THE INFLUENCE OF EMPOWERMENT AND TRANSFORMATIONAL LEADERSHIP ON MEMBER WELFARE WITH FARMERS GROUP PERFORMANCE AS A MEDIATION VARIABLE (CASE STUDY IN AMPAR ADHUM FARMERS GROUP)

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Abstract

DKI Jakarta faces the issue of low productivity in the agricultural sector, contributing only 0.49% to the regional economy and relying on food supplies from other regions up to 98% (BPS, 2021). The Ampar Adhum Farmer Group conducts integrated hydroponic farming activities in Cipinang Besar Utara, Jatinegara District, Jakarta, as an alternative food producer with a productivity rate of 70 kg/day. Since 2018, this farmer group has implemented an empowerment program aimed at improving the welfare of its members. This study aims to analyze the influence of empowerment and transformational leadership on the welfare of the Ampar Adhum Farmer Group members with performance as a mediating variable. The data analysis method used is Structural Equation Modelling (SEM) based on a Likert scale questionnaire distributed to all group members. Out of a total of 110 members, 54 were sampled for the study. The results indicate that empowerment does not significantly affect members' welfare, while transformational leadership has a significant impact. Furthermore, performance does not significantly mediate the effect of empowerment and transformational leadership on members' welfare.

Keywords: Empowerment, Agriculture, Leadership, Welfare, Jakarta

INTRODUCTION

Rapid urbanization in Jakarta has led to a significant increase in population. The city's main attractions include abundant job opportunities, extensive economic prospects, and continually developing urban infrastructure. Among the impacts of this urbanization are accelerated population density and the reduction of land due to massive construction. This population growth reflects Jakarta's economic progress significantly. As the capital of Indonesia and a major business hub, the city has experienced expansive development in real estate, infrastructure, and other strategic industries. Robust economic growth has also stimulated job creation through increased investment, attracting job seekers and improving their standard of living.

However, the rapid economic growth and urbanization in Jakarta present significant challenges. This condition has resulted in a reduction in green open spaces. Land that should be used for agriculture or productive food cultivation is often repurposed for housing, offices, or other infrastructure. The consequence is a decrease in agricultural land, which hampers local food production and reduces the availability of vital natural resources for agriculture.

According to data from the Central Bureau of Statistics (BPS) Jakarta, the area of agricultural land in Jakarta in 2021 was approximately 578.40 hectares, a 36.75 percent decrease compared to 914.51 hectares in 2020. The demand for land for housing, business, and infrastructure has led to converting agricultural land into residential or commercial complexes. As a result, green open spaces previously used for agriculture or public space have drastically decreased.

The role of the agricultural sector in Jakarta's economic structure is relatively small and continues to decline each year. According to BPS data for 2021, the agricultural sector contributes only 0.49 percent to Jakarta's economy. This minimal contribution is partly due to the limited agricultural land, which is increasingly converted for infrastructure and residential development. The consequence of the decline in agricultural land is a reduction in domestic food supply. Additionally, according to the Academic Manuscript on Food System Management in 2023, Jakarta's ability to meet its total food needs is only 2%, with the remainder depending on other regions.

In terms of demand, the population of DKI Jakarta ranges between 10.5 to 12 million people daily. Excess demand and insufficient supply will eventually lead to higher food commodity prices and increased inflation in the region. Therefore, the presence of agricultural efforts to enhance food supply is crucial both on an industrial and household scale.

In 2023, the area of Green Open Space (RTH) in DKI Jakarta reached only 5.18% of the total area, or equivalent to 33.33 million square meters, from a total area of Jakarta of 664.01 square kilometers. This figure indicates that the Jakarta provincial government needs to increase the quantity of RTH by 24.82% to meet the ideal standard. Green open spaces are targeted to reach at least 30 percent of the city area according to Law No. 26 of 2007. RTH also plays a vital role in maintaining ecological, socio-cultural, and aesthetic aspects in urban environments like Jakarta.

