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## The Influence of Transformational Leadership Style, Organizational Climate and Work Discipline on Employee Performance

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Abdul Basir<sup>1</sup>

### ***Abstract:***

*Human resource is the executor of the various activities in an organization and has a very large role for the development of the organization. An organization has their own criteria in determining human resource qualification. Excellent employees will contribute significantly to achieve the organization's goals. This study aims to analyze the factors influencing employee performance at the PT FIF Group Branch of Selong, East Lombok. These factors include transformational leadership style, organizational climate and work discipline. The research used the quantitative with regression analysis method. The data was collected using questionnaires distributed to all employees of PT FIF Group Branch of Selong. The sampling method used is census sampling technique with a total population of 32 employees. The data were analyzed with IBM SPSS version 22 and analysis was carried out by several tests such as validity test, reliability test, classic assumption test, linear regression analysis and coefficient of determination test. The results of this study indicate that partially, transformational leadership style, organizational climate and work discipline have a positive and significant effect on employee performance. Simultaneously, transformational leadership style, organizational climate and work discipline have a positive and significant effect on employee performance at the PT FIF Group Branch of Selong.*

**Keywords:** *Transformational Leadership Style, Organizational Climate, Work Discipline*

## **1. Introduction**

The industry can continue to grow if it always pays attention to the performance of each of its employees. Because, business success is largely determined by the quality of human resources employed (Sihaloho & Siregar, 2019). Each employee's potential at work must be used as well as possible so that the company can obtain optimal business results given the tight business competition in the current era. Leaders are required to have an effective strategy for the realization of the company's desired goals (Suwandi & Suhakim, 2023).. Human Resources play a role in helping the company move forward, so they must be equipped with adequate knowledge. The success of a company is largely determined by the capacity of its human resources who are trained, experienced, responsible and able to manage the business in line with the established industrial goals. In addition, a good company must be able to estimate the extent of the performance potential of its employees (Saputri & Wibowo, 2023).

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<sup>1</sup> Management Study Program, STIMA IMMI Jakarta, [abdulbasir8571@gmail.com](mailto:abdulbasir8571@gmail.com)

PT Federal International Finance (FIF) is a business organization that focuses on financing distribution. Types of financing that can be selected according to *customer* needs include New Motorbikes, Multiproducts, Multipurpose, Micro Business and Hajj and Umrah. Based on the results of its financial statements, PT FIF has posted positive performance growth in 2023 with an increase in net profit of 25.8% or Rp. 944.4 billion when compared to 2022 worth Rp. 750.8 billion. PT FIF also succeeded as one of the healthy distribution companies with the level of non-performing loans (NPF) at 1%, so PT FIF is categorized as a healthy company (<https://fifgroup.co.id/>, 2023). One of the branch offices of PT FIF is located on Jalan Prof. M. Yamin No.28, Selong, East Lombok Regency, West Nusa Tenggara. In order for PT FIF Selong Branch to achieve their business targets, a reliable workforce is needed in order to run operations. So that this company can recruit several employees who have reliability in their fields and according to the skills the company needs.

The success of an organization in carrying out its activities is measured by the achievement of its performance, both individual and institutional performance. The achievement of this performance target must be the main concern of the organization, because it will have a broad impact on the organization and its existence. Performance is the *output* produced by workers in quantity and quality (Fithri & Sari, 2015). Employee productivity at work is influenced by how leadership is carried out, how the organizational climate, employee work discipline, how employee motivation and work provided by the organization and the like, must receive serious attention from the organization. Likewise, employee performance at PT FIF Selong Branch is also influenced by many factors, such as leadership factors, organizational climate and work discipline are important factors to be carried out properly so that organizational goals can be achieved. In general, employee performance is the ratio between *input* and *output*. Employee performance is fundamental, every business success is largely due to its diligent employees who have excellent productivity. Work productivity is an important factor in order to form a competitive and optimally performing organization (Ramayanti et al., 2020).

In order to achieve company success, transformational leadership is a factor that affects work performance. The need for leaders who can provide changes in all aspects of the business environment is still lacking. Changes in the business environment are so fast and rapid that they create fierce competition. The attitude of transformational leadership is often ensured by how managers are able to strengthen their attitude of cooperation, trust and joint self-correction and review of the work unit (Tarigan et al., 2023). Transformational leadership creates hope, awe, devotion and respect of employees towards the director and employees are encouraged to do more than previously predicted (Djuraidi & Laily, 2020).. Each company leader has his own style of carrying out his activities in order to be able to direct and influence the performance of his employees so that they simultaneously help the company achieve its target goals (Kurniawan et al., 2021). So if you want to advance the capacity of the workforce, the transformational leadership style must be improved.

