

THE EFFECT OF TRANSFORMATIONAL LEADERSHIP AND ORGANIZATIONAL CULTURE ON EMPLOYEE PERFORMANCE AT PT WIJAYA GYOKAI INDONESIA



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Abstract

This study aims to examine the effects of transformational leadership and organizational culture on employee performance at PT Wijaya Gyokai Indonesia. A quantitative research design with a survey approach was employed. The sample comprised 80 respondents selected using the Slovin formula. Data were collected through structured questionnaires and analyzed using multiple linear regression with the assistance of SPSS software. The results indicate that transformational leadership does not have a positive and insignificant effect on employee performance, whereas organizational culture has a positive and significant effect on employee performance. Simultaneously, transformational leadership and organizational culture significantly influence employee performance. The coefficient of determination shows that the two independent variables explain 43.8% of the variance in employee performance. These findings suggest that strengthening organizational culture plays a crucial role in enhancing employee performance, particularly in manufacturing companies.

Keywords: Transformational Leadership, Organizational Culture, Employee Performance

INTRODUCTION

Human resources are the primary driving force of organizational operations. Therefore, the quality of human resources within an organization determines its progress and sustainability (Susijawati et al., 2024). Consequently, the quality and performance of employees play a crucial role in determining the extent to which an organization can achieve its objectives and maintain optimal performance. Strong organizational performance not only reflects operational efficiency but also influences a company's long-term success in a competitive environment (Jannah et al., 2025).

Employee performance represents a measure of employees' work outcomes in carrying out their duties and serves as a critical indicator of organizational or corporate success (Sunaryo, 2017). Employee performance is closely associated with operational productivity, service quality, and the achievement of organizational strategic objectives; therefore, it is frequently used as a benchmark for evaluating managerial effectiveness (Akdere & Egan, 2020). Accordingly, the measurement and improvement of employee performance have become major priorities for management across various types of organizations.

Performance is a crucial aspect in supporting the achievement of corporate objectives, including for PT Wijaya Gyokai Indonesia, a company that continuously strives to enhance its operational effectiveness. PT Wijaya Gyokai Indonesia is located in Beber Village, Beber District, Cirebon Regency, and was established in 2020. The company operates in the manufacturing sector, producing bolts and cables. In carrying out its operations, PT Wijaya Gyokai Indonesia places considerable emphasis on the role of human resources as the primary executors of organizational tasks. The company also expects every employee to deliver optimal performance to support its future growth and development. The following section presents the production performance data of PT Wijaya Gyokai Indonesia for the 2023–2025 period.

Table 1.
Production Target and Realization of PT Wijaya Gyokai Indonesia (2023–2025)

PT WIJAYA GYOKAI INDONESIA						
MONTH	2023		2024		2025	
	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL
JAN	1.500.000	1.601.015	1.500.000	786.990	1.500.000	1.240.832
FEB	1.500.000	1.359.247	1.500.000	918.505	1.600.000	1.341.010
MAR	1.500.000	1.123.060	1.500.000	1.141.296	1.600.000	1.208.211
APR	1.500.000	1.082.697	1.500.000	591.892	1.600.000	784.060
MAY	1.500.000	722.280	1.500.000	957.955	1.600.000	1.309.554
JUN	1.500.000	1.109.140	1.500.000	1.124.892	1.600.000	1.339.750
JUL	1.500.000	1.084.595	1.500.000	1.148.566	1.600.000	1.346.785
AUG	1.500.000	982.687	1.500.000	1.319.627	1.600.000	1.457.784
SEPT	1.500.000	1.121.950	1.500.000	1.412.223	1.600.000	1.192.300
OCT	1.500.000	659.086	1.500.000	1.466.790	1.600.000	1.337.554
NOV	1.500.000	726.495	1.500.000	1.364.159	1.600.000	On Process
DES	1.500.000	772.495	1.500.000	1.288.726	1.600.000	On Process
TOTAL	18.000.000	12.344.747	18.000.000	13.521.621	19.100.000	On Process

69%	75%	On Process
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Source: Internal data of PT Wijaya Gyokai Indonesia (November, 2025)

Based on the production performance data for the 2023–2025 period, it is evident that both monthly and annual production realizations exhibit considerable variation and have not fully met the predetermined targets. In 2023, the production achievement rate was 69%, which increased to 75% in 2024. Although the data for 2025 have not yet been fully completed, the achievement level has still not reached the established targets. In addition, monthly production achievements also demonstrate substantial fluctuations, with several months experiencing sharp declines, particularly in April 2024 and April 2025. These variations can be understood as part of the company's operational dynamics across various divisions involved in the production process. This phenomenon further underscores the need for a comprehensive evaluation of the factors influencing operational performance.