To increase the quantity of Green Open Space (RTH) and meet food needs in Jakarta, the Jakarta Provincial Government issued Governor's Instruction No. 14 of 2018 on urban agriculture implementation. This initiative aligns with the Jakarta City Medium-Term Development Plan (RPJMD) 2018-2030, which emphasizes the importance of utilizing vacant land to support RTH expansion. One of the prominent programs of the Jakarta City Agriculture Office is Urban Farming, an initiative to utilize narrow urban spaces without requiring extensive agricultural land. This program is not only suitable for densely populated cities but also contributes to enhancing food security, the economy, and family welfare. Additionally, Urban Farming supports the performance of farmer groups and poor families in developing their own agricultural enterprises.

The concept of Urban Farming in Jakarta is outlined in the RPJMD 2018-2030 as part of community empowerment strategies in agriculture aimed at improving overall welfare. In accordance with Regional Regulation No. 07 of 2002 on green open space management, agricultural green areas are considered a crucial component of RTH, where land is used for food crop cultivation. Moreover, Law No. 26 of 2007 on Green Open Space mandates the government to enhance community welfare through the provision of RTH, including the implementation of urban farming programs in Jakarta.

One successful Urban Farming group is the Ampar Adhum Farmer Group located in Cipinang Besar Utara, Jatinegara, Jakarta. Since 2018, this group has actively engaged in integrated hydroponic farming, producing vegetables such as pakcoy, mustard greens, pagoda, lettuce, spinach, celery, and others. Their agricultural output can reach approximately 70 kilograms per day. By increasing food production, group members can improve their welfare through the sale of their farm products.

Furthermore, through this program, Ampar Adhum Farmer Group members can reduce their daily expenses for purchasing vegetables since they can produce them themselves. As a result, their average welfare is expected to improve due to additional income from the sale of agricultural products or reduced monthly spending on vegetables.

Greblikaita et al. (2017) highlight the importance of a systematic approach to assessing social welfare and identifying factors affecting community empowerment programs. Islam (2015) also explains that welfare in a social context includes both subjective and objective aspects, social network development, community capability enhancement, social relationship and trust development, and income creation, all related to community empowerment. Findings by Lanjekar and Gaikwad (2022) confirm the impact of social welfare and community empowerment.

Several studies confirm the impact of empowerment or budget allocation on community welfare or the welfare of community group members. For example, Ambler et al. (2021) state that community empowerment among female farmer groups improves their access to life-supporting resources. Similarly, Boni et al. (2021) concluded that budget allocation for agricultural programs increased productivity by up to 124.8%. Setyowati et al. (2023) and Agustina et al. (2019) demonstrated the impact of community roles and empowerment programs on increasing welfare, both in terms of additional income and social welfare. These studies underline the role of empowerment in different case studies and leave room for further research on similar topics.

An important aspect to observe further is the role of local heroes or figures in the community empowerment process. Generally, these figures are initiators and drivers of activities within empowerment programs. Steinert (2016) explains that leadership is a crucial

element in community empowerment. A leader can provide initiation, coordination, and education to a community group (Watkins and Hooper, 2023).

Purwanti et al. (2023) detail the roles of leaders in community empowerment programs with a case study on a local actor in Tambi Village. They outline eight roles: 1) initiator, 2) motivator, 3) coordinator, 4) planner, 5) facilitator, 6) relations and communication, 7) educator, and 8) negotiator. Leadership in a community empowerment program accelerates economic transformation and ultimately improves community welfare in an area (Meitriana et al., 2019).

Based on information from the manager of the Ampar Adhum Farmer Group, members are given the freedom to participate in agricultural activities. They receive results based on their contributions to the planting process. Therefore, the more active members are in activities, the higher their income, making performance a significant factor in the financial impact experienced.

This study aims to determine the effect of empowerment and transformational leadership on the welfare of Ampar Adhum Farmer Group members. Additionally, performance is used as a mediating variable to enrich the understanding of causality between these two variables.

