

The influence of organizational culture and transformational leadership on employee performance at PT PLN (Persero) South Sumatera, Jambi and Bengkulu

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Abstract

Purpose: The main goal of this research is to examine the relationship between the organizational culture of PT PLN (Persero) South Sumatera, Jambi, and Bengkulu, as well as the impact of transformational leadership on employee performance.

Method: This study's methodology is a quantitative analysis of survey data. The research population consisted of employees of PT PLN (Persero), South Sumatra, Jambi, and Bengkulu. The total sampling method was used. The study sample consisted of 288 participants. The data collection technique used a closed questionnaire from an employee survey. Data analysis was carried out using continuum lines and SEM-PLS analysis as well as hypothesis testing using full model Structural Equation Modeling (SEM) analysis with smartPLS. This research was carried out at PT PLN South Sumatera, Jambi and Bengkulu using quantitative methods.

Results: Research shows that organizational culture is strong, transformational leadership is effective, and employee performance is high. In terms of the effects on employee performance, organizational culture is positively and significantly correlated with high scores, while transformational leadership is positively but not significantly correlated.

Limitations: Culture, transformative leadership, and performance metrics may be difficult to standardize and use in different work settings. The use of measurement tools that are not valid or reliable can affect the validity of conclusions. Research may be conducted in limited contexts or samples, which reduces the ability to generalize the findings to broader populations or organizations. Other factors outside the organizational culture and transformational leadership, such as economic factors, market conditions, and individual factors, can influence employee performance. The study's limitations in controlling for or including these factors may limit the validity of the findings.

Contributions: Aside from contributing to the growth of scientific understanding, this research has the potential to become a business strategy for enhancing the quality of organizational culture in accordance with the mission and vision of the company through the practice of transformational leadership and organizational culture.

Keywords: *Organizational Culture, Transformational Leadership, Employee Performance*

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1. Introduction

PT PLN (Persero) is a State-Owned Enterprise (SOE) formed to provide adequate and reliable electricity to the public. It is profit-driven and fulfils government commitments in the electricity sector to aid development through the application of the principles of Limited Liability companies. To achieve its goals, the PLN is committed to running its energy business and adjacent industries to prioritize the happiness of its customers, employees, and shareholders. Equally important to PLN is the goal of electric power as an economic activity driver and its use of electric power as a medium to enhance people's lives. Every day, PLN eliminates its impact on the environment as much as possible through its operations.

On July 1, 2020, Erick Thohir, Minister of State-Owned Enterprises, announced AKHLAK Culture as the official core value via SE-7 / MBU/07 / 2020. A moral axis for "trustworthy, competent, harmonious, loyal, adaptive, and collaborative is arithmetic. The SOE minister put this concept into a circle that has since established a new standard for the company's culture as a whole. All employees may be united in their pursuit of the company's advancement through the adoption of AKHLAK culture, which is anticipated to become a work guideline.

Currently, electricity is one of the primary needs of every human being and is increasing exponentially along with the development of technology and digitalization. Current human activities cannot be separated from the role of electrical energy from the household scale to the industrial scale. In 2015, President Joko Widodo launched the 35,000 MW project, a strategic program implemented by PT PLN (Persero), a renewable energy provider that has been running its business from sunrise to sunset to meet the needs of its customers. When reaching the Nawacita goal of economic independence through energy sovereignty, the program resulted in an agreement to build power plants with an average capacity addition target of 7000 MW per year. One of the important issues that corporate performance targets is increasing revenue through electricity sales. Electricity sales up to March 2023 reached 68.42 TWH or 96% of the target up to March 2023 of 70.63 TWH, for all regions. and subsidiaries did not achieve an electricity sales target until March 2023.

In accordance with the corporate strategic theme, which is reduced to each division and operational unit including PT PLN (Persero) South Sumatera, Jambi and Bengkulu, then based on the management contract organizational performance is reduced to individual performance, at PT PLN (Persero) employee performance management is regulated through Directors' Regulation Number 0045.P/DIR / 2017 focuses on improving the performance of a company's employees through the implementation of the PLN's performance management system, which consists of three phases: planning, monitoring, and evaluation. This study concentrates on elements of organizational culture and leadership because, as Kasmir (2018) explains, no measurements have been taken regarding the impact of organizational culture and leadership on employee performance. Consequently, this phenomenon was investigated. Other factors that can affect employee performance include knowledge, work design, personality, motivation, leadership style, organizational culture, job satisfaction, and the surrounding work environment.

