

TRANSFORMATIONAL LEADERSHIP AND WORK MOTIVATION IN IMPROVING EMPLOYEE PERFORMANCE AT BMTNU KEDEWAN

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Abstract

This study was conducted to determine how the style, characteristics, and practices of transformational leadership affect employee performance and employee motivation in improving employee performance at BMTNU Kedewan. The research method used is a qualitative method with data collection techniques through direct observation and interviews at the BMT NU Kedewan office. The results of the study indicate that transformational leadership and work motivation have a significant influence on employee performance at BMT NU Kedewan. The implication of this study is that there is a direct influence between transformational leadership and employee performance through work motivation. Employee motivation is improved through transparent policies in providing appreciation to high-performing employees. Transformational leaders must be able to create a dynamic, progressive and innovative work environment by empowering employees, focusing on innovation and positive role models that are reflected in daily practices. Employee award programs, career development opportunities, public recognition and financial incentives given to high-performing employees can create healthy competition and motivate each employee to do their best.

Keywords: Transformational Leadership, Motivation, Employee Performance

Introduction

An organization will be declared successful and able to stand strong if it has high competitiveness and competitiveness, so that it can survive in global competition. Currently, labor competition is very tight. Likewise, advances in information technology require workers to have high competence and performance in order to create balance. There are several factors that influence employee performance, including; leadership. Leaders play a very important role in improving employee performance. This study began with the need to understand in depth the dynamics of leadership, motivation and work environment that can affect employee performance at the BMTNU Kedewan office. As a financial services institution, BMT NU plays an important role in improving the economy of the community in the area by providing services in the form of savings and loans.

First, transformational leadership is one of the important factors that influence employee performance. Effective leadership can create a positive organizational culture, motivate employees to achieve common goals, and encourage innovation (Ancok, D. 2020). In this case, BMT NU Kedewan has cultural and social characteristics that can influence leadership patterns, so understanding transformational leadership practices is very important. Second, there is a direct influence between leadership and employee motivation and performance. Therefore, if a leader makes a decision, he must be able to adjust the conflict faced based on the current and future conditions in the increasingly high and unavoidable business world competition (Dhewani, P. N. S., & Ramly, A. T. 2018). Motivation carried out by leaders is one of the important factors in improving employee performance so that they become more confident and ready to face the world of business competition that continues to develop every day. This is done by understanding the motivational factors of employee performance that must exist in the BMTNU Kedewan environment. This study provides insight into how to improve employee morale and commitment by identifying factors that motivate employees. BMTNU management can design more effective strategies to improve employee welfare and organizational productivity.

Problem Formulation

Based on the background above, there are several problem formulations that will be studied in more depth in this study, including:

1. How is transformational leadership in improving employee performance at BMTNU Kedewan?
2. What are the characteristics and practices of transformational leadership applied in the BMTNU Kedewan environment?
3. What are the motivations for improving employee performance at BMTNU Kedewan?

Research Objectives

The purpose of conducting this study based on the problem formulation mentioned above is to determine the style, characteristics, and practices of transformational leadership and employee motivation in improving employee performance at BMTNU Kedewan.

This study includes an understanding of how leaders at BMTNU Kedewan can inspire, motivate, and shape a positive organizational culture, to investigate the motivational factors that influence employee performance at BMTNU Kedewan. How is an effective leadership style to deal with rapid and complex changes in a business or organizational environment. Transformational leaders encourage their members to exceed expectations and create positive changes that can advance the organization to a higher level. In addition, transformational leadership also encourages employees to work with high enthusiasm and dedication, and how this motivation can be improved to be even better. This is done to investigate the interaction and dynamics between transformational leadership factors, motivation, and the work environment. This can provide a more holistic understanding of how these factors influence each other in contributing to the company. Factors related to the work environment can also affect the good or bad performance of an employee. When employees feel uncomfortable at work, it will create conditions that are very unfavorable for other workers. Therefore, the work environment is designed in such a way that good work can be done. A good work environment is an environment where employees can do their work optimally, healthily, safely and comfortably. Leaders must build trust among members of the organization, ensure a balance between short-term vision and long-term goals, and encourage integrity and empathy for others.