REVIEW OF LITERATURE

Empowerment and transformational leadership are pivotal in enhancing organizational and community welfare. Studies have shown that employee empowerment positively influences performance outcomes. For instance, Pinandita et al. (2020) found a significant positive effect of employee empowerment and motivation on performance within logistics companies. Similarly, Putri and Ardana (2016) highlighted that employee empowerment significantly improves performance and recommended that companies offer rewards and greater involvement opportunities to boost employee performance. In the context of public sector employees, Isrorina and Setyowati (2009) demonstrated that employee empowerment significantly affects organizational climate, though job characteristics and organizational climate had less significant effects on performance.

Transformational leadership has also been identified as a crucial factor in improving performance and welfare. Yamali (2018) observed that organizational culture positively influences expert performance, suggesting that a strong culture can enhance performance outcomes. Budiawan et al. (2015) found that nurse performance was significantly related to competence and motivation, further emphasizing the role of leadership in fostering an effective work environment. Additionally, Steinert (2016) and Purwanti et al. (2023) detailed the critical roles of leaders in community empowerment, including initiation, coordination, and education, which are essential for driving economic transformation and enhancing community welfare.

The impact of empowerment and leadership on community welfare is evident in various studies. Ambler et al. (2021) reported that community empowerment improved access to essential resources for female farmers, while Boni et al. (2021) noted that budget allocation for agricultural programs led to a significant increase in productivity. Setyowati et al. (2023) and Agustina et al. (2019) confirmed the positive effects of empowerment programs on both income and social welfare, indicating the broad benefits of such initiatives.

In summary, the literature supports the notion that empowerment and transformational leadership play vital roles in enhancing performance and welfare within community and organizational settings. The case of the Ampar Adhum Farmers Group in Jakarta, which utilizes hydroponic farming to counteract the decline in agricultural land, exemplifies the potential benefits of these approaches. Further research into how these variables interact and influence member welfare, with a focus on performance as a mediating factor, can provide valuable insights for improving community and agricultural outcomes in urban settings. Related to that review, the author proposes several hypotheses as follows.

H1: Empowerment has a positive effect on the welfare of members.

H2: Transformational leadership has a positive effect on the welfare of members.

H3: Empowerment has a positive effect on performance.

H4: Transformational leadership has a positive effect on performance.

H5: Performance has a positive effect on the welfare of members.

H6: Performance mediates the effect of empowerment on the welfare of members.

H7: Performance mediates the effect of transformational leadership on the welfare of members.

Subsequently, based on the preceding discussion, the conceptual framework of this study is presented in Figure 1 as follows:

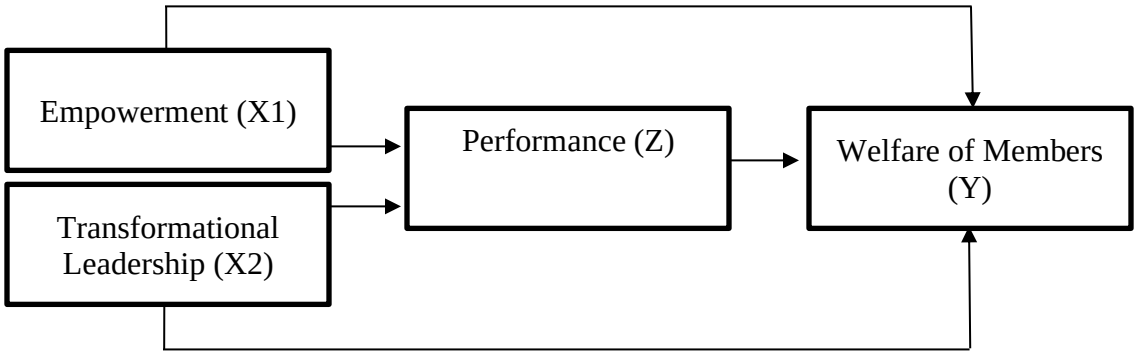

Figure 1.
Conceptual Framework

RESEARCH METHOD

The primary aim of this research is to examine the impact of empowerment and transformational leadership on the welfare of group members, with performance acting as a mediating variable. A quantitative research methodology is employed to address the research objectives. Structural Equation Modelling (SEM) is used to analyze the complex relationships between the variables in the study. Data was gathered through questionnaires distributed to members of the Ampar Adhum Farmers Group. The research was conducted at Ampar Adhum Farmers Group, located at Jl. Bekasi Timur IV No.28 RT 07 RW 08, East Jakarta, Special Capital Region of Jakarta. Data collection took place between May and June 2024.