Based on employee performance measurements from 2021 to 2023, which indicate stagnation or even a decline from the previous semester, PT PLN (Persero) uses the average Performance Target Value (NSK) and Individual Competency Value (NKI) to measure employee performance. According to Kasmir (2016:189-193), there are several factors that can influence employee performance: ability and expertise, knowledge, work design, personality, work motivation, leadership style, organizational culture, job satisfaction, and the surrounding work environment. This research focuses on aspects of organizational culture and leadership because no measurements have been carried out regarding the influence of organizational culture and leadership on employee performance.

The challenges of the electricity business in the future are increasingly challenging, and appropriate and effective corporate strategies need to be able to overcome them. A company's ability to communicate

its vision, mission, and goals to its employees, as well as the specific objectives, activities, and metrics by which its success is measured, is critical to the success of any business strategy. For this reason, businesses such as PT PLN (Persero) need to make an effort to assess the effectiveness of their corporate strategy and, by extension, its implementation. Looking back at past successes is more of a focus for PLN when assessing their business strategy. With any luck, PLN will also be able to shed light on the future worth of human and organizational capital. It is imperative that PT PLN (Persero) enhance its corporate culture in order to be ready for the aftermath.

Observable patterns of organizational behavior reveal the nature of the connection between company culture and productivity. An effective company culture is shaped by its employees, and serves as a framework for how to conduct themselves while working. Robbins states (2004: 60) that one study on organizational culture found that employees in companies with strong cultures were more committed to their work than in companies with weak cultures. This suggests that strong culture is closely associated with high organizational performance.

Managers at PT PLN (Persero) are attempting to foster an atmosphere conducive to transformational leadership through initiatives such as the leader's Talk Series 2023, digital leadership, Leadership Awards, Leadership Learning. As part of its leadership development program, the PLN began with talent acquisition and progressed in stages through talent classification and monitoring. The program also includes an onboarding program for newly promoted employees to help them explore their secondary competencies, and a talent development program to help them close the competency gap by strengthening competencies that are adapted to business trends and organizational needs. Thirdly, there is nurturing, the goal of which is to prepare individuals for leadership roles. It is believed that this leadership program might stifle organizational performance. Researchers have found that in order to keep their staff motivated and achieve better results. Because there is always room for development, leadership-related programs are always being reviewed and enhanced.

2. Literature Review

A company's culture comprises its established norms and practices for how its employees and customers are expected to behave and interact with one another and with the outside world. Members base their thoughts and actions on these reference points, which include standards, regulations, and values (O'Reilly III, Chatman, and Caldwell (1991). Organizational culture, according to, is what sets one company apart from another via the common Sense held by its members. Organizational stability is the result of a robust culture. One might learn about the cultural advantages and disadvantages. A strong company culture is one in which the majority of workers support the company's stated goals and objectives; a poor culture is one in which workers have divergent views (Robbins & Judge, 2011). When a company has a strong culture, its members strongly believe in and support its fundamental principles. High levels of sharing intensity provide an Robbins and Judge (2011) environment with high levels of behavioural control, according to Wiener quoted in Robbins and Judge (2011), which in turn strengthens the culture and its impact on the behaviour of organisational members. To build organizational culture, Robbin (2012) emphasized the need for synergistic transformation. Individuals are ill-equipped to deal with change because of a lackluster organizational culture. Their ideals, both personal and collective, were those they had held previously. They are averse to change and would rather continue doing things in the same way they always have, particularly if it means learning something new.

According to (D. R. Denison & Mishra), the business inflation performance. In his theoretical explanation of the four elements that impact organizational success, DR Denison (2009) establishes a connection between culture and this concept. First, the beliefs and values of an organization's members directly affect their level of effectiveness. Second, the principles, beliefs, and actions of an organization's members determine its efficacy. Third, the organizational policies and practices that are based on the fundamental beliefs and values of the organization determine how successful the organization is. Fourth, the environment in which an organization operates, its rules and procedures, and its fundamental beliefs and values all contribute to its level of effectiveness. According to the

model, four aspects of company culture are thought to correlate with the degree of efficiency in the company. Engagement, Consistency, Adaptability, and Mission are the four facets of a culture. Denison's model addresses the four critical components of an organization ((DR Denison, 2011).

