2 Evaluation of the Inner Model

For the inner model evaluation using parameters such as coefficient of the determinant (R²), inner models predictive relevance (Q²), goodness and of fit (GoF) (Hair et al., 2014). Based on the value of R² (Table 4), the results of the Q² value calculation of 0.30, and then this model is included in the moderate model (Razak et al., 2016). The goodness of fit (GoF) of 0.30, this model is a moderate model. According to Tenenhaus et al., (2004), that GoF small value = 0.1, GoF medium = 0.25 and large GoF = 0.38 cited by Wardana et al., (2018). Therefore, the evaluation of the inner model of this research is a fit model. Thus, the next stage is hypothesis testing.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Composite Reliability</th>
<th>Average Variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational Leadership</td>
<td>0.90</td>
<td>0.62</td>
</tr>
<tr>
<td>Work Motivation (Y1)</td>
<td>0.76</td>
<td>0.51</td>
</tr>
<tr>
<td>Employee Performance (Y2)</td>
<td>0.85</td>
<td>0.53</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dimension/ indicator</th>
<th>X</th>
<th>X1</th>
<th>X2</th>
<th>X3</th>
<th>X4</th>
<th>Y1</th>
<th>Y2</th>
<th>Y2.1</th>
<th>Y2.2</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>0.65</td>
<td>0.79</td>
<td>0.775</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X1</td>
<td>0.79</td>
<td>0.828</td>
<td>0.785</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X2</td>
<td>0.828</td>
<td>0.589</td>
<td>0.816</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X3</td>
<td>0.832</td>
<td>0.493</td>
<td>0.552</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>X4</th>
<th>0.857</th>
<th>0.562</th>
<th>0.584</th>
<th>0.678</th>
<th>0.772</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y1</td>
<td>0.228</td>
<td>0.174</td>
<td>0.276</td>
<td>0.087</td>
<td>0.219</td>
<td>0.713</td>
</tr>
<tr>
<td>Y2</td>
<td>0.248</td>
<td>0.193</td>
<td>0.289</td>
<td>0.133</td>
<td>0.203</td>
<td>0.496</td>
</tr>
<tr>
<td>Y2.1</td>
<td>0.217</td>
<td>0.187</td>
<td>0.268</td>
<td>0.087</td>
<td>0.177</td>
<td>0.418</td>
</tr>
<tr>
<td>Y2.2</td>
<td>0.225</td>
<td>0.157</td>
<td>0.248</td>
<td>0.148</td>
<td>0.185</td>
<td>0.468</td>
</tr>
</tbody>
</table>