Following Hair et al. (2011), the minimum sample size is determined by multiplying ten times the largest number of structural paths directed towards any latent construct in the model. Since the maximum number of structural paths directed to a single construct, performance, is three, the minimum sample size required is thirty. The study achieved a sample size of 54 respondents out of 110 group members, exceeding the minimum requirement.

RESULTS AND DISCUSSION

The gender distribution of the respondents shows a nearly equal split, with 51.9% male (28 individuals) and 48.1% female (26 individuals), indicating the inclusivity of the Ampar Adhum Farmers Group. Age-wise, the majority fall within the 21-30 age group (35.2%), followed by 41-50 (25.9%) and 51-60 (24.1%), while only 13% are in the 31-40 age group, possibly due to other job priorities. Educationally, most members have completed high school or undergraduate degrees (44.4%), with 11.2% having lower educational levels. Professionally, 50% are self-employed, 24.1% are employees, highlighting the group's flexibility in integrating farming with other occupations. Monthly income ranges from 1,000,000 to 25,000,000 rupiah, averaging 6,448,148.15 rupiah, with the highest income bracket between 2,000,000 to less than 5,000,000 rupiah (57.4%), and the second highest from 5,000,000 to less than 10,000,000 rupiah (29.6%). Monthly expenses range from 500,000 to 15,000,000 rupiah, with an average of 4,013,888.89 rupiah, leaving an average savings of 2,434,259.26 rupiah per month

Structural Equation Modeling (SEM) allows researchers to reduce the factors involved in explaining latent variables. Through the measurement model (outer loading), indicators that do not reflect the construction of latent variables are excluded from the research model. Initially, this study had 31 indicators or constructs with four latent variables. However, after evaluating the measurement model, the number of indicators was reduced to thirteen. In the subsequent discussion of the measurement and structural model evaluation, only indicators that meet the threshold according to the guidelines by Hair et al. (2021) are used in the research analysis.

To simplify naming, indicator codes are used. For the empowerment variable, the indicators are labeled P_1 and so on; for the leadership variable, the indicators are labeled KE_1 and so on; for the performance variable, the indicators are labeled KI_1 and so on; and for the welfare variable, the indicators are labeled KS_1 and so on. The naming of latent variables remains unchanged.

There are four latent variables in this study, consisting of exogenous and endogenous variables. Specifically, the performance variable acts as a mediating variable and plays the role of both exogenous and endogenous, as it involves the indirect influence between the

empowerment and transformational leadership variables on the welfare variable. The first evaluation of the measurement model is to test the loading factor values, which indicate how well an indicator reflects a variable. The minimum loading factor value is 0.7, thus indicators P_1, P_2, P_3, P_4, P_6, and P_8 for the empowerment variable; KE_2, KE_5, KE_8, KE_9, KE_11, and KE_12 for the leadership variable; KI_1, KI_3, and KI_5 for the performance variable; and KS_1, KS_3, and KS_4 for the welfare variable are excluded from the measurement model. The indicators that meet the minimum loading factor criteria are listed in Table 1.

Table 1.
Loading Factor

Indicators	Empowerment	Leadership	Performance	Welfare
P_5	0.920			
P_7	0.907			
KE_1		0.821		
KE_3		0.786		
KE_4		0.863		
KE_6		0.728		
KE_7		0.720		
KE_10		0.740		
KE_13		0.785		
KI_2			0.784	
KI_4			0.907	
KS_2				0.936
KS_5				0.801

Furthermore, the Composite Reliability (CR) value indicates the consistency of reliability testing. According to Hair et al. (2019), the minimum required value is 0.7, whereas a CR value of 0.6 for exploratory research methods is acceptable. Additionally, the Average Variance Extracted (AVE) value, which indicates the overall variation of the measurement items, must be greater than 0.5. Table 2 shows that all variables meet the necessary threshold values.

