

THE EFFECT OF TRANSFORMATIONAL LEADERSHIP AND INTRINSIC MOTIVATION ON EMPLOYEE PERFORMANCE WITH WORK DISCIPLINE AS AN INTERVENING VARIABLE ON EMPLOYEES IN THE PLANNING FIELD, THE FIELD DISTRIBUTION AND COMMERCE AND MANAGEMENT FIELDS CUSTOMERS AT PT PLN (PERSERO) UID NORTH SUMATRA

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ABSTRACT

This research seeks to explore how transformational leadership and intrinsic motivation impact employee performance, with work discipline serving as a mediating variable, among workers in the Planning, Distribution, and Commerce and Customer Management Divisions at PT PLN (Persero) UID North Sumatra. A quantitative methodology was employed via a survey approach. The entire workforce of 99 employees was included through a saturated sampling strategy. Data was gathered using a questionnaire, and the analysis was carried out using Structural Equation Modeling based on Partial Least Squares (SEM-PLS). The findings show that transformational leadership and intrinsic motivation positively and significantly influence both work discipline and employee performance. Additionally, work discipline has a positive and significant impact on employee performance and functions as a mediating factor in the connection between transformational leadership and intrinsic motivation concerning employee performance. These results support the idea that enhancing employee performance can be achieved through the application of transformational leadership and boosting intrinsic motivation, backed by effective work discipline.

Introduction

In a large entity like PT PLN (Persero) UID North Sumatra, which engages in complex operations in Planning, Distribution, Customer Management, and Trading, strong leadership is crucial. Leaders must guide, motivate, and develop staff to foster a strong dedication to organizational goals. Transformational leadership, which focuses on idealistic influence, inspirational motivation, intellectual stimulation, and personalized attention, aligns with contemporary organizational needs (Bass & Riggio, 2018). This leadership style not only aims to achieve work targets but also strives to create a sense of

ownership, increase work enthusiasm, and raise employee awareness of their contribution to organizational success. In addition to leadership, intrinsic motivation is a key element in improving employee performance. This motivation stems from an individual's internal desire to excel because they find their tasks meaningful, challenging, and satisfying (Deci & Ryan, 2020). Workers with high intrinsic motivation typically demonstrate strong commitment, loyalty, and accountability without relying on external rewards. In the PLN workplace, particularly in technical and public service roles, intrinsic motivation significantly influences stable performance despite operational pressures and public service expectations. However, the positive effects of transformational leadership and intrinsic motivation on performance will not reach their peak unless combined with a strong sense of work discipline. Work discipline indicates how well employees comply with organizational policies, procedures, and work standards while consciously committing to consistently carrying out their duties responsibly (Mangkunegara, 2017). Those with high levels of discipline often demonstrate regularity, punctuality, and consistency in their work, leading to superior performance. Furthermore, work discipline serves as a link between motivation and performance, as high enthusiasm does not guarantee effective results without discipline (Mangkunegara, 2017). Empirical research shows that in various departments at PT PLN (Persero) UID North Sumatra, problems such as tardiness, failure to follow operational protocols, lack of initiative, and decreased motivation due to excessive workload persist. This situation indicates a gap between management expectations and actual employee performance. Therefore, research is needed to analyze how transformational leadership and intrinsic motivation influence performance, with work discipline acting as an intermediary variable. Previous studies have produced mixed results. Yukl (2019) and Avolio and Bass (2018) stated that transformational leadership improves performance by increasing employee motivation and discipline (Yukl, 2019; Avolio & Bass, 2018). Conversely, a study by Suhariadi (2020) showed that intrinsic motivation influences performance by strengthening discipline and accountability in the workplace (Suhariadi, 2020). Furthermore, a study by Rahmawati et al. (2021) showed that the impact of motivation on performance was not consistently significant without including mediating factors such as work discipline (Rahmawati et al., 2021). These findings highlight the important role of work discipline as a mediating factor in the interaction between leadership, motivation, and employee performance. This research relates to PT PLN (Persero) UID North Sumatra, specifically the Planning, Distribution, and Trading Departments, and Customer Management, as these three departments are crucial in delivering and distributing electricity to the public. Practically, the results of this study are expected to assist PLN leaders in developing strategies that improve employee performance more efficiently and sustainably. To strengthen the research aspect, the researcher conducted an initial survey involving 30 employees, using three statements for each variable as the basis for initial data collection.