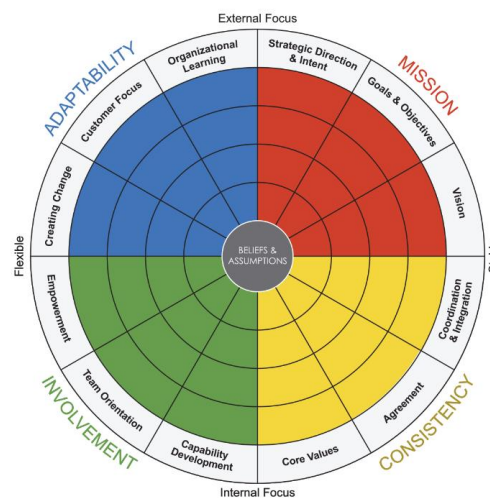


Figure 1. The Denison Organizational Culture Model

Leadership plus transformative leadership is the root of the transformational leadership phase. In English," to transform "means" to change into a different form, "and this is where the word" transformational " originates. While research on transformative leadership is not new, the majority of traditional ideas are the author's main focus, highlighting several leadership styles, such as democratic, authoritarian, pseudo-democratic, and situational.

According to Avolio, Bass, and Jung (1999), charismatic leadership, thoughtfulness toward others, and intellectual stimulation are the three hallmarks of transformational leadership in its early stages. Two branches of charismatic behavior emerged as the field progressed: inspiring motivation and charismatic influence. There is no way to distinguish between charismatic and inspiring motivations from an empirical standpoint. However, owing to the conceptual distinctions, the two variables mentioned above may be considered distinct (Avolio et al. (1999). Avolio et al. (1999), Bass and Avolio (1995), there are four important aspects of transformational leadership: idealization of influence, inspiring motivation, individual concern, and intellectual stimulation. The "4I " idea, proposed in 1994 by (Bass & Avolio), identifies four aspects of transformational leadership. As Bass put it, transformational leaders are those who can inspire awe, reverence, and faith in their followers. The characteristics and signs of transformative leadership cited in this study are as follows.

- Idealized influence: For followers to respect and trust their leader, they must set a good example.
- Inspirational motivation: Effective leaders inspire their teams by setting achievable goals and providing them with inspiration they need to reach them.
- Intellectual simulation: leaders need to inspire their teams to think creatively, solve problems, and provide innovative solutions; they should also give their staff freedom to do so.
- Personalized attention: leaders should pay attention, hear staff out, and try to figure out what they need. Achieving optimal performance across all these areas will allow leaders to make the most of their positions within the organization.

Keller (1992) Leadership that is transformational is characterised by a rise in both leadership and employee knowledge of the importance of principles such as freedom, justice, peace, and balance, as opposed to leadership that is focused on emotions, envy, or fear. Transformative leadership (Avolio et al. (1999) is a method for piquing workers' interests in a company. Employees gain inspiration and develop feelings of loyalty, respect, trust, awe, and admiration for their superiors. Workers spend more time and effort because they are intrinsically motivated to do a good job and work independently.

Displaying charismatic behavior, inspiring motivation, intellectual stimulation, and delivering personalized attention to employees are qualities of a successful transformational leadership style.

Mangkunegara and Prabu (2000) said that performance is derived from the phrases "job performance" or "actual performance," and it refers to the end result of an employee's efforts in fulfilling their assigned tasks. Performance, according to Juniarti and Putri (2021:45), is the end result of workers' efforts to accomplish organizational objectives in a way that is consistent with their values and duties given to them. Work and behavior on the job that leads to completing assigned tasks and duties within the allotted time is what makes up performance, according to Amalia (2017:273). Additionally, performance management is essential for firms to achieve strong performance (Silaen et al., 2021:111). Performance management is a management style that prioritizes performance through constant and open communication to ensure that everyone is in the same room and works towards the same goal. According to (Jatmiko & Wahyuningtyas, 2021), leaders must periodically evaluate and re-socialize targets, as well as the company's vision and mission, so that employee motivation is formed and employee performance improves. A leader should be able to lead the entire team to run the vision and mission of the company and improve employee performance will be better (Saputra & Wahyuningtyas, 2021).