One of the factors frequently examined is transformational leadership. This leadership style is generally defined as an approach that emphasizes a shared vision, inspiration, and motivation to achieve higher performance standards (Kılıç & Uludağ, 2021). Numerous empirical studies have demonstrated a positive relationship between transformational leadership and employee performance, indicating that transformational leadership contributes to the improvement of both individual and organizational task achievement. Such findings have been reported across various organizational sectors, including healthcare services (Muftiyanto & Jatmika, 2025), government service units (Safitri & Indah, 2020), and companies operating in the oil mining sector (AL DHANHANI & Hazana ABDULLAH, 2020). This body of evidence suggests that transformational leadership can stimulate organizational change that enhances both employee performance and overall organizational effectiveness (Solahudin et al., 2024). However, empirical findings remain inconsistent. Several studies have reported that transformational leadership does not significantly improve employee performance and may even exhibit a negative relationship. For example, (Fachrurazi, 2023) found that transformational leadership had a negative and insignificant effect on employee performance at CV Sukinem Baja Industry. Similar findings were reported by (Kurniawan et al., 2025) in a study of PDAM Sleman employees and by (Syahputra et al., 2025), who found that transformational leadership did not significantly influence employee performance. These inconsistent findings indicate that the effectiveness of transformational leadership may vary across organizational contexts, highlighting the need for further investigation.

In addition to leadership, organizational culture is also considered a determining factor in shaping work behavior, as it encompasses the values, norms, and practices that influence how organizational members perform their tasks (Rojak et al., 2024). Organizational cultures that support collaboration, innovation, and clear work standards have been reported to be associated with increased productivity and improved quality of employee output (Rojak et al., 2024). Several previous studies conducted in regional government-owned enterprises engaged in bottled drinking water management (Mutiarra et al., 2022), educational services (Rojak et al., 2024) as well as among employees from various occupational sectors in Saudi Arabia (Aldossari & Alanizan, 2025), have found that a conducive organizational culture positively affects higher performance levels. These findings underscore the importance of considering cultural aspects when organizations design strategies to enhance employee performance. However, empirical findings remain

inconsistent. Wahjoedi (2021) reported that organizational culture had no direct significant effect on employee performance among SMEs in Indonesia. Similarly, Setiabudi et al (2021) found that organizational culture did not significantly influence employee performance, while (Kurniandra et al., 2022) also revealed an insignificant relationship between organizational culture and employee performance at PT Omnikopi Kreasi Enak. These contrasting findings indicate that the effect of organizational culture on employee performance remains inconclusive and may vary across organizational settings and employee characteristics. Furthermore, most previous studies were conducted in SMEs, educational institutions, public service organizations, and service-oriented companies, whereas empirical evidence from manufacturing firms remains relatively limited. In addition, prior studies primarily focused on general organizational environments and have provided limited attention to manufacturing organizations characterized by production-based performance targets, operational efficiency requirements, and standardized work procedures. Given these inconsistencies and contextual limitations, further investigation is needed to examine the influence of organizational culture on employee performance in the manufacturing sector, particularly at PT Wijaya Gyokai Indonesia.

Based on the background and research gaps identified above, this study seeks to address the following questions: (1) Does transformational leadership influence employee performance at PT Wijaya Gyokai Indonesia? (2) Does organizational culture influence employee performance at PT Wijaya Gyokai Indonesia? and (3) Do transformational leadership and organizational culture simultaneously influence employee performance at PT Wijaya Gyokai Indonesia?.

Based on the research questions formulated above, this study aims to analyze the partial and simultaneous effects of transformational leadership and organizational culture on employee performance at PT Wijaya Gyokai Indonesia. By examining these relationships within a manufacturing context, this study is expected to contribute to the existing literature on employee performance and provide empirical evidence regarding the roles of transformational leadership and organizational culture in improving employee performance. Furthermore, the findings are expected to offer practical insights for management in developing more effective human resource strategies to enhance organizational performance.