Transformational Leadership

Leadership is the ability to influence others to achieve something according to one's wishes. In other words, leadership is the ability to command and influence others to work towards achieving predetermined goals (Ahmad Rivai 2020). Robbins (2015) states that transformational leadership is a leader who does not prioritize his own interests, can come up with good ideas and has a special influence on employees. Rothwell, Stavros, and Sullivan (2016, p. 95) state that transformational leadership is a leadership style that can change subordinates to develop beyond their previous personalities and challenge them to pursue common organizational goals. In other words, a transformational leader must be able to change the thinking of subordinates who previously worked only to meet their needs to want to achieve common organizational goals.

A true leader must be able to lead the organization in a new and better direction. There are 4 characteristics of transformational leadership explained by Agustina Ritawati (2013) consisting of:

1. Charismatic. Charisma is the most important strength of a leader to motivate employees to complete tasks. Leaders have the right views, values, and goals, so that employees trust them. Charismatic leaders have a greater ability to influence and direct their employees according to the leader's wishes. Charismatic leadership can also motivate employees to work hard because they are emotionally attached to their leaders.
2. Inspirational. The behavior of an inspirational leader can arouse enthusiasm in employees to carry out group tasks. Leaders can express things that can increase employees' confidence in their ability to carry out tasks and achieve group goals.
3. Intellectual stimulation. Intellectual stimulation is a leader trying to influence employees to see problems from a new perspective. Leaders stimulate and direct employees' creativity and encourage them to find new approaches to existing problems. Through intellectual stimulation, employees are trained to think critically, innovate and be creative to develop their talents.

4. Individual attention. Leaders must show attention to employees or consider individual differences through direct contact and open communication. Communication and personal relationships between leaders and employees are considered very important because they can increase solidarity. Individual attention includes self-awareness of employees and leadership potential, while the form of individual attention is through consultation, advice and demands from older people who are experienced to younger people who are inexperienced, or vice versa.

These four characteristics reflect the behavior of transformational leaders where leaders are expected to be able to communicate and influence their employees to create optimal behavioral changes to realize the vision and mission of the organization. By developing this introduction in detail, it is hoped that this study can make a significant contribution not only to academic understanding but also as a practical guide for BMTNU Kedewan management to improve organizational effectiveness and efficiency.

Research Method

This study uses a qualitative method. This method was chosen because it allows researchers to gain an in-depth understanding of transformational leadership practices, motivational factors and work environment dynamics at BMTNU Kedewan. Qualitative approaches allow researchers to explore the context and meaning of employee behavior and the interactions of the factors studied.

This research will be conducted in November 2024. Interviews and observations are conducted periodically during this period. The location of the research is the BMTNU Kedewan Office and its surroundings.

The subjects of the research include the BMTNU Kedewan branch manager, employees at various levels and related parties such as supervisors or members who can provide additional information. The selection of participants was carried out by purposive sampling by considering their experience, role, and contribution to the research context.

Data collection was carried out through in-depth interviews with BMTNU Branch managers, employees and stakeholders. In addition, participant observation provides direct insight into the work environment and management practices.

Results And Discussion

The results of the study in writing this scientific paper are to discuss transformational leadership on employee performance at BMTNU Kedewan. First, this study analyzes the impact of transformational leadership on improving employee performance at BMTNU Kedewan, with a focus on how this leadership style can motivate and influence individual employee performance. Second, this study examines the characteristics and practices of transformational leadership applied at the BMTNU Kedewan office, as well as key aspects that support leadership dynamics. Furthermore, motivational factors that influence employee performance improvement at BMTNU Kedewan, including incentives, achievements and career paths to employee welfare. Finally, this study examines the work environment of BMTNU Kedewan to understand how a positive atmosphere and management support per division affect employee performance and work concepts that can improve their performance.