The assessment dimensions of employee work vary by company. Gomes (2003) defined the dimensions of performance assessment as follows:

- a) Quantity of work: a measurement related to the amount of work carried out in a specified time period. According to Ramadhan and Sembiring (2014), quantity is measured as the amount of work completed according to standards, better work results, and the number of errors that are minimized. It can be concluded that the quantity of work is related to how much work can be completed within a previously determined period and the conditions that have been set.
- b) Quality of work: measurements related to the quality of work achieved based on conformity requirements. According to (Ramadhan & Sembiring, 2014), work quality is measured by examining the accuracy, neatness, and success of work results in accordance with expected quality standards. It can be said that quality of work is related to work results that meet a predetermined process standard and the results are close to ideal conditions.
- c) Job Knowledge, a measurement of the breadth of knowledge about jobs and skills. According to Colquitt, Lepine, and Wesson (2015) job knowledge is the application of theoretical and analytical knowledge obtained through formal education and continuous learning. It can be concluded that job knowledge contains both theoretical and practical knowledge as well as work experience.
- d) Creativeness Measurement related to the authenticity of the ideas raised and actions to resolve the problems that arise. According to Colquitt et al. (2015), creativity at work is the extent to which individuals develop ideas or result well and usefully. It can be said that creativeness is a condition where someone can channel new ideas or new points of view in their work.
- e) Cooperation Measurement is related to the willingness to cooperate with fellow members of the organization. According to Ramadhan and Sembiring (2014), this is measured by maintaining good relationships with colleagues, working well, and communicating well. Apart from this, cooperation can be said to be a good social relationship between colleagues by working together and communicating well.
- f) Dependability Measurement related to awareness of trustworthiness in terms of attendance and work completion. According to Fauzi (2016:16) dependability concerns an individual's ability to complete work precisely and accurately. It can be said that dependability is a person's ability to work thoroughly, accurately, and meticulously, so that the results of their work can be trusted.
- g) Initiative, a measure relating to enthusiasm for carrying out new tasks and increasing responsibility. According to Fauzi (2016:16), initiative is related to readiness to carry out new tasks. In addition, initiative is a person's active attitude toward carrying out a new task or looking for a new task.
- h) Personal qualities are paced with friendliness, personability, and leadership. According to Colquitt et al. (2015), individual personality is related to accuracy, friendliness, openness to new things, ease of socialization, and tendency to be calm when facing problems. It can also be said that personal qualities are the positive personalities and attitudes shown at work.

This study is based on the following hypotheses: First, organizational culture affects employee performance. Second, transformational leadership affects employees' performance. Third, organizational culture and transformational leadership affect employee performance.

3. Research Methods

A quantitative approach including descriptive and causal research was used. The 288 PT PLN workers who participated in this survey were selected using a simple random sampling procedure. The computation revealed that there were 288 participants in the sample. One approach to data analysis is joint structural equation Modelling (SEM) with the Partial Least Squares (PLS) method.

4. Results and Discussion

4.1 Respondents Characteristics

This study included 288 employees from the PT PLN (Persero) in the South Sumatera, Jambi, and Bengkulu areas. The following is a breakdown of the respondent demographics by age and gender based on the data collected for this study.

Table 1. Respondents Characteristics

Characteristics	Category	Freq	Percentage
Gender	Male	187	64,9%
	Female	101	35,1%
Year	< 25 years old	9	3,1%
	26 – 33 years old	144	50%
	34 – 42 years old	109	37,8%
	43 – 50 years old	19	6,6%
	>50 years old	7	2,4%

based on gender The majority of respondents were male (64.9%), while the remaining 35.1% were female employees. This means that most PT PLN (Persero) South Sumatra, Jambi, and Bengkulu are dominated by male employees. According to the age of the respondents, most of the employees of PT PLN (Persero) South Sumatra, Jambi, and Bengkulu were aged 26 – 33 years (50%), while the remaining 37.8% were aged 34 – 42 years, 6.6% were aged 43 – 59 years, 3.1% were aged <25 years, and 2.4% were >50 years. This means that the majority of PT PLN (Persero) Main Unit South Sumatra, Jambi, and Bengkulu employees were aged 26 – 33 years.