REVIEW OF LITERATURE

Transformational Leadership

Transformational leadership according to (Bass & Avolio, 1994) is a form of leadership that encourages, inspires, and motivates followers to prioritize organizational interests over personal goals. According to Podsakoff et al., as cited in (Grobler & Grobler, 2023) transformational leadership is defined as a form of leadership that emphasizes the aspect of “high performance expectations” namely leader behaviors that demonstrate exceptionally high standards of excellence, quality, and performance achievement expected from their followers.

The dimensions and indicators of transformational leadership are based on the theory developed by (Bass & Avolio, 1994) which was subsequently simplified by (Robbins & Judge, 2013:383) These dimensions include: 1) idealized influence: providing a clear vision and mission, instilling pride, and earning respect and trust; 2) inspirational motivation: communicating high expectations, using symbols to focus efforts, and conveying important

purposes in a simple and clear manner; 3) intellectual stimulation: encouraging intelligence, rationality, and careful problem-solving; and 4) individualized consideration: providing personal attention, treating each employee individually, and offering coaching and advice.

Among the various leadership approaches discussed in the literature, transformational leadership is considered particularly relevant for organizations seeking to improve employee performance because it emphasizes employee motivation, inspiration, and personal development. The dimensions proposed by Bass and Avolio provide a comprehensive framework for understanding how leaders influence employee attitudes and behaviors in the workplace. Therefore, this study adopts the transformational leadership framework developed by Bass and Avolio as the basis for measuring leadership behavior at PT Wijaya Gyokai Indonesia.

Organizational Culture

Organizational culture has been defined by numerous scholars. According to (Cameron & Quinn, 2011:18), organizational culture refers to the shared values, assumptions, and interpretations held by organizational members that shape the character of the organization and determine behaviors considered appropriate for its members. Based on Denison's Organizational Culture Theory proposed by (Denison, 1996) organizational culture is defined as a system of shared values and beliefs that shape employees' behaviors, attitudes, and norms within an organization. Denison further explains that an effective organizational culture can be assessed through four main dimensions: (1) involvement, (2) consistency, (3) adaptability, and (4) mission. Each dimension is elaborated into three indicators, resulting in a total of twelve measurement indicators (Mohammadi, 2020).

According to Denison, as cited in (Ahmady et al., 2016) organizational culture consists of four main dimensions: 1) Involvement emphasizes member participation through three indicators: (a) empowerment, which refers to the delegation of authority that enables employees to feel a sense of ownership of their work; (b) group orientation, which emphasizes teamwork in achieving organizational goals; and (c) capability development, which involves developing employees' competencies to maintain their effectiveness. 2) Consistency emphasizes the alignment of values and behaviors through three indicators: (a) core values as the fundamental principles guiding the organization; (b) agreement, referring to the ability to reach consensus and manage conflict; and (c) coordination and integration, which ensure cross-departmental coordination so that organizational units operate harmoniously without structural barriers. 3) Adaptability reflects the organization's ability to respond to environmental changes through three indicators: (a) creating change, referring to the capacity to cope with change; (b) customer focus, which emphasizes responsiveness to customer needs; and (c) organizational learning, referring to the ability to learn and innovate. 4) Mission provides long-term direction for the organization through three indicators: (a) strategic direction and intent, which clarify strategic orientation; (b) goals and objectives, which provide clear work targets; and (c) outlook, referring to a future-oriented vision that unifies all organizational members.

Although several organizational culture frameworks have been proposed in the literature, this study adopts Denison's Organizational Culture Theory because it emphasizes organizational effectiveness through the dimensions of involvement, consistency, adaptability, and mission. These dimensions are particularly relevant to manufacturing organizations that operate under production targets, standardized procedures, and operational

efficiency requirements. Therefore, Denison's framework is considered appropriate for examining the role of organizational culture in influencing employee performance at PT Wijaya Gyokai Indonesia.