Table 2.
Composite Reliability and Average Variance Extracted

Variables	Composite Reliability	Average Variance Extracted (AVE)
Empowerment	0.910	0.834

Leadership	0.915	0.607
Performance	0.835	0.718
Welfare	0.862	0.759

Another test in the evaluation of the measurement model is discriminant validity, which assesses how each indicator can distinctly explain a variable compared to other latent variables. Table 3 shows a well-functioning discrimination model, where each variable allocates a higher variation of a measurement item to the indicators or measurement items that specifically measure it, and this principle applies inversely to other measurement items.

Table 3.
Fornell-Larcker Criterion

Variables	Leadership	Welfare	Performance	Empowerment
Leadership	0.779			
Welfare	0.557	0.871		
Performance	0.712	0.443	0.848	
Empowerment	0.771	0.294	0.611	0.914

Then, the first structural model evaluation involves measuring multicollinearity to ensure that parameter estimates are unbiased and that the standard error, confidence interval path coefficients, and hypothesis testing results are accurate. Table 4.8 presents the Variance Inflation Factor (VIF) values for each indicator, all of which are below 4, indicating low multicollinearity symptoms.

Table 4.
Variance Inflation Factor

Indicators	VIF
P_5	1.812
P_7	1.812
KE_1	2.584
KE_10	1.994
KE_13	2.040
KE_3	2.632
KE_4	3.499
KE_6	1.728
KE_7	1.700
KI_2	1.253
KI_4	1.253
KS_2	1.411
KS_5	1.411

The results of the path coefficients shown in Table 5 indicate the magnitude of changes in the endogenous or dependent variables due to changes in the exogenous or independent variables. These results reflect the direct effects, which are derived from testing the probability value (p-value). The reference alpha values are 1%, 5%, and 10%, or a t-statistic value of 1.96. If a variable has a p-value smaller than 1%, 5%, or 10%, it indicates a statistically significant effect.

Table 6 shows that the empowerment variable does not exhibit a significant effect on the performance variable, with a coefficient value of (0.151) and a p-value of (0.367). However, there is statistically significant negative influence between the empowerment variable and the welfare variable, with a coefficient value of (-0.353) and a p-value of (0.034). Furthermore, the leadership variable has a positive and significant effect on both performance and welfare, with both having a p-value of 0.000, indicating significance at the 1% level with coefficient values of (0.596) and (0.730), respectively. Lastly, the performance variable does not demonstrate a significant effect on welfare, with a p-value of 0.366.

Table 5.
Path Coefficient

Variables	Original Sample	Sample Mean	Standard Deviation	T Statistics	P Values
Empowerment -> Performance	0.151	0.155	0.168	0.903	0.367
Empowerment -> Welfare	-0.353	-0.361	0.166	2.120	0.034
Leadership -> Performance	0.596	0.607	0.161	3.698	0.000
Leadership -> Kesejahteraan	0.730	0.738	0.161	4.551	0.000
Performance -> Welfare	0.138	0.158	0.152	0.905	0.366

Based on the test results, it can be concluded that the transformational leadership variable has a positive and significant effect on performance and welfare, thereby accepting the research hypothesis. However, the empowerment variable does not influence the performance variable, and its negative correlation with the welfare variable leads to the rejection of both related hypotheses. Additionally, the performance variable does not significantly affect the welfare variable, thus rejecting the related hypothesis. A summary of the hypothesis testing results is presented in Table 6.

Table 6.

Hypothesis Testing Result

Variables	Original Sample	T Statistics	P Values	Results
Empowerment -> Performance	0.151	0.903	0.367	Rejected
Empowerment -> Welfare	-0.353	2.120	0.034	Rejected
Leadership -> Performance	0.596	3.698	0.000	Accepted
Leadership -> Welfare	0.730	4.551	0.000	Accepted
Performance -> Welfare	0.138	0.905	0.366	Rejected

This study uses performance as a mediating variable between the independent variables (empowerment and transformational leadership) and the dependent variable (welfare). Table 7 illustrates that the p-values for the effect of empowerment on welfare through performance (0.632) and for the effect of transformational leadership on welfare through performance (0.44) are both greater than the alpha value of 5%. Therefore, it can be concluded that performance does not significantly mediate the effects of empowerment and transformational leadership on welfare.