With 22 statements representing organizational culture, nine statements representing transformational leadership, and 16 statements representing employee performance, we have a comprehensive model for this variability. The descriptive analysis of each variable is presented in Figures 2, 3, and 4.

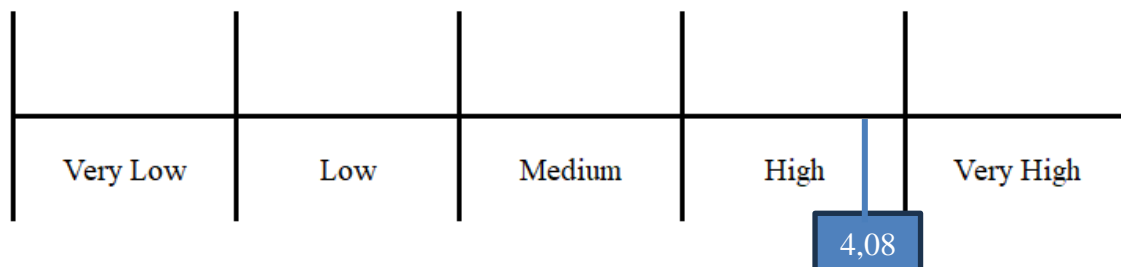


Figure 2. Kontinum Line of Organizational Culture

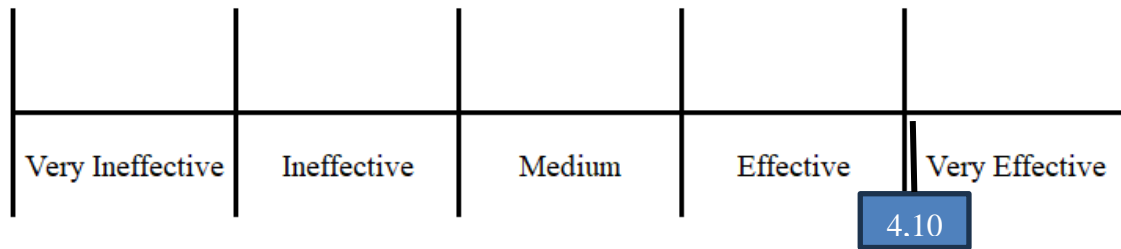


Figure 3. Kontinum Line of Transformational Leadership

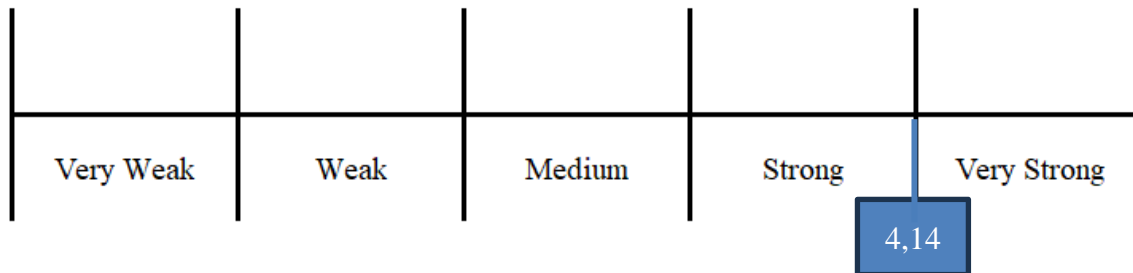


Figure 4. Kontinum Line of Employee Performance

This study used the SEM PLS analysis method to examine the effect differences between the variables. The SEM PLS analysis consists of two parts: outer and inner model testing phases (Hair et al., 2017). The validity and reliability of each concept and its indicators were checked during the outer model testing step, whereas the relationships between variables were checked during the inner model testing stage.