Table 3
Discriminant validity cross-loadings

<table>
<thead>
<tr>
<th>Dimension/Indicators</th>
<th>X1</th>
<th>X2</th>
<th>X3</th>
<th>X4</th>
<th>Y1</th>
<th>Y2.1</th>
<th>Y2.2</th>
</tr>
</thead>
<tbody>
<tr>
<td>X11</td>
<td>0.721</td>
<td>0.401</td>
<td>0.392</td>
<td>0.432</td>
<td>0.087</td>
<td>0.139</td>
<td>0.066</td>
</tr>
<tr>
<td>X12</td>
<td>0.813</td>
<td>0.479</td>
<td>0.380</td>
<td>0.391</td>
<td>0.144</td>
<td>0.121</td>
<td>0.152</td>
</tr>
<tr>
<td>X13</td>
<td>0.789</td>
<td>0.487</td>
<td>0.376</td>
<td>0.484</td>
<td>0.170</td>
<td>0.174</td>
<td>0.144</td>
</tr>
<tr>
<td>X21</td>
<td>0.414</td>
<td>0.758</td>
<td>0.377</td>
<td>0.358</td>
<td>0.192</td>
<td>0.155</td>
<td>0.108</td>
</tr>
<tr>
<td>X22</td>
<td>0.444</td>
<td>0.816</td>
<td>0.435</td>
<td>0.532</td>
<td>0.287</td>
<td>0.287</td>
<td>0.275</td>
</tr>
<tr>
<td>X23</td>
<td>0.522</td>
<td>0.778</td>
<td>0.481</td>
<td>0.481</td>
<td>0.169</td>
<td>0.182</td>
<td>0.190</td>
</tr>
<tr>
<td>X31</td>
<td>0.459</td>
<td>0.496</td>
<td>0.815</td>
<td>0.605</td>
<td>0.037</td>
<td>0.062</td>
<td>0.104</td>
</tr>
<tr>
<td>X32</td>
<td>0.356</td>
<td>0.429</td>
<td>0.810</td>
<td>0.503</td>
<td>0.146</td>
<td>0.062</td>
<td>0.162</td>
</tr>
<tr>
<td>X33</td>
<td>0.384</td>
<td>0.418</td>
<td>0.822</td>
<td>0.545</td>
<td>0.035</td>
<td>0.090</td>
<td>0.099</td>
</tr>
<tr>
<td>X41</td>
<td>0.321</td>
<td>0.232</td>
<td>0.326</td>
<td>0.609</td>
<td>0.220</td>
<td>0.216</td>
<td>0.273</td>
</tr>
<tr>
<td>X42</td>
<td>0.496</td>
<td>0.504</td>
<td>0.576</td>
<td>0.820</td>
<td>0.093</td>
<td>0.123</td>
<td>0.052</td>
</tr>
<tr>
<td>X43</td>
<td>0.465</td>
<td>0.497</td>
<td>0.622</td>
<td>0.862</td>
<td>0.217</td>
<td>0.103</td>
<td>0.153</td>
</tr>
<tr>
<td>X11</td>
<td>0.108</td>
<td>0.205</td>
<td>0.034</td>
<td>0.153</td>
<td>0.714</td>
<td>0.303</td>
<td>0.308</td>
</tr>
<tr>
<td>X12</td>
<td>0.128</td>
<td>0.197</td>
<td>0.061</td>
<td>0.198</td>
<td>0.714</td>
<td>0.300</td>
<td>0.340</td>
</tr>
<tr>
<td>X13</td>
<td>0.135</td>
<td>0.189</td>
<td>0.090</td>
<td>0.117</td>
<td>0.712</td>
<td>0.292</td>
<td>0.351</td>
</tr>
<tr>
<td>X21</td>
<td>0.155</td>
<td>0.185</td>
<td>0.077</td>
<td>0.147</td>
<td>0.338</td>
<td>0.735</td>
<td>0.449</td>
</tr>
<tr>
<td>X22</td>
<td>0.159</td>
<td>0.214</td>
<td>0.046</td>
<td>0.106</td>
<td>0.359</td>
<td>0.724</td>
<td>0.439</td>
</tr>
<tr>
<td>X23</td>
<td>0.113</td>
<td>0.200</td>
<td>0.012</td>
<td>0.080</td>
<td>0.260</td>
<td>0.738</td>
<td>0.446</td>
</tr>
<tr>
<td>X24</td>
<td>0.113</td>
<td>0.179</td>
<td>0.122</td>
<td>0.184</td>
<td>0.254</td>
<td>0.703</td>
<td>0.400</td>
</tr>
<tr>
<td>Y2.1</td>
<td>0.093</td>
<td>0.151</td>
<td>0.111</td>
<td>0.160</td>
<td>0.363</td>
<td>0.481</td>
<td>0.772</td>
</tr>
<tr>
<td>Y2.2</td>
<td>0.065</td>
<td>0.148</td>
<td>0.022</td>
<td>0.069</td>
<td>0.357</td>
<td>0.505</td>
<td>0.784</td>
</tr>
<tr>
<td>Y2.3</td>
<td>0.241</td>
<td>0.274</td>
<td>0.288</td>
<td>0.260</td>
<td>0.264</td>
<td>0.322</td>
<td>0.658</td>
</tr>
<tr>
<td>Y2.4</td>
<td>0.090</td>
<td>0.176</td>
<td>0.049</td>
<td>0.077</td>
<td>0.376</td>
<td>0.423</td>
<td>0.704</td>
</tr>
</tbody>
</table>