Table 7.

Indirect Effects

Variables	Original Sample	Sample Mean	Standard Deviation	T Statistics	P Values
Empowerment -> Performance-> Welare	0.021	0.024	0.044	0.479	0.632
Leadership-> Performance-> Welfare	0.082	0.096	0.106	0.772	0.440

The magnitude of direct and indirect effects, as previously mentioned, can be explained through the range of confidence intervals as shown in Table 8. For instance, the effect of the leadership variable on performance has an impact value ranging from 0.275 at the 2.5% confidence level to 0.877 at the 97.5% confidence level.

Table 8.

Confidence Interval

Variabel	Original Sample	Sample Mean	2.5%	97.5%
Empowerment -> Performance	0.151	0.155	-0.161	0.493

Variabel	Original Sample	Sample Mean	2.5%	97.5%
Empowerment -> Welfare	-0.353	-0.361	-0.690	-0.054
Leadership -> Performance	0.596	0.607	0.275	0.877
Leadership -> Welfare	0.730	0.738	0.411	1.038
Performance -> Kesejahteraan	0.138	0.158	-0.148	0.444
Kepemimpinan -> Kinerja -> Welfare	0.082	0.096	-0.089	0.342
Empowerment -> Performance -> Welfare	0.021	0.024	-0.048	0.125

After evaluating the measurement and structural models, the path diagram model according to the exogenous and endogenous variables used in this study is as follows:

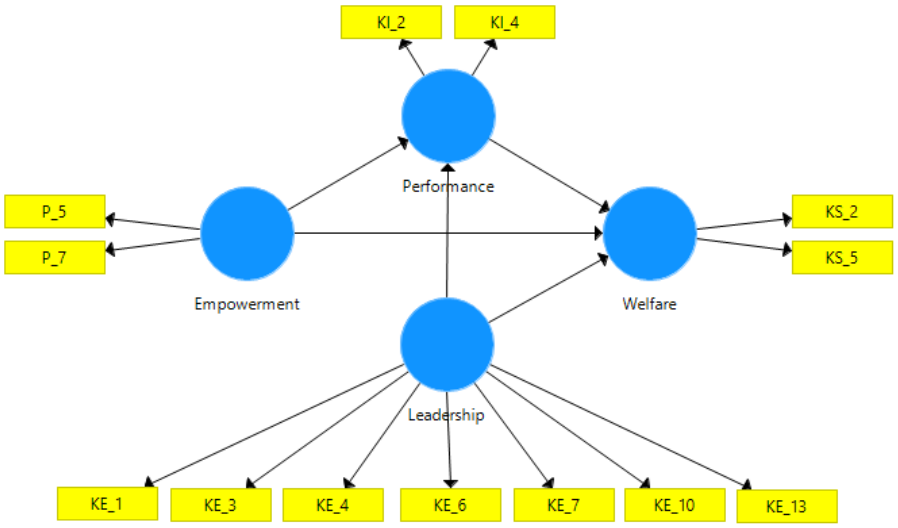

Figure 2.

Structural Equation Modelling (SEM) Diagram

To ensure a robust predictive model, several parameters need to be statistically tested. The first evaluation of model fit is the coefficient of determination, which indicates the extent of influence that exogenous variables have on endogenous variables within a model. According to Hair et al. (2021), an R^2 value of 0.25 or less indicates weak influence, while values of 0.5 and 0.75 indicate moderate and strong influence, respectively. Table 9 illustrates that the exogenous variables of empowerment and leadership explain 49.8% of the variance in performance, while the exogenous variables explain 32.5% of the variance in welfare.