Evaluation of The Measurment Model (Outer Model)

An important part of the testing phase is ensuring the convergence validity and discrimination of the model of interest as well as its composition. The indicators in the PLS model must meet the convergence, discrimination, and composite reliability criteria before the analytical results can be used to test the research hypotheses. It is necessary to check the PLS model that uses algorithmic labels to obtain the results of the external model test. Here, is the output from the SEM PLS model after iterations using the algorithmic label:

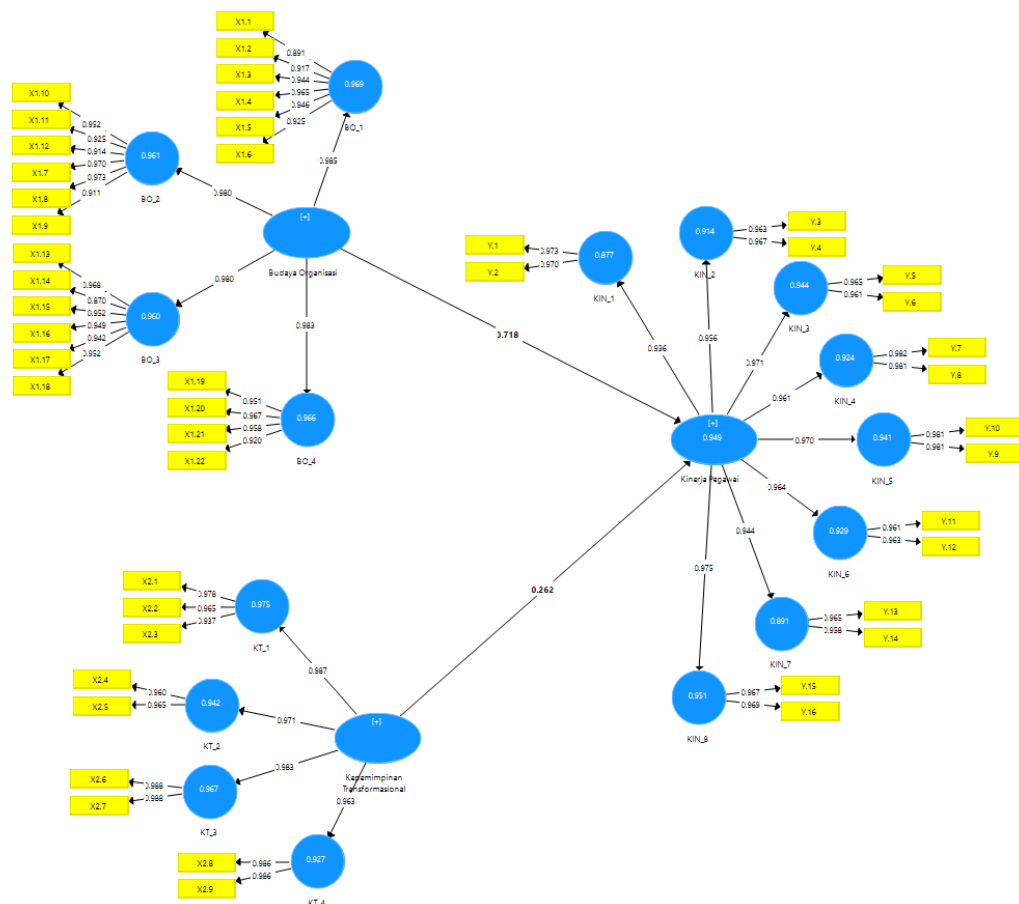


Figure 5. Outer Model

4.2 Convergent Validity

The values of the outer loading or loading factors were used to test the convergent validity. If the outer loading value is greater than 0.7, then the indicator is considered to achieve convergent validity, which is a positive category. The indicator's outer loading values for the study variables are as follows: Based on the results of the outer loading on the reflectivity indicator, the majority of survey respondents were able to meet the expectations of the variable price indicator. This means that the experiment may proceed to the AVE experiment step because the output value was greater than 0.7. We now have a more transparent loading factor and AVE model parameters.