Table 4
R-square

<table>
<thead>
<tr>
<th>Notation</th>
<th>R Square</th>
<th>R Square Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Motivation (Y1)</td>
<td>0.05</td>
<td>0.05</td>
</tr>
<tr>
<td>Employee Performance (Y2)</td>
<td>0.27</td>
<td>0.26</td>
</tr>
</tbody>
</table>

3.3 Hypothesis Test

Hypothesis testing results are shown in Figure 2 and the value of the path coefficient and the value of the probability (Table 5). The test results show that transformational leadership influences employee performance is proven. This is indicated by the value of the path coefficient of 0.14 with t-statistics of 2.62 > 1.96 and a probability value of 0.01 < 0.05. Thus, the hypothesis which states that transformational leadership has a positive and significant effect on employee performance is accepted.

The results show that the effect of transformational leadership on motivation is proven. This is indicated by the value of the path coefficient of 0.23 with t-statistics of 3.48 > 1.96 and the probability value of 0.00 < 0.05. Thus, the hypothesis which states that transformational leadership has a positive and significant effect is accepted.

The test results show that motivation has an effect on employee performance is proven. This is indicated by the value of the path coefficient of 0.46 with t-statistics of 8.75 >1.96 and the probability value of 0.00 <0.05. Thus, the hypothesis states that motivation has a positive and significant effect on employee performance is accepted.

| Model                                   | Path Coefficient | T Statistic (|O/STDEV|) | P Values | Remark  |
|-----------------------------------------|------------------|----------------|----------|----------|---------|
| Transformational Leadership (X) -> Work Motivation (Y1) | 0.228            | 3.476         | 0.001    | Significant |
| Transformational Leadership (X) -> Employee Performance (Y2) | 0.142            | 2.623         | 0.009    | Significant |
| Work Motivation (Y1) -> Employee Indirect Effect Performance Y2) | 0.464            | 8.750         | 0.000    | Significant |

Testing the role of mediation uses the parameters of Baron & Kenny (1986), to determine whether the role of mediation is full mediation, partial mediation or not mediation variables. Based on the direct effect test (c) in the first stage, it shows a path coefficient of 0.89 with a t-statistic of 4.22 > 1.96 and a probability value of 0.00 <0.05. While testing the indirect effect (c’) the value of the path coefficient of 0.14 with a t-statistic of 2.62 > 1.96 and a probability value of 0.00 <0.05.

These results indicate that the value of c 'fell (c’ <c) but remained significant. So the motivation variable in the research model is said to be part of the mediation variable (Partial mediation). Thus, the hypothesis that motivation plays a full role in mediating the effect of transformational leadership on employee performance is rejected.
3.4 Effects of Transformational Leadership on Employee Performance

The results of testing the indirect influence hypothesis indicate that transformational leadership has a positive and significant effect on employee performance. Therefore, transformational leadership can affect employee performance (Bass, 1996; Avolio & Bass, 2001; García-Morales et al., 2008; Yıldırım & Birinci, 2013). Transformational leadership can influence employee performance through its values such as idealized influence, inspirational motivation, intellectual stimulation, and individual consideration (Bass & Riggio, 2006). With idealized influence, transformational leadership conveys a clear vision and mission, instills pride, earns respect and trust from its employees. With the influence of inspirational motivation, transformational leadership communicates with high expectations, use symbols to focus efforts, express important goals in a simple way, so employees easily absorb. With the influence of intellectual stimulation, transformational leadership increases intelligence, rationality, and careful problem-solving. With the influence of individual considerations, transformational leadership gives personal attention, treating each employee individually (Robbins & Judge, 2018). Because, one of the goals of leadership is to maximize employee productivity by inspiring followers creatively to transcend their self-interests for the good of the organization (Robbins & Judge, 2018).