Table 9.
Coefficient of Determination

Variables	R Square	R Square Adjusted
Performance	0.517	0.498
Welfare	0.364	0.325

Next, the Q^2 value is a parameter indicating predictive relevance. The statistical results in Table 10 show that the Q^2 values for performance and welfare are 0.335 and 0.25, respectively. These values are greater than 0, suggesting that the variables of empowerment and leadership have a moderate predictive ability, and including performance as a variableresults in a predictive strength approaching moderate for the changes in the exogenous variables under study.

Table 10.
Q Square

Variables	SSO	SSE	Q^2 (=1-SSE/SSO)
Empowerment	108	108	
Leadership	378.000	378.000	
Performance	108.000	71.115	0.342
Welfare	108.000	84.301	0.219

Another parameter for evaluating model fit is the Normed Fit Index (NFI), which describes model fit when the value approaches 1. Table 11 shows an NFI value of 0.68, indicating that the model fit is in the moderate to high range. Furthermore, the Standardised Root Mean Square Residual (SRMR) represents the fit of the model's estimated correlation matrix with the empirical data matrix. According to Hu and Bentler (1999), an SRMR value of less than 1 categorizes the model as fit; the value of 0.093 in Table 12 meets this criterion.

Table 11.
Model Fit - Normed Fit Index (NFI) and SRMR

Model Fit	Saturated Model	Estimated Model
NFI	0.683	0.683
SRMR	0.093	0.093

Additionally, to measure and ensure the strength of PLS as a predictive SEM, parameters like Root Mean Squared Error (RMSE) and Mean Absolute Error (MAE) are considered. These parameters complement the evaluation of the coefficient of determination discussed earlier. To verify this, the RMSE and MAE values in PLS are expected to be lower than those in LM (Linear Regression Model). Table 12 shows that the overall RMSE and

MAE values in PLS SEM are smaller than those in LM, leading to the conclusion that the predictive model possesses strong predictive strength.

Table 12.
PLS Predict

Indicators	PLS SEM		LM	
	RMSE	MAE	RMSE	MAE
KI_2	0.446	0.322	0.483	0.348
KI_4	0.521	0.351	0.625	0.418
KS_2	0.575	0.49	0.653	0.549
KS_5	0.838	0.661	0.967	0.745

From the two exogenous variables tested for their influence on the endogenous variable, the variable of empowerment exhibited a different direct impact compared to the variable of leadership. Specifically, the influence of empowerment on performance did not yield significant results, despite showing a positive correlation. Although varying in levels of significance, these findings align with the studies by Isrorina and Setyowati (2009), Putri and Ardana (2016), and Pinandita et al. (2020).

The empowerment theory articulated by Thomas and Velthouse (1990) asserts that increased awareness and self-confidence through mentoring and training can enhance perceptions related to one's capacity and performance. However, an unfavorable work environment and insufficient resources can hinder the expected positive effects of empowerment on performance (Conger and Kanungo, 1988). These findings underscore the importance of additional factors such as organizational support, specifically within the Ampar Adhum Farmers Group.

The influence of empowerment on welfare was statistically significant but negatively correlated. This conclusion, being limited to correlation rather than causation, necessitates a deeper exploration to identify other factors influencing the impact of empowerment on the welfare of farmers' group members in more detail. Furthermore, future research should investigate potential indications of counterproductive factors within the parameters used to measure the empowerment variable that might affect welfare.

Findings by Yamali (2018) and Lotunani et al. (2014) demonstrated that transformational leadership positively and significantly impacts performance. The results of the direct effect test in this study support these findings, showing a significant positive

influence of leadership on performance. Leaders, in this case, the Head of the Farmers Group, can inspire, motivate, and clearly internalize the vision and mission to the group members, as proposed by transformational leadership theory (Bass, 1985).

A leader capable of creating a supportive work environment, providing rewards, and encouraging active employee engagement can optimize employee potential and enhance overall organizational performance (Avolio and Bass, 1991). These findings are consistent with previous studies indicating that effective leadership has a stronger impact on performance outcomes compared to mere employee empowerment (Isrorina and Setyowati, 2009; Putri and Ardana, 2016; Pinandita et al., 2020).