Employee Performance

According to (Kasmir, 2016), employee performance is defined as the work outcomes and work behaviors that have been achieved in completing assigned tasks and responsibilities within a specific period. Meanwhile (Mangkunegara, 2017:67), defines employee performance as the results accomplished by an employee based on the tasks, duties, and responsibilities assigned to him or her. Employee performance is evaluated in terms of the quality and quantity of work outcomes, as well as supporting aspects such as timeliness, attendance, and the ability to collaborate and communicate effectively.

Employee performance can be assessed through the dimensions and indicators proposed by (Mangkunegara, 2017:75), which include: 1) Quality of work, encompassing accuracy, precision, skills, and cleanliness; 2) Quantity of work, which includes output volume and the speed at which employees complete additional tasks; 3) Dependability, with indicators such as the ability to follow instructions, initiative and caution, as well as employee diligence; and 4) Attitude, which includes employees' attitudes toward colleagues and their willingness to cooperate.

Employee performance is not only reflected in the quantity of work produced but also in the quality, reliability, and work attitudes demonstrated by employees. Therefore, the performance dimensions proposed by Mangkunegara are considered suitable for this study because they provide a comprehensive assessment of employee performance, encompassing both task accomplishment and behavioral aspects that support organizational effectiveness.

Hypothesis Development

Effect of Transformational Leadership on Employee Performance

Through idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration, transformational leaders can foster positive employee attitudes and behaviors that support the achievement of organizational objectives. Employees who are motivated and committed to their work tend to perform more effectively, thereby enhancing employee performance. Therefore, transformational leadership is expected to positively influence employee performance at PT Wijaya Gyokai Indonesia.

H1: Transformational leadership has a positive and significant effect on employee performance at PT Wijaya Gyokai Indonesia.

Effect of Organizational Culture on Employee Performance

Through the dimensions of involvement, consistency, adaptability, and mission, organizational culture provides shared values and behavioral guidelines that influence how employees perform their work. A supportive organizational culture can foster discipline, cooperation, commitment, and organizational effectiveness, enabling employees to perform their duties more effectively. Therefore, organizational culture is expected to positively influence employee performance at PT Wijaya Gyokai Indonesia.

H2: Organizational culture has a positive and significant effect on employee performance at PT Wijaya Gyokai Indonesia.

Simultaneous Effect of Transformational Leadership and Organizational Culture on Employee Performance

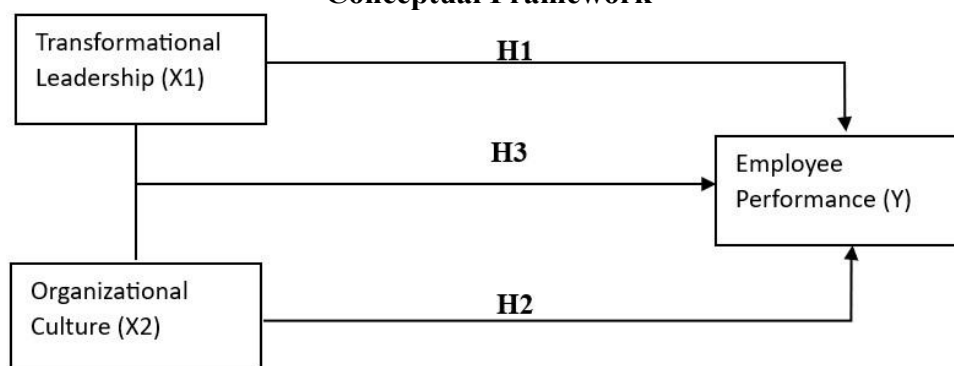
Employee performance is influenced by various factors originating from both leadership practices and organizational conditions. Transformational leadership can enhance employee motivation, commitment, and willingness to achieve organizational goals through inspirational and supportive leadership behaviors. At the same time, organizational culture provides shared values, norms, and behavioral guidelines that shape employees' attitudes and work practices. When effective transformational leadership is supported by a strong organizational culture, employees are more likely to perform their duties efficiently and contribute to organizational objectives. Therefore, transformational leadership and organizational culture are expected to simultaneously influence employee performance at PT Wijaya Gyokai Indonesia.

H3: Transformational leadership and organizational culture simultaneously have a significant effect on employee performance at PT Wijaya Gyokai Indonesia.