4.3 discriminant Validity

The purpose of using discriminant validity is to ensure that each concept's latent variables are distinct from one another. If the value of $\sqrt{\text{AVE}}$ (diagonal angle) for each exogenous construct is greater than the correlation between that construct and other constructs (angles below and above $\sqrt{\text{ave}}$), the model has very good discriminant validity. According to Ghazali (2016), the optimal value was greater than 0.5. The results of the discrimination validity test consistently show that the value (Ave) of each construct is greater than its correlation coefficient with other constructs, indicating that all constructs in this PLS model have met the specified discrimination validity.

Hetero transparency Ratio (HTMT) value tests between different constructs, such as fornication theft and cross-loading tests, to determine discriminant validity. Another approach to determining discriminatory validity is the HTMT. In this case, the multi-trait-multi-trait matrix was the basis for the evaluation. The HTMT value must be less than 0.9 to confirm the validity of discrimination between

two reflective concepts (Hair et al., 2017). For the test to be considered valid, the HTMT value between the PLS model and all the other models must be less than 0.9.

According to the test results, the HTMT values between the two models did not exceed 0.9; therefore, all PLS models met the criteria for discriminatory validity. The Data required to achieve the validity of discrimination is the PLS outer model according to the outcomes of the three testing methods. The composite reliability test is the next step in this testing process.

4.4 Composite Reliability

Construct reliability can be assessed using the Cronbach's alpha value and the Composite Reliability value of each construct. The recommended composite reliability and Cronbach's alpha values are greater than 0.7; however, in development research, because the loading factor limit used is low (0.5), low composite reliability and Cronbach's alpha values are still acceptable as long as the requirements for convergent validity and validity have been met.

Table 2. Composite Reliability

Construct	Cronbach's Alpha	Composite Reliability	Reliability
BO	0,992	0,992	reliable
KIN	0,990	0,990	reliable
KT	0,986	0,988	reliable

4.5 Evaluation of Inner Model

Improving the model's fit is the first step in the model-testing process, verifying that the estimated PLS model accurately describes the population's true state by comparing it to the data. This model was used to test the relationship between research variables.

4.6 R- Square Test

Vhin (1998) In terms of endogenous prediction, the PLS model is said to be good when the R-squared value is more than 0.67, it is said to be weak when the R-squared values are between 0.33 and 0.67, and it is said to be weak when the R-squared values are between 0.19 and 0.33. The coefficient of variation of employee employment is 0.949, which is considered strong according to the data in Table 4.15.

Table 3. R- Square

Variable	R Square	Criteria
Employee Perfomance	0,949	<i>strong</i>

4.7 Q- Square Test

Q Square shows the predictive relevance of the model, where a Q Square value of 0.02 – 0.15 indicates that the model has small predictive relevance, a Q Square of 0.15 – 0.35 indicates that the model has moderate predictive relevance, and Q square > 0, 35 shows the large predictive relevance of the model (Chin, 1998). The analysis results in Table 4.16 show that the Q Square of employee performance is in the big predictive relevance category.

Table 4. Q- Square

Latent Variable	Q Square	Criteria
Employee Perfomance	0,791	<i>Big Predictive relevance</i>

4.8 SRMR Model

In addition to the R - and Q-values, the compliance value of the SRMR model indicates the quality of the model. If the SRMR estimate value was less than 0.08, the model was considered very good, and if the SRMR estimate value was between 0.08% and 0.01%, the model was considered very good. The analysis table shows that the SRMR model estimate value was 0.046, which is included in the pure perfect fit category.

Table 5. SRMR

Component	SRMR	Estimated Model
Saturated Model	0,045	<i>Perfect fit</i>
Estimated Model	0,046	

4.9 Multicollinearity test

Multicollinearity in the SEM PLS model was tested based on the VIF value of the inner model. The SEM PLS model must be free from multicollinearity, as indicated by a VIF inner model value of < 5.00 . The analysis results in the following table show that the VIF value of the inner model for all constructs is < 5.00 , indicating that there is no multicollinearity in the regression model.