The indicators explaining the latent variable of leadership, as revealed through factor analysis, describe several aspects: the exemplary behavior of the group leader, clear communication of vision and mission by the group leader, the inspiration provided by the group leader, the leader's understanding of group members' characteristics, the leader's ability to plan group activities, the leader's networking ability with external parties, and the use of information technology to improve group welfare. These factors reflect the implementation of transformational leadership within the Ampar Adhum Farmers Group.

The results indicate that transformational leadership not only positively affects performance but also welfare. Both show significant influences, with the statistical t-value being higher for welfare. This finding aligns with Yamali's (2018) study, which stated that organizational culture influenced by leadership positively impacts welfare. As explained by Avolio and Bass (1994), leadership that enhances work spirit and helps organizational members reach their full potential positively impacts their overall welfare.

Moreover, this study indicates no positive and significant direct effect of performance on welfare. Good performance does not always result in increased welfare. According to the job demands-resource theory by Bakker and Demerouti (2007), welfare is related to job demands and job resources. If job demands are high but available resources, such as social support, autonomy, and opportunities for self-development, are low, employee welfare can be negatively affected, even if performance remains good.

The role of Farmers Group performance as a mediating variable between the influence of empowerment and leadership on welfare was not statistically significant. In this context,

the mediating variable elucidates the mechanism underlying the relationship between the independent and dependent variables. A mediating variable functions as an intermediary that transfers the effect from the independent variable to the dependent variable.

The insignificant mediating effect indicates that the influence of empowerment directly impacts welfare, rendering the involvement of performance as a variable insignificant. Empowerment also grants group members control over their tasks. Additionally, leadership underscores that transformational leadership provides group members with effective task allocation at each stage of farming, thereby impacting their welfare.

Based on Social Exchange Theory developed by Homans (1961), Emerson (1964), and Blau (1964), social relationships are built on the exchange of resources deemed valuable by both parties. In the process of agricultural activities, there is no commensurate recognition when there is an increased contribution from the farmers' group members. Therefore, inadequate reciprocal relationships can explain why performance does not significantly mediate the relationship between empowerment and leadership on welfare.

CONCLUSION

Based on the findings and analysis discussed previously, the conclusions of this study are as follows:

1. There is a significant negative impact between empowerment and welfare. This indicates that increased empowerment actually reduces the welfare of members.
2. The study reveals a significant positive impact of transformational leadership on welfare, meaning that improvements in transformational leadership significantly enhance member welfare.
3. Empowerment does not have a significant effect on performance. Although there is a small positive correlation between empowerment and performance, increased empowerment does not significantly improve performance.
4. The study show that transformational leadership has a significant positive effect on performance. This implies that when transformational leadership is enhanced, group performance also significantly improves.

5. There is no significant impact of performance on welfare. Despite a small positive correlation, improvements in performance do not significantly increase member welfare.
6. Performance does not significantly mediate the relationship between empowerment and welfare. This indicates that changes in performance do not play a significant role in bridging the relationship between empowerment and member welfare.
7. Performance does not significantly mediate the relationship between transformational leadership and welfare. This suggests that changes in performance do not significantly act as an intermediary between the effects of transformational leadership and member welfare.

Based on the findings and analysis, several recommendations are proposed for advancing agricultural programs within the Ampar Adhum Farmers Group and for future research. It is crucial for the group to evaluate the effectiveness of its empowerment programs, particularly those aimed at improving performance and member contributions throughout integrated agricultural activities. The factor analysis highlights the need to address aspects such as increasing awareness of the importance of group activities and enhancing self-confidence within the program's content delivery.

Additionally, the role of the Group Leader in facilitating integrated agricultural activities should be further optimized. Current indicators of transformational leadership suggest that the leader effectively serves as a role model, inspires, and communicates the organization's vision and mission. To improve economic and social welfare, it is recommended to expand community participation through effective outreach efforts. For future research, employing a quasi-experimental approach could provide measurable economic impacts by comparing the effects on participating versus non-participating communities, thus enabling a quantitative assessment of the integrated agricultural empowerment programs' impact on member welfare.

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