The results of this study are symmetrical with previous studies by (Pawirosumarto et al., 2017; Musa et al., 2018; Manzoor et al., 2019; Wardana et al., 2018), which states that transformational leadership has a positive and significant effect on employee performance. Nevertheless, the results of this study contradict some previous research by (Ekowati et al., 2013; Tambalean, 2014; Prabowo et al., 2018; Vipraprastha et al., 2018), which states that transformational leadership does not affect employee performance.

3.5 The effect of transformational leadership on motivation

The results of testing the indirect effect hypothesis show that transformational leadership has a positive and significant effect on motivation. Because, transformational leadership is a process that changes and shapes people (Northouse, 2016). Transformational leadership is a leadership style that focuses on inspiring, encouraging, and leading by example while developing the potential of individual followers (Kammerhoff et al., 2019).

Transformational leadership is an important factor, and the role of leadership is motivating others to do more than expected (Bass, 1996). Leadership can increase motivation and morality in leaders and followers (Northouse, 2016). Employees are motivated because employees trust, admire, be loyal, and respect leaders, so they are motivated to work harder for the organization (Avolio & Bass, 2001; Yulk, 2010). Therefore, transformational leadership is a determining factor for motivation.

The results of this study are symmetrical with several studies carried out by Bao & Nizam (2015); Nabi et al., (2017); Olusadum & Anulika (2018), which states that transformational leadership has a positive and significant effect on employee performance.

3.6 The influence of motivation on employee performance

The indirect test results show that motivation has a positive and significant effect on employee performance. Highly motivated employees focus their efforts to achieve certain goals (Skripak et al., 2016). Motivation is a force that enables or mobilizes people to realize work (Çelik, 2013). Therefore, the results of this study prove that employee motivation plays an important role in improving employee performance.

The results of this study are symmetrical with previous studies by Nadeem et al., (2014); Shahzadi et al., (2014); Bao & Nizam (2015); Nabi et al., (2017); Olusadum & Anulika (2018), which stated that motivation is influential and significant on employee performance.

3.7 The role of employee motivation in mediating the effect of transformational leadership on employee performance

The indirect test results showed that motivation does not play a full role in mediating the effect of transformational leadership on employee performance. Nevertheless, the results of this study indicate that the path coefficient is positive, which means that the relationship between transformational leadership and motivation is in the same direction. Nonetheless, the results of the study indicate that the positive path coefficient means that the relationship between transformational leadership and motivation is in the same direction. while the results of the study also showed that

motivation and employee performance with positive path coefficients. This means that transformational leadership can influence motivation, thus motivation can improve employee performance.

4 Conclusion

The results showed that transformational leadership had a positive and significant effect on motivation, and motivation had a positive and significant effect on employee performance. Transformational leadership has a positive and significant effect on employee performance. Motivation becomes partial mediation in the effect of transformational leadership on employee performance. Although motivation is a partial mediating the effect of transformational leadership on employee performance, the path coefficient is positive, which means the relationship between transformational leadership, motivation, and employee performance is in the same direction. This means that transformational leadership can influence motivation, thus motivation can improve employee performance. In future research, it is recommended to explore other variables such as time management, organizational citizenship behavior and work culture which can later contribute to improving employee performance in order to achieve organizational goals.

Conflict of interest statement
The authors declared that they have no competing interests.

Statement of authorship
The authors have a responsibility for the conception and design of the study. The authors have approved the final article.

Acknowledgments
The authors would like to thank the editor of IRJMIS for their valuable time, support and advice in completing the current study.
Diversity management in public organizations and its effect on employees' performance: Studies in PT Bank Syariah Mandiri

References