On the other hand, employee performance is also determined through the organizational climate, which is related to work aspects, both work psychology,

regulations and also comfort among fellow employees. The organizational climate as a place of interaction for personnel where they carry out activities every day must be met with a sense of security, cleanliness and sympathy (Tantri & Saluy, 2021). A good company climate can encourage employees to be eager to improve their performance. Conversely, if the company climate is not good and not conducive, it can weaken employee performance, they are reluctant to come to work because they feel uncomfortable with their workplace. Each agency has various ways of creating a comfortable corporate climate in order to influence its employees so that they simultaneously help the organization achieve its target goals (Wijaya & Susanty, 2017). A corporate climate that transparently expedites employees in expressing their needs and dissatisfaction without respecting the response of rebuttal and concern, so that such displeasure can be addressed in a kind and wise manner (Saramony et al., 2021).

Besides considering aspects of leadership and organizational climate, companies must also pay attention to employee discipline. Work discipline is a form of compliance with norms, both explicit and unwritten that have been determined. Work order in principle is always desirable as a character of every employee, because with discipline the company will operate well and can achieve goals well too (Wahid et al., 2019). Employees who comply with the rules set by the organization and maintain high discipline are able to create more supportive conditions that have a positive impact on organizational activities. Every industry has a desire for its employees to obey the rules that have been set (Maharani & Laksono, 2018).. Work discipline is needed for individuals or organizations, with discipline a person will be able to control his attitude in carrying out his functions and obligations. The purpose of work discipline is to be able to regulate the behavior and responses of workers in order to realize organizational achievements in an orderly and orderly manner (Nugrahaningrum et al., 2018).

For industry players, an adequate increase in employee productivity can be used as the main capital in optimal business development, including introducing company products and services. People who already have loyalty to a product, the company will have more value in the eyes of *customers* so that they will use the product continuously based on their wishes. Development in the business world, especially in the *multifinance* sector, requires simultaneous and continuous support from stakeholders within the company. The purpose of this research is to examine the influence of transformational leadership style, organizational climate and work discipline on the performance of employees of PT FIF Group Selong Branch.

## **2. Theoretical Background**

### **Transformational Leadership Style**

Transformational leadership is a management approach that causes a transition in a person, social system and realizes meaningful and good changes in subordinates. This leadership is able to improve the morale, motivation and performance of subordinates through various processes. Transformational leadership is a charismatic director who has the main function and plan to lead the institution to achieve its goals (Amri &

Suhamomo, 2016). This leadership style can inspire a process of positive change in those (employees) involved. This model of leadership cares deeply and is directly involved in helping employees to get their work done. This model leader also tends to have a positive spirit for his employees so that his enthusiasm can have an impact on his subordinates to be more enthusiastic (Fitriyani, 2018). Transformational leaders must have the capacity to balance the vision with their employees and be able to meet the needs of employees. The implementation of this leadership is able to create trust, admiration, loyalty and respect for the leader and employees are encouraged to do more than they initially wanted (Long et al., 2014).

### **Organizational Climate**

According to Lussier (2005), organizational climate is the workers' view of the quality of the institution's internal environment that is relatively perceived by the employees which then affects their subsequent attitudes. Organizational climate as an environmental pattern that can ensure encouragement and is centered on understanding that can be assessed, so it has a direct impact on employee abilities. While the opinion Wirawan (2007), organizational climate is something that is relevant to the workforce, where they carry out activities every day. A good organizational climate can encourage workers to be enthusiastic about improving their performance, because they are aware of the comfort of their workplace, and vice versa. The organization should be able to represent a situation that supports collaboration between high directors, subordinates or those who have equal status in the institution. The situation that should be realized is a familiar atmosphere, good relationships and self-control. Organizational climate is concerned with the characteristics of the work location on employee attitudes and behavior where its relationship with psychological transitions due to something that has been encountered on the job must always be cared for by the company, such as job saturation, monotonous work or fatigue (Mangkunegara, 2010).