Conceptual Framework

Based on Transformational Leadership Theory and Organizational Culture Theory, employee performance is influenced by both leadership practices and organizational values. Transformational leadership contributes to employee performance by motivating and inspiring employees to achieve organizational goals, while organizational culture influences employee behavior through shared values, norms, and work practices. Therefore, both transformational leadership and organizational culture are expected to contribute to employee performance. Based on these theoretical relationships, the conceptual framework of this study is presented in Figure 1.

Figure 1
Conceptual Framework



RESEARCH METHOD

This study employed a quantitative approach with a causal–associative research design, aiming to analyze the effects of independent variables on the dependent variable, as defined by (Sugiono, 2013:36-37). The research was conducted at PT Wijaya Gyokai Indonesia, a manufacturing company located in Cirebon Regency, West Java, Indonesia. The unit of analysis consisted of employees involved in the production process. Data were collected through a structured questionnaire and analyzed using multiple linear regression analysis to determine the partial and simultaneous effects of transformational leadership and organizational culture on employee performance.

Population and Sample

The population of this study comprised all employees involved in the production process at PT Wijaya Gyokai Indonesia, totaling 210 employees. Since it was not feasible to survey the entire population due to time and resource constraints, a sample was selected to represent the population.

The sample size was determined based on the guideline proposed by (Fidell & Tabachnick, 2013:123) in Using Multivariate Statistics for multiple regression analysis, which recommends a minimum sample size of $N > 50 + 8k$, where k represents the number of independent variables. Since this study employed two independent variables ($k = 2$), the minimum required sample size was 66 respondents ($50 + 8 \times 2 = 66$). A total of 80 production employees participated in this study, exceeding the minimum requirement. Therefore, the sample size was considered sufficient and provided adequate statistical power for conducting multiple linear regression analysis to examine the relationships among transformational leadership, organizational culture, and employee performance.

Operational Definition and Measurement of Variables

The variables examined in this study consist of transformational leadership and organizational culture as independent variables, and employee performance as the dependent variable. The operational definitions, dimensions, indicators, and measurement scales of each variable are presented in Table 2. All variables were measured using a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).

Table 2.
Operational Definition and Measurement of Variables

Variable	Operational Definition	Dimensions	Indicators	Scale
Transformational Leadership Style (X1)	A leadership style that inspires and motivates followers to transcend their personal interests for organizational goals and exerts a strong transformational influence on followers (Robbins & Judge, 2019).	Idealized Influence	1. Application of ethics and moral values	Likert Scale (1–5)
			2. Trust in the leader	
			3. Leader as a role model	
		Inspirational Motivation	4. Providing meaning and challenge in work	Likert Scale (1–5)
			5. Delivering inspirational messages	
		Intellectual Stimulation	6. Encouraging critical thinking	Likert Scale (1–5)
			7. Encouraging the generation of new ideas	
			8. Encouraging careful problem-solving	
		Individualized Consideration	9. Providing personal attention	Likert Scale (1–5)

			10. Providing coaching and guidance			
Organizational Culture (X2)	A system of shared values and beliefs that shapes employees' behavior, attitudes, and norms within an organization (Denison, 1996).	Involvement	1. Empowerment 2. Group orientation 3. Capability development	Likert Scale (1–5)		
		Consistency	4. Core values 5. Agreement 6. Coordination and integration	Likert Scale (1–5)		
		Adaptability	7. Creating change 8. Customer focus 9. Organizational learning	Likert Scale (1–5)		
		Mission	10. Strategic direction and intent 11. Goals and objectives 12. Vision/Outlook	Likert Scale (1–5)		
		Employee Performance (Y)	The quality and quantity of work achieved by an employee in carrying out assigned responsibilities and duties (Mangkunegara, 2010).	Work Quality	1. Accuracy 2. Attention to detail 3. Skills 4. Cleanliness	Likert Scale (1–5)
				Work Quantity	5. Output achievement 6. Speed in completing additional tasks	Likert Scale (1–5)
				Dependability	7. Following work instructions 8. Initiative 9. Carefulness 10. Diligence and punctuality	Likert Scale (1–5)
				Work Attitude	11. Attitude toward co-workers 12. Teamwork	Likert Scale (1–5)

Data Analysis Technique

Data were collected using a structured questionnaire developed based on the dimensions and indicators of transformational leadership, organizational culture, and employee performance, with measurement items adapted from Bass and Avolio (1994), Denison (1996), and Mangkunegara (2012). All items were measured using a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The questionnaire was distributed directly to production employees of PT Wijaya Gyokai Indonesia who participated as respondents in this study. Prior to completing the questionnaire, respondents were informed about the purpose of the research and were assured that their responses would remain anonymous and confidential to minimize bias and improve data accuracy.