Transformational leadership can improve BMTNU employee performance.

The results of interviews and observations show that BMTNU Kedewan's transformational leadership creates a positive work environment, supports employee growth, and increases creativity and innovation. Thus, this can be a strong foundation for the sustainability and long-term success of BMTNU Kedewan.

The following are the results of an interview with Sofi, who works as a Branch Manager, regarding the influence of transformational leadership, presented in the form of quotes, namely:

"Certainly, I can confirm that transformational leadership has a very positive impact on improving BMTNU employee performance. Leading with vision, encouraging employees to reach their full potential and supporting innovation, we strive to create a dynamic and progressive work environment "(Mrs. Sofi, November 23, 2024). On the other hand, BMTNU Leaders also conduct employee performance evaluations as expressed by Windy as a Teller, which is emphasized in the following quote:

"Every day we evaluate employee performance to leaders regarding problems in the field, prospects that we are doing, obstacles from internal and from competitors and sharing ideas on what to do tomorrow" (Mrs. Windy, November 23, 2024)

The results of interviews conducted with leaders and employees above show that BMTNU Kedewan has been able to create a very cooperative working atmosphere between leaders and employees. Both are directly involved in various projects so that there is two-way communication that can form a sense of solidarity between leaders and employees. This shows a leadership attitude that supports employees so that employees feel comfortable with the existing work environment. In team meetings, each member is required to speak and convey obstacles and other things faced both in the office and in the field. This reflects that everyone at BMT Kedewan has the opportunity to speak openly and inclusively between leaders and employees. They can also share experiences and creative and innovative ideas that can increase enthusiasm between team members. Management support for employee initiatives is demonstrated by the courage of employees to actively participate and get directly involved in the community in offering products owned by BMT NU Kedewan. Based on these findings, it can be seen that management practices at BMTNU Kedewan always support the concept of transformational leadership and create an environment where employees feel valued, motivated, and committed to achieving their best performance.

Work motivation can improve employee performance at BMTNU Kedewan.

The results of interviews and observations conducted in the BMTNU Kedewan environment provide a positive picture of the implementation of transformational management and employee performance motivation. In leadership at BMTNU Kedewan, leaders must be able to motivate the team to make progress in achieving targets. This is done by empowering employees by guiding and motivating them to achieve their maximum potential by encouraging innovation, creativity and personal responsibility. The following is an excerpt from an interview with one of the employees, namely Trya as Marketing for region one regarding work motivation in improving employee performance.

"In my opinion, management support is one of the main keys to improving performance. When we feel supported and appreciated, it gives us extra motivation to work harder to achieve the set targets so that we get special incentives or awards given by BMTNU when we succeed in achieving them. In addition, the career opportunities and training offered by BMTNU are also a great motivation for many employees here to work even harder." (Mrs. Trya, November 25, 2024).

The interview results above show that BMT NU provides awards, one of which is a certificate for employees who win competitions or excel in certain fields. So with many award certificates displayed on the service wall and photos of employees who received awards on various company social media, it is hoped that it will be a motivation and also create a positive work atmosphere and inspire other employees to be able to become more advanced. The central management has also held personal development sessions where employees are invited to plan their career goals while at BMT NU or when they have left BMT NU. This creates accountability and motivation to achieve personal goals while supporting the company and its goals. From the interview results above, it can be seen that the factors that motivate BMTNU Kedewan include public recognition, financial incentives and career opportunities. All of this creates a work environment that supports personal growth so that it can produce professional employees and encourage employees to do their best. Work motivation in improving employee performance is attempted to be built every day at BMTNU Kedewan by praying together and reading articles or playing motivational videos to encourage the team to work. Establishing a sense of family in working and a solid team to minimize a less than ideal environment and conflict between individuals into an innovative and constructive work environment.