### **Work Discipline**

Individual responsibility for completing tasks and obligations given to him which is able to increase his enthusiasm for work is a reflection of high discipline in employees. In general, good individual discipline can be assessed when employees come to work on time and never skip work. They provide good quantity and quality of work, follow the work rules established by the organization and their work is completed optimally (Hasibuan, 2016). The discipline of each employee can affect performance presentation and it is important for institutions to enforce discipline on their employees. Cultivating the nature of employee self-discipline is very important because it encourages individuals to carry out actions and activities according to predetermined rules and regulations (Rivai, 2004). Discipline is a behavior and temperament to adhere to the rules and a process that is able to make individuals enforce and develop the goals of an organization in an objective manner by promoting compliance with organizational rules. Discipline is used as a step in order to give reprimands or sanctions to subordinates due to violations of rules or procedures (Apsari & Syarif, 2022).

### **Employee Performance**

*Performance* is defined as the concrete, measurable and observable work that has been achieved by employees in the implementation of functions based on predetermined levels and times. Performance is the result in quality and quantity achieved by an employee in fulfilling his duties in line with the responsibilities assigned to him (Hidayat, 2021). The ability measurement aspect carried out by an organization becomes the process of assessing individual work performance, this activity can also fix personal provisions and receive feedback to workers regarding their work performance. Employee performance appraisal in minimizing improper attitudes is expected through feedback on employee performance gains (Suparno et al., 2022). This evaluation of employee activities is an important aspect of successful ability management because it directly illustrates the organization's strategic plan. In the organizational framework, there is a correlation between *individual* capacity (*individual performance*) and organizational performance (*organization performance*). Both public and private institutions in order to reach the goal must be through activities carried out by individuals and active groups acting as actors. Organizational performance is highly ensured by the element of its employees because the performance of a company should be measured in the form of work from its employees (Hasyim et al., 2021).

### **The Effect of Transformational Leadership Style on Employee Performance**

Transformational leaders are able to create high-quality bonds with their employees through fair treatment. Employees respond positively to a leader who can communicate well and will accept any type of change delivered on the condition that the leader can accommodate the wishes of employees and understand and be able to encourage them. Indirectly, employees can grow their abilities, complete their obligations according to the target and are happy on duty. The closeness that is formed can increase work productivity so that performance is strongly influenced by the transformational leadership style in order to balance needs and produce a supportive work situation. Subordinate performance will be better if the leadership style applied is good. As research from Deddy (2022) and Ramadhani & Indawati (2021) indicate a significant and positive implication on transformational leadership style on employee performance. This leadership style is a determinant of the level of employee work productivity. So, the hypothesis proposed in this research is:

**H1 :** Transformational leadership style has a positive and significant influence on the performance of employees of PT FIF Group Selong Branch.

### **Effect of Organizational Climate on Employee Performance**

Employees find the work climate exciting when they can do something useful and meaningful. Employees often expect a fulfilling career, obligations and opportunities for success. Employees also want to be treated and heard as valuable individuals. Morale is essentially a manifestation of high morale. Decreased morale and work enthusiasm due to dissatisfaction of the workers involved, both materially and non-materially. An unsupportive organizational climate will trigger employees to be uncomfortable working so that it will be able to affect their abilities. When the company climate is conducive and calm for employees to move, they will be able to easily carry out their duties so as to improve employee performance. When employees

feel happy and supported by their social area, they are motivated to perform well. A poor working environment that lacks support from work partners and directors also has a negative impact on the calmness of employees in the institution. Research conducted by Sainong et al. (2021) and Saramony et al., (2021) show that there is a significant positive correlation between organizational climate and employee performance. Institutional climate can create effective cooperation, then productivity can increase. The hypothesis proposed in this research is:

**H2:** Organizational climate has a positive and significant influence on the performance of employees of PT FIF Group Selong Branch.