The collected data were analyzed using SPSS version 26 through validity and

reliability tests, followed by classical assumption tests, including normality, multicollinearity, and heteroscedasticity tests. After the required assumptions were met, multiple linear regression analysis was employed to examine the effects of transformational leadership and organizational culture on employee performance. Hypothesis testing was conducted using t-tests to assess the partial effect of each independent variable and F-tests to evaluate their simultaneous effect, while the coefficient of determination (R^2) was used to measure the extent to which the independent variables explained variations in employee performance.

Research Hypothesis

This study aims to analyze the influence of transformational leadership and organizational culture on employee performance in manufacturing company. The hypothesis proposed in this study is as follows:

- H1: Transformational leadership has a positive and significant effect on employee performance at PT Wijaya Gyokai Indonesia.
- H2: Organizational culture has a positive and significant effect on employee performance at PT Wijaya Gyokai Indonesia.
- H3: Transformational leadership and organizational culture simultaneously have a significant effect on employee performance at PT Wijaya Gyokai Indonesia.

RESULTS AND DISCUSSION

Respondent Characteristics

Table 3.
Respondent Characteristics

Characteristics	Category	Frequency	Percentage (%)
Gender	Male	20	25.0
	Female	60	75.0
Age	18–25 years old	76	95.0
	26–35 years old	4	5.0
Education	S1	2	2.5
	SMK/SMA	78	97.5
Job Position	Production Operator	56	70.0
	Leader	12	15.0
	Quality Control	6	7.5
	Production Maintenance	6	7.5
Total Respondents		80	100.0

Source: Results of SPSS analysis (2025)

Validity Test

Table 4.
Validity Test

Indicator X1	R Count	Indicator X2	R Count	Indicator Y	R Count
X1.1	0.766	X2.1	0.571	Y1.1	0.723
X1.2	0.705	X2.2	0.697	Y1.2	0.796
X1.3	0.842	X2.3	0.732	Y1.3	0.759
X1.4	0.756	X2.4	0.581	Y1.4	0.756
X1.5	0.840	X2.5	0.806	Y1.5	0.704

X1.6	0.796	X2.6	0.808	Y1.6	0.711
X1.7	0.796	X2.7	0.788	Y1.7	0.796
X1.8	0.806	X2.8	0.705	Y1.8	0.638
X1.9	0.739	X2.9	0.816	Y1.9	0.838
X1.10	0.716	X2.10	0.770	Y1.10	0.651
		X2.11	0.837	Y1.11	0.774
		X2.12	0.809	Y1.12	0.724

Source: Results of SPSS analysis (2025)

The validity test indicates that all variable indicators are declared valid, as the calculated correlation coefficients (r_{count}) exceeded the r_{table} value of 0.2199.

Reliability Test

Table 5.
Reliability Test

Variabel	Cronbach's Alpha	R tabel	Conclusion
Transformational Leadership	0.962	0.70	Reliable
Organizational Culture	0.928	0.70	Reliable
Employee Performance	0.917	0.70	Reliable

Source: Results of SPSS analysis (2025)

Normality Test

Table 6.
Normality Test
One-Sample Kolmogorov-Smirnov Test

			Unstandardized Residual
N		80	
Normal Parameters ^{a,b}	Mean		.0000000
	Std. Deviation		4.12153456
Most Extreme Differences	Absolute		.101
	Positive		.101
	Negative		-.074
Test Statistic			.101
Asymp. Sig. (2-tailed)			.042 ^c
Monte Carlo Sig. (2-tailed)	Sig.		.365 ^d
	99% Confidence Interval	Lower Bound	.352
		Upper Bound	.377

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. Based on 10000 sampled tables with starting seed 2000000.