The motivation applied has successfully influenced employee performance as expressed by Ristanti as the marketing for region two which is emphasized in the following quote:

"Yes, we are motivated every day by the leadership with a five-minute lecture that reads motivational articles or plays motivational videos and reads the company's SOP" (Mrs. Ristanti, November 25, 2024). The results of the interview above show that employees have certain habits that must be done before starting work activities in order to create a good and orderly atmosphere. An award board that is visible in a public place gives awards to employees who excel, so that it can instill pride and motivation for themselves and other employees. The central management also often holds employee meetings that are packaged with casual events such as sharing between employees and leaders to provide opportunities for employees to interact informally with other employees and with leaders. This creates a stronger

relationship between team members and can increase positive collaboration. Based on this, it can be seen that the work environment at BMTNU Kedewan has a positive impact on employees and their understanding of their work and directly affects their performance.

Discussion

Overall, interviews and observations from BMTNU Kedewan show that transformational leadership and a positive work environment have a direct impact on employee performance. When creating an organization that aims to grow and succeed, the key to success is the active support of the leadership, the participation of each individual, and the motivation of each employee's performance.

Transformational Leadership Impacts BMT Employee Performance

Transformational leadership style is an important part of BMT management. The belief that this leadership style is very influential shows an understanding of the central role of leaders in shaping employee performance. Mrs. Sofi as the branch manager of BMT NU Kedewan emphasized the key elements of transformational leadership, including leading with a vision, motivating employees to reach their full potential in each individual and supporting their innovation. This shows that these aspects are considered key factors in building a dynamic and progressive work environment at BMTNU Kedewan.

Exchange of ideas in training and developing employee potential is a real example of the application of transformational leadership. The purpose of this session is to involve the entire team in decision making and create a sense of ownership and create an environment that stimulates creativity and growth. Research conducted at BMTNU Kedewan shows that the highly collaborative work environment reflects the effective implementation of transformational leadership. Management participation in projects and employee enthusiasm in training events confirm that management policies and practices support the concept of transformational leadership.

Motivation in improving employee performance at BMTNU Kedewan

According to an interview with Mrs. Trya, management support is the support of management. The understanding that employees feel supported and recognized by providing additional motivation to improve their performance. Monthly employee award programs and career opportunities are identified as motivating factors. This creates a healthy competitive spirit and guides employees and career growth. Findings from BMTNU Kedewan that motivational factors include public recognition through award committees and personal development initiatives. This inspires employees and creates a work environment that supports individual growth.

Conclusion

From the results of interviews and observations conducted at BMTNU Kedewan, several important conclusions can be drawn regarding the influence of transformational leadership, leadership characteristics and practices, motivational factors, and the work environment on the effectiveness of organizational employees. Transformational leadership plays an important role in shaping employee performance at BMTNU Kedewan. This approach creates a dynamic, progressive and innovative work environment. The leader's belief in the vision, motivation and support for innovation provide a strong foundation for organizational growth. At BMTNU Kedewan, transformational leadership quality is created through employee empowerment, focusing on innovation and providing positive role models that are reflected in daily practices. The use of brainstorming, competency development, opportunities to speak openly can create an environment that supports personal growth and self-confidence in each employee. Support from central management created through employee achievement award programs, career development opportunities and opportunities to obtain certain financial bonuses can provide motivation to improve employee performance. In addition, with public recognition and financial incentives for employees who achieve targets, it can create healthy competition and motivate employees to do their best.

A positive work environment at BMTNU Kedewan has a direct impact on employee perception and performance. An open and friendly work culture and management initiatives to create a positive community create an atmosphere where employees feel appreciated, supported and motivated to contribute as much as possible. Overall, the integration of transformational leadership, motivational factors and a positive work environment creates a strong synergy to improve employee performance. BMTNU Kedewan shows that the

combination of inclusive management practices, employee motivation and a supportive environment can create an adaptive, innovative and successful organization.

These principles not only have broad implications for BMTNU Kedewan, but can also be applied to other organizations in the microfinance industry or other sectors. The concept of transformational management, motivating employees and creating a positive work environment are key elements to improving the efficiency and competitiveness of the organization.

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