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

The organization will benefit a lot if the level of employee discipline is high. That is, if work discipline decreases, then the agency suffers a lot of losses. Likewise in the field of public services, discipline is very important to instill in an organization because it can have an influence on the quality of employee work. The high level of discipline will be directly proportional to the performance of employees in a company. To spur the spirit of employees in their activities and complete their tasks, high discipline is needed. Performance can be developed through good discipline, encouraging employees to carry out actions and activities based on applicable norms and rules. Actions and attitudes taken are no longer felt as a burden of obligation if they can understand the meaning of discipline, but someone will be burdened if they do not act according to the attitude of discipline. Work discipline is reflected when employees enter the office on time, utilize office equipment properly, have satisfactory work *output* and have high work enthusiasm. Research conducted by Laosoh et al. (2022), Sazly & Winna (2019) indicates a positive and significant implication of work discipline on employee performance at the PT FIF Selong Branch office. This work discipline is a determinant of employee work productivity. So, the hypothesis proposed in this research is:

**H3 :** Work discipline has a positive and significant influence on the performance of employees of PT FIF Group Selong Branch

### **3. Methodology**

This research uses quantitative methods with regression analysis to explore the correlation between variables. In this research, the author uses primary data obtained directly from each informant seen from the answers to questionnaires that have been distributed to employees at PT FIF Group Selong Branch. The questionnaire applied uses a modified Likert scale with a score of 1-5. The sample collection in this research uses census *sampling* technique (saturated sampling), which is a way of determining the sample in which all members of the population are sampled. Meanwhile, secondary data in this research comes from documents related to the research topic, be it in the form of books, journal articles and the like. The sample used as an object is all employees at PT FIF Group Selong Branch, totaling 32 people.

There are two variables in this study, the independent variable and the *dependent variable*.

a) *Independent Variable*

The independent variables are Transformational Leadership Style ( $X_1$ ), Organizational Climate ( $X_2$ ) and Work Discipline ( $X_3$ ).

b) Dependent Variable

The dependent variable is Employee Performance (Y).

After all the data is obtained, it is then analyzed using SPSS 22 for windows software. Several test methods were carried out, namely validity, reliability, classical assumptions, multiple linear regression analysis to the coefficient of determination test

#### 4. Empirical Findings/Result

##### Validity and Reliability Test

The purpose of carrying out the validity test is to ensure that each questionnaire question that has been distributed by researchers is valid so that it can be used to obtain data correctly. Obtained from the comparison between  $r_{\text{count}}$  with  $r_{\text{tabel}}$  where  $df = n-2$  with alpha 0.05. If the *Pearson Correlation* value  $> r_{\text{tabel}}$ , then it can be declared valid.

**Table 1. Validity Test**

| Variables                         | <i>Pearson Correlation</i> | R-table ( $\alpha = 5\%$ ) | Validity Results |
|-----------------------------------|----------------------------|----------------------------|------------------|
| Employee Performance              | 0,641                      | 0,268                      | Valid            |
| Transformational Leadership Style | 0,648                      | 0,268                      | Valid            |
| Organizational Climate            | 0,635                      | 0,268                      | Valid            |
| Work Discipline                   | 0,682                      | 0,268                      | Valid            |

Source: SPSS Processed Data, 2023

Based on the results obtained in table 1, it is concluded that employee performance, transformational leadership style, organizational climate and work discipline have a *Pearson Correlation* score  $> r_{\text{tabel}}$ . So, it can be said that all these questions are valid so that they can become valid measuring instruments.

The reliability of a variable is determined if the *Cronbach's Alpha* score is  $> 0.6$ . If the reliability  $< 0.6$  is declared not good enough, but if 0.7 is categorized as good enough and the reliability of the good category is more than 0.8.

**Table 2. Reliability Test**

| Variables                         | <i>Cronbach's Alpha</i> | <i>N of Items</i> | Description |
|-----------------------------------|-------------------------|-------------------|-------------|
| Employee Performance              | 0,840                   | 7                 | Reliable    |
| Transformational Leadership Style | 0,830                   | 5                 | Reliable    |
| Organizational Climate            | 0,858                   | 5                 | Reliable    |
| Work Discipline                   | 0,841                   | 5                 | Reliable    |

Source: SPSS Processed Data, 2023

Based on table 2, the *Cronbach's Alpha* score of employee performance = 0.840, transformational leadership style = 0.830, organizational climate = 0.858 and work discipline = 0.841. It can be concluded that this research data is acceptable and reliable.

### Classical Assumption Test

#### Normality Test

This test can use the *One Sample Kolmogorov Smirnov* test, namely if the Asymp Sig (2-tailed) score  $> 0.05$ , it is proven that the data is normally distributed. However, if the Asymp Sig (2-tailed) score  $< 0.05$ , it states that there is no normal distribution in the data.