Source: Results of SPSS analysis (2025)

The normality test was assessed using both the Asymp. Sig. and Monte Carlo Sig. values of the Kolmogorov–Smirnov test. Although the Asymp. Sig. value was 0.042, which is slightly below the significance threshold of 0.05, the Monte Carlo Sig. value was 0.365,

exceeding the 0.05 criterion. According to IBMM SPSS Exact Test by (Mehta & Patel, 2013:25-31), the Monte Carlo significance value provides a more accurate estimation when the asymptotic significance is unstable or sensitive to sample characteristics. Therefore, based on the Monte Carlo Sig. value of 0.365, the residuals can be considered normally distributed, indicating that the normality assumption was satisfied.

Multicollinearity Test

Table 7.
Multicollinearity Test
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	24.056	3.667		6.561	.000		
TOTAL_X1	-.155	.142	-.164	-1.091	.279	.325	3.078
TOTAL_X2	.690	.131	.790	5.269	.000	.325	3.078

a. Dependent Variable: TOTAL_Y1

Source: Results of SPSS analysis (2025)

Because the Tolerance value is > 0.100 and the VIF value is < 10.000 , it can be concluded that there is no indication of multicollinearity.

Heteroscedasticity Test

Table 8.
Heteroscedasticity Test
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	9.009	2.113		4.264	.000
TOTAL_X1	-.097	.082	-.227	-1.194	.236
TOTAL_X2	-.038	.075	-.096	-.505	.615

a. Dependent Variable: Abs_Res

Source: Results of SPSS analysis (2025)

Because the Sig. values are greater than 0.05, it can be concluded that the model is free from heteroscedasticity problems.

Multiple Regression Test

Table 9.
Multiple Regression Test
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	24.056	3.667		6.561	.000

TOTAL_X 1	-.155	.142	-.164	-1.091	.279
TOTAL_X 2	.690	.131	.790	5.269	.000

a. Dependent Variable: TOTAL_Y1

Source: Results of SPSS analysis (2025)

Based on the table above, this study's regression equation is :

$$Y=24.056+(-0.155)X1+0.690X2$$

Where:

Y : Employee Performance

X1 : Transformational Leadership

X2 : Organizational Culture

T Test

Table 10.
T Test
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	24.056	3.667		6.561	.000
	TOTAL_X 1	-.155	.142	-.164	-1.091	.279
	TOTAL_X 2	.690	.131	.790	5.269	.000

a. Dependent Variable: TOTAL_Y1

Source: Results of SPSS analysis (2025)

Transformational leadership has a regression coefficient of -0.155 on employee performance, according to the Coefficients table. Transformational leadership is unlikely to improve employee performance to its significance value of 0.279. Therefore :

H1: Transformational leadership has a positive and significant effect on employee performance at PT Wijaya Gyokai Indonesia **is rejected**.

Organizational culture improves employee, as shown by its regression coefficient of 0.690. Organizational culture affects employee performance, as the significance value is $0.000 < 0.05$. Therefore :

H2: Organizational culture has a positive and significant effect on employee performance at PT Wijaya Gyokai Indonesia **is accepted**.

F Test

Table 11.
F Test
ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1046.223	2	523.112	30.015	.000 ^b
	Residual	1341.977	77	17.428		

Total	2388.200	79			
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a. Dependent Variable: TOTAL_Y1

b. Predictors: (Constant), TOTAL_X2, TOTAL_X1

Source: Results of SPSS analysis (2025)

Based on the analysis presented in the table above, the calculated F-value is 30.015, which is greater than the F-table value of 3.115, and the significance value is 0.000, which is less than 0.05. Therefore, it can be concluded that transformational leadership and organizational culture simultaneously have a positive and significant effect on employee performance. Accordingly:

H3: Transformational leadership and organizational culture simultaneously have a significant effect on employee performance at PT Wijaya Gyokai Indonesia **is accepted**.

Coefficient of Determination

Table 12.
Coefficient of Determination
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.662 ^a	.438	.423	4.175

a. Predictors: (Constant), TOTAL_X2, TOTAL_X1

Source: Results of SPSS analysis (2025)

Based on the analysis results, the R-square value is 0.438, indicating that transformational leadership (X_1) and organizational culture (X_2) explain 43.8% of the variance in employee performance (Y). The remaining 56.2% is explained by other factors outside the model, such as compensation, motivation, job satisfaction, and other variables that were not examined in this study.