4.10 Direct Effect Test

When the model is fitted, PLS analysis can be used to test the correlation between the variables. This impact evaluation category included the following tests: direct, indirect, and total effects. Tests of inter-variable impacts were based on the following findings from the 500-sample PLS model estimates using the bootstrapping technique:

Table 6. Direct Effect Test

	Original Sample (O)	T Statistics (O/STDEV)	P Values
BO -> KIN	0,718	3,534	0,000
KT -> KIN	0,262	1,249	0,212

When external factors have an immediate and unmediated impact on internal factors, this phenomenon is called a direct influence or direct effect. Path coefficients, p-values, and T-statistics reveal the direction and importance of direct effects for routes linking endogenous and exogenous variables in the PLS SEM analysis. If the p value for the interaction between variables is less than 0.05 and the T-statistic is greater than 1.96 (two-tailed α 5%), and greater than 1.65 in the single-tailed test, it can be concluded that the exogenous variable has a significant effect on the endogenous variable. variable, with the direction of influence consistent with the t-test coefficient. In addition, according to Hair et al. (2017), if the p-value is more than 0.05 and the T-statistic is less than 1.96 in two samples (t-value of two samples, 5%), and less than 1.65 in one sample, it can be concluded that the exogenous variable has no significant effect on the endogenous variable. Among the results of the experiment are the following:

- Organizational culture has a positive and significant effect on employee performance, as shown by a p-value of $0.000 < 0.05$ T statistic $3.534 > 1.96$, and a coefficient on the positive path of 0.718, which means that the higher the employee's organizational culture, the higher the employee performance, and conversely, a low organizational culture tends to have low employee performance.
- Transformational leadership does not have a positive and significant effect on organizational culture, as shown by a p-value of $0.212 > 0.05$ T statistic $1.249 < 1.96$, which means that the level of transformational leadership cannot have an effect on the level of employee performance.

4.11 Coefficient of determination

The external variables of the research model simultaneously impact the endogenous variables in a structural model. A clear determination coefficient value indicates that every exogenous factor significantly affects the endogenous. The coefficient of determination required by the value of the square of R. This number can be interpreted as a percentage (from 0 to 100%) or as a number between 0 and 1. Exogenous exogeneity often increases with increasing coefficients and with the number of endogenous variants described. However, a small determination coefficient indicates that there are many extra-exogenous factors that may affect endogenous factors, meaning that exogenous influences are weak.

Table 7. Coefficient of Determination Test

	R Square	R Square Adjusted
Employee Performance	0,949	0,945

4.12 Test the Hypothesis

It is possible to test the study's hypotheses using data that have already been collected. We used the T-statistic and p-values to evaluate the research hypotheses. If the p-value was less than 0.05, the null hypothesis was accepted (Hair et al., 2022). According to all the hypothesis tests, efficacy is affected by business practices. Organizational behavior positively affects employee performance, according to the analysis, with a p-value of less than 0.05, a t-statistic of more than 1.96, and a beta coefficient of 0.718. Therefore, the hypothesis is accepted, and it can be concluded that organizational culture positively influences employee performance. The results of the analysis show that the p-value of the influence of transformational leadership on employee performance is 0.212, T statistic 1.249, because the p-value is > 0.05, T statistic < 1.96; thus, the hypothesis is not accepted, and it can be concluded that transformational leadership has no significant effect on employee performance.

5. Conclusion

The following is a summary of the research on the effects of organizational theory and transformational leadership on employee performance at PT PLN (Persero) Sumatera Selatan, Jambi, and Bengkulu:

1. Organizational culture significantly and positively affects employee performance. Put simply, a more favorable culture inside an organization may lead to higher performance from its employees.
2. Employee performance is unaffected by transformative leadership; in other words, effective transformational leadership has failed to provide noticeable gains in productivity.
3. Based on the evaluation results, companies are advised to contribute time and resources to develop and strengthen a positive organizational culture. This can be achieved by setting clear values, consistent communication, and rewarding behaviors that support the desired culture. Changes in organizational policies and practices must support and promote the desired culture. For example, reward and recognition systems can reinforce cultural values, whereas employee selection and development processes can consider cultural fit. Management needs to conduct a careful evaluation of the leadership styles existing in the organization. Although transformational leadership does not directly improve performance, it is necessary to assess whether this leadership style fits the organizational context and demands. Leaders in organizations must receive appropriate training and development to strengthen their leadership skills. This includes the ability to adapt to change, motivate over time, and inspire desired cultural change.

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