**Table 3. Normality Test**

|                                  |                | Unstandardized Residuals |
|----------------------------------|----------------|--------------------------|
| N                                |                | 32                       |
| Normal Parameters <sup>a,b</sup> | Mean           | ,0000000                 |
|                                  | Std. Deviation | 3.88023770               |
| Most Extreme Differences         | Absolute       | ,124                     |
|                                  | Positive       | ,104                     |
|                                  | Negative       | -,124                    |
| Kolmogorov-Smirnov Z             |                | ,984                     |
| <b>Asymp. Sig. (2-tailed)</b>    |                | <b>,461</b>              |
| Test distribution is Normal      |                |                          |
| Calculated from data.            |                |                          |

Source: SPSS Processed Data, 2023

Based on table 3, the significance score (2-tailed) was found to be 0.461. Since the significance value (2-tailed) is  $0.461 > 0.05$ , so it is stated that there is a normal distribution, the data can be used.

#### Multicollinearity Test

In regression equations, multicollinearity problems are not found if  $VIF < 10$  and  $Tolerance > 10$ .

**Table 4. Multicollinearity Test**

| Model                             | Unstandardized Coefficients |            | Standardized Coefficients |           | Collinearity Statistics |  |
|-----------------------------------|-----------------------------|------------|---------------------------|-----------|-------------------------|--|
|                                   | B                           | Std. Error | Beta                      | Tolerance | VIF                     |  |
| 1 (Constant)                      | 2,699                       | ,836       |                           |           |                         |  |
| Transformational Leadership Style | ,476                        | ,320       | ,543                      | ,337      | 2,385                   |  |
| Organizational Climate            | ,280                        | ,216       | ,353                      | ,322      | 2,722                   |  |
| Work Discipline                   | ,482                        | ,213       | ,506                      | ,406      | 2,352                   |  |

a. Dependent Variable: *Employee Performance*

Source: SPSS Processed Data, 2023

Referring to table 4, the overall independent variable in this study has a value  $> 0.10$  (tolerance  $> 0.10$ ). While the VIF value is less than 10 ( $VIF < 10$ ). It can be determined if symptoms of multicollinearity are not found among the independent variables.

#### Autocorrelation Test

In this study, the authors used the Durbin-Watson Test in order to test for autocorrelation. If  $D-W > (dU)$  and  $< (4-dU)$  indicates that there is no autocorrelation.

**Table 5. Autocorrelation Test Results**



| Model | R                 | R Square  | Adjusted R Square | Durbin-Watson |
|-------|-------------------|-----------|-------------------|---------------|
| 1     | ,812 <sup>a</sup> | ,660 ,639 |                   | 1,719         |

a. Predictors: (Constant), GKT, IO, DK

b. Dependent Variable: KK

Source: SPSS Processed Data, 2023

Based on table 5, then  $1.560 < 1.719 < (2.284)$  and obtained autocorrelation 0, indicating autocorrelation does not occur.

### Heteroscedasticity Test

The goodness of the regression model is seen from the presence or absence of heteroscedasticity. This study uses the *Glejser* test, where the significance score is less than 5% (0.05), so it can be said that heteroscedasticity is not found.

**Table 6. Heteroscedasticity Test**

| Model                             | Unstandardized Coefficients |            | Standardized Coefficients |       | Sig. |
|-----------------------------------|-----------------------------|------------|---------------------------|-------|------|
|                                   | B                           | Std. Error | Beta                      | T     |      |
| 1 (Constant)                      | 7,824                       | 3,262      |                           | 2,838 | ,208 |
| Transformational Leadership Style | ,644                        | ,200       | ,584                      | 2,446 | ,762 |
| Organizational Climate            | ,483                        | ,192       | ,328                      | 2,782 | ,686 |
| Work Discipline                   | ,368                        | ,144       | ,175                      | 2,363 | ,702 |

a. Dependent Variable: Employee Performance

Source: SPSS Processed Data, 2023

Based on Table 6, the independent variables used are above 0.05, so the test results show that heteroscedasticity is not found.