The Effect of Transformational Leadership on Employee Performance

Based on the results of the partial regression test (t-test), a significance value of 0.279 (> 0.05) was obtained, with a negative beta coefficient ($\beta = -0.155$). Therefore, it can be concluded that transformational leadership have negative and not significant effect on employee performance. This finding is consistent with previous studies conducted by (Fachrurazi, 2023; Kurniawan et al., 2025; Syahputra et al., 2025) which reported that transformational leadership have negative and not significant effect on employee performance.

In the context of this study, the majority of respondents are young employees with senior high school or vocational education backgrounds who work in the production department and tend to require transactional leadership characterized by clear instructions and standardized work procedures (Gündüz Çekmecelioğlu et al., 2025). Therefore, transformational leadership aspects such as long-term vision, inspiration, and intellectual stimulation have not yet fully influenced improvements in employee performance. In such environments, employees may rely more heavily on direct supervision, clear instructions, and structured work systems than on inspirational leadership behaviors. Consequently, transformational leadership dimensions such as intellectual stimulation, inspirational motivation, and long-term vision may not directly translate into improved performance outcomes.

From a theoretical perspective, these findings suggest that the effectiveness of Transformational Leadership Theory may be contingent upon organizational context. While transformational leadership is often associated with improved employee performance, its influence may be less pronounced in manufacturing environments where operational discipline, standardized work procedures, and task compliance play a more dominant role. Therefore, this study extends the existing literature by demonstrating that the relationship between transformational leadership and employee performance may vary across different organizational settings and workforce characteristics.

The Effect of Organizational Culture on Employee Performance

The partial test results show a significance value of 0.000 (< 0.05) with a high positive beta coefficient ($\beta = 0.690$). Thus, it can be concluded that organizational culture has a positive and significant effect on employee performance. This finding is consistent with studies conducted by (Bijalwan et al., 2024; Mohammadi, 2020) which found that organizational culture has a positive and significant influence on improving employee performance. This result also aligns with Denison's Model of Organizational Culture, which emphasizes that a strong organizational culture—through involvement, consistency, adaptability, and mission clarity—can promote effective and productive work behaviors.

In manufacturing companies such as PT Wijaya Gyokai Indonesia, a clear and consistent work culture is essential in guiding the behavior of production employees. Shared organizational values have been proven to enhance employee performance.

The Simultaneous Effect of Transformational Leadership and Organizational Culture on Employee Performance

The simultaneous test (F-test) results indicate an F-value of 30.015 with a significance level of 0.000 (< 0.05). Therefore, it can be concluded that both independent variables jointly have a positive and significant effect on employee performance. This finding is consistent with studies conducted by (AL DHANHANI & Hazana ABDULLAH, 2020; Sihite, 2024) which reported that transformational leadership and organizational culture simultaneously have a positive and significant effect on employee performance.

The R-square value of 0.438 indicates that 43.8% of the variance in employee performance can be explained by transformational leadership and organizational culture, while the remaining 56.2% is influenced by other factors outside the research model. These findings indicate that although transformational leadership does not have a significant partial effect, its presence together with organizational culture still contributes to the improvement of employee performance.

CONCLUSION

Based on the results of data analysis, hypothesis testing, and discussions presented in the previous chapters, it can be concluded that transformational leadership does not have a positive or significant effect on employee performance at PT Wijaya Gyokai Indonesia. The negative regression coefficient indicates that an increase in transformational leadership tends to be associated with a decrease in employee performance. In contrast, organizational culture has a positive and significant effect on employee performance, meaning that improvements in organizational culture make a substantial contribution to enhancing employee performance. Furthermore, transformational leadership and organizational culture simultaneously have a significant effect on employee performance, indicating that

organizational culture plays a dominant role in supporting the overall effectiveness of leadership practices within the company.

From an implication perspective, the findings of this study indicate that transformational leadership is not the primary determinant of employee performance at PT Wijaya Gyokai Indonesia, particularly among production operators who require technical guidance, clear work procedures, and direct supervision. Therefore, the company is advised to strengthen an operational leadership approach through the provision of clearer and more structured work instructions. Organizational culture has been shown to be a key factor in improving employee performance, particularly through the cultivation of mutual trust, standardized work practices, and clarity of organizational rules.

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