### Multiple Linear Regression Analysis

**Table 7. Multiple Linear Regression**

| Model                             | Unstandardized Coefficients |            | Standardized Coefficients |       | Sig. |
|-----------------------------------|-----------------------------|------------|---------------------------|-------|------|
|                                   | B                           | Std. Error | Beta                      | T     |      |
| 1 (Constant)                      | 1,788                       | ,936       |                           | 1,538 | ,008 |
| Transformational Leadership Style | ,276                        | ,220       | ,343                      | ,640  | ,000 |
| Organizational Climate            | ,280                        | ,216       | ,253                      | ,481  | ,023 |
| Work Discipline                   | ,252                        | ,113       | ,306                      | ,622  | ,013 |

a. Dependent Variable: Employee Performance

Source: SPSS Processed Data, 2023

Based on table 7, the constant value ( $\alpha$ ) is 1.788 while the obtained ( $\beta$ ) 0.276 for Transformational Leadership Style, score ( $\beta$ ) 0.280 for Organizational Climate and score ( $\beta$ ) 0.252 obtained by Work Discipline, so that an equation is formed, namely:

$$Y = a + \beta X_{11} + \beta X_{22} + \beta X_{33} + e$$

$$Y = 1.788 + 0.276X_1 + 0.280X_2 + 0.252X_3$$

1. The constant value is 1.788, which means that if the Transformational Leadership Style, Organizational Climate and Work Discipline ( $X_1$ ,  $X_2$  and  $X_3$  are 0), then Employee Performance ( $Y$ ) has a percentage of 1.788.
2. The coefficient value of Transformational Leadership Style ( $X_1$ ) is positive, namely 0.276, meaning that each increase in Transformational Leadership Style is 1 unit, causing an increase in Employee Performance by 0.276.
3. The coefficient value of Organizational Climate ( $X_2$ ) is positive, namely 0.280, meaning that if there is an increase of 1 unit, it will be accompanied by an increase in Employee Performance by 0.280.
4. The coefficient value of Work Discipline ( $X_3$ ) is positive, namely 0.252, meaning that if there is an increase of 1 unit, it will be accompanied by an increase in Employee Performance by 0.252.

### Simultaneous Test (F Test)

**Table 8. Simultaneous Test**

a. Dependent Variable: Employee Performance

Source: SPSS Processed Data, 2023

### Partial Test ( t test)

**Table 9. Partial Test (t test)**

|       |                  | Unstandardized Coefficients |            | Standardized Coefficients |       |
|-------|------------------|-----------------------------|------------|---------------------------|-------|
| Model |                  | B                           | Std. Error | Beta                      | T     |
| 1     | (Constant)       | 1,788                       | ,936       |                           | 1,538 |
|       | Transformational | ,276                        | ,220       | ,343                      | ,640  |

|                        |      |      |      |      |      |
|------------------------|------|------|------|------|------|
| Leadership Style       |      |      |      |      |      |
| Organizational Climate | ,280 | ,216 | ,253 | ,481 | ,023 |
| Work Discipline        | ,252 | ,113 | ,306 | ,622 | ,013 |

a. Dependent Variable: Employee Performance

Source: SPSS Processed Data, 2023

Referring to table 9, Transformational Leadership Style ( $X_1$ ) has a significance value of  $0.000 < 0.05$ . Signaling the acceptance of  $H_1$  and the rejection of  $H_0$ , then Employee Performance at PT FIF Group Selong Branch is influenced by aspects of Transformational Leadership Style.

Organizational Climate ( $X_2$ ) has a significance value of  $0.010 < 0.05$ . Hypothesis  $H_2$  is approved and  $H_0$  is rejected, so that Employee Performance at PT FIF Group Selong Branch is influenced by Organizational Climate.

Work Discipline ( $X_3$ ) has a significance value of  $0.002 < 0.05$ . Signaling the acceptance of  $H_3$  and the rejection of  $H_0$ , so it is concluded that Employee Performance at PT FIF Group Selong Branch is influenced by Work Discipline.

#### Determination Coefficient Test

This test is expected to produce an  $r$  squared score that is greater than 0.5, because a good value is between 0 and 1.

**Table 10. Test Coefficient of Determination ( $R$ )<sup>2</sup>**

| Model | R                 | R Square  | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|-----------|-------------------|----------------------------|
| 1     | ,812 <sup>a</sup> | ,660 ,639 |                   | 1,527                      |

a. Predictors: (Constant), Transformational Leadership Style, Organizational Climate, Work Discipline

Source: SPSS Processed Data, 2023

Based on table 10, it is known that the Adjusted R Square value is 0.639, indicating that the *independent variable* (Transformational Leadership Style, Organizational Climate and Work Discipline) affects the *dependent variable* (Employee Performance) which is 63.9% and the remaining 36.1% is not examined by researchers in research.

#### The Effect of Transformational Leadership Style on Employee Performance of PT FIF Group Selong Branch

Based on the results of data analysis, there is a significant positive effect of Transformational Leadership Style on Employee Performance, as evidenced by the probability of  $0.000 < 0.05$ . This proves that employee performance can increase if a leader applies a transformational leadership model well. The leadership style of a leader in accordance with employees can create a sense of comfort at work, it can affect the improvement of employee performance in order to be able to continue working. The transformational leadership style shown by the leadership at PT FIF Group Selong Branch is classified as good so that it affects employee work

productivity even better. The employees of PT FIF Group Selong Branch have carried out all their work and obligations according to their competence. If employees are not involved, they feel they are not needed in the company, it will have an impact on the decline in performance and morale and of course this also ends in the work productivity produced by employees. Subordinate performance will be better if the leadership style applied is good. This is in line with research Deddy (2022) and Ramadhani & Indawati (2021) indicate a significant and positive implication on transformational leadership style on employee performance. This leadership style determines the level of employee work productivity.

### **The Effect of Organizational Climate on Employee Performance of PT FIF Group Selong Branch**

Based on the results of data analysis, there is a significant positive effect of organizational climate on employee performance as evidenced by the probability of  $0.023 < 0.05$ . Organizational climate occupies an important function in the implementation of the daily role of personnel. An exciting work atmosphere will be able to create better performance. Often employees are not encouraged to work actively and are sometimes bored with the routine of daily activities because the workplace atmosphere is not supportive, such as the availability of aspects of supporting facilities and facilities that are needed to facilitate the fulfillment of roles and obligations as employees in the office. Work spirit can be boosted when all employees find their work atmosphere to help increase their productivity. A bad work environment and lack of encouragement from co-workers and leaders also have a negative impact on employee comfort in the organization. Research conducted by Sainong et al. (2021) and Saramony et al. (2021) prove that there is a significant positive relationship between organizational climate and employee performance. Organizational climate can create effective cooperation, so productivity can increase. So that employee performance at PT FIF Group Selong Branch is influenced by the work environment.

### **The Effect of Work Discipline on Employee Performance of PT FIF Group Selong Branch**

Based on the results of data analysis, Work Discipline has a significant positive impact on Employee Performance, as evidenced by the probability of  $0.013 < 0.05$ . The understanding and ability of individuals to comply with all institutional rules and social norms of society is called work discipline. The high level of work discipline can support the improvement of work quality. Employees who have good discipline at work are able to do their best to complete their existing tasks and ultimately obtain optimal performance for the progress of a company. Employees who have high discipline are usually effective in completing their work and applying the procedures that have been formulated by the organization and have high integrity. This helps increase the capacity and achievement of the goals of an institution, employees and society. In other words, work discipline is the main capital that will ensure the level of employee performance. This is in line with research Laosoh et al. (2022) and Sazly & Winna (2019), work discipline has a positive and significant impact on employee performance. So that employee performance at PT FIF Selong Branch is influenced by work discipline.

## 5. Conclusions

Based on the findings of the research and subsequent discussion, it is evident that the transformational leadership style, organizational climate, and work discipline exert a positive and statistically significant impact on employee performance at PT FIF Group Selong Branch, East Lombok. Establishing a conducive and supportive work environment serves as a motivating factor for employees to consistently enhance their performance outcomes. Moreover, employees demonstrating commendable discipline tend to exhibit heightened levels of performance.

The combined influence of transformational leadership style, organizational climate, and work discipline yields an Adjusted R Square value of 63.9%, indicating a substantial explanatory power in predicting employee performance. Notably, the remaining 36.1% variance suggests the presence of additional factors influencing performance outcomes within the organizational context.

It is imperative to acknowledge the limitations of this study, such as potential confounding variables or unexplored moderating factors that could impact the relationships under investigation. Future research endeavors could delve deeper into these aspects to offer a more comprehensive understanding of the dynamics between leadership, organizational climate, work discipline, and employee performance.

In light of these findings, it is recommended that PT FIF Group Selong Branch leadership prioritize initiatives aimed at fostering a conducive work environment, enhancing employee welfare, and cultivating a culture of enthusiasm among its workforce. By doing so, the organization can further optimize employee performance and contribute to the broader body of knowledge in this field.

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