Table 1.Pre -Survey Transformational Leadership (X1)

No	Related Statements Transformational Leadership	Yes	Percentage	No	Percentage
1	I feel proud to be part of this organization.	10	33,3%	20	66,7%
2	I still want to work in this organization because I have invested a lot in it (time, energy, and experience).	13	43,3%	17	56,7%
3	I feel I have a moral obligation to continue working in this organization.	7	26,7%	23	76,7%

Initial survey results indicated that most participants exhibited minimal feelings of attachment and pride in their company. Specifically, 66.7% of staff stated they felt no pride in their association with the organization, while 56.7% stated they lacked a strong desire to remain with the organization despite the time, effort, and experience they had dedicated. Furthermore, 76.7% of employees felt no moral obligation to continue working for the organization. These results suggest that employee dedication remains low and greater focus is needed to enhance employee belonging, loyalty, and emotional attachment to the company.

Table 2 Pre -Survey Intrinsic Motivation (X2)

No	Related Statements Intrinsic Motivation	Yes	Percentage	No	Percentage
1	I feel happy when I do my job.	14	46,7%	16	53,3%
2	My job duties push me to keep growing.	9	30%	21	70%
3	I feel satisfied when I successfully complete a job well.	5	16,7%	25	83,3%

Initial survey results indicate that employee intrinsic motivation remains relatively low. As many as 53.3% of employees are unhappy with their jobs, and 70% feel that the tasks assigned do not encourage their development. Furthermore, job satisfaction levels are also low, as indicated by 83.3% of respondents who feel dissatisfied even after successfully completing their work. These findings indicate that employees' internal drive for optimal performance remains underdeveloped and requires improvement through career development, appreciation, and more challenging and meaningful work design.

Table 3 Pre -Survey Work Discipline (Z)

No	Related Statements Work Discipline	Yes	Percentage	No	Percentage
1	I follow all applicable work regulations.	14	46,7%	16	53,3%
2	I complete the task according to the responsibilities given.	9	30%	21	70%
3	I always arrive on time according to work schedule.	5	16,7%	25	83,3%

Initial survey results indicate that employee intrinsic motivation remains relatively low. As many as 53.3% of employees are unhappy with their jobs, and 70% feel that the tasks assigned do not encourage their development. Furthermore, job satisfaction levels are also low, as indicated by 83.3% of respondents who feel dissatisfied even after successfully completing their work. These findings indicate that employees' internal drive for optimal performance remains underdeveloped and requires improvement through career development, appreciation, and more challenging and meaningful work design.

Table 4 Pre -Survey Employee Performance (Y)

No	Related Statements Employee Performance	Yes	Percentage	No	Percentage
1	My work results meet the quality standards set by the organization.	13	43.3%	17	56.7%
2	I am able to complete the work according to the targeted amount.	15	50%	15	50%
3	I finished the work on time.	12	40%	18	60%

The pre-survey results indicated that employee performance was still suboptimal. 56.7% of employees assessed their work output as not meeting the organization's quality standards. Regarding task completion, employees were evenly distributed, with 50% meeting targets while the other 50% failed to do so. Furthermore, 60% of employees reported being unable to complete work on time, indicating challenges in time management and work effectiveness. Overall, these findings indicate that employee performance still needs to be improved through coaching, competency development, and better workload management. After conducting a pre-survey to strengthen the background, the researchers also provided employee performance data to employees in the planning, distribution, and commerce and customer management divisions at PT PLN (Persero) UID North Sumatra to ensure that any performance issues occurred. This will be presented in tables and figures to indicate whether performance is good, poor, or not. The table is as follows:

Table 5 Employee Performance Results in 2024

No	Strategic Objective	KPI / Deliverable	Weight	Target	Planning (58 Employee)	Distribution (67 Employees)	Commerce & Customer Management (47 Employees)
1	Employee Attendance	% Employee Attendance	25%	97%	80%	72%	83%
2	Work Completion	% Task Completed	25%	100%	70%	65%	75%
3	Work Quality	% Output Meets Standard	20%	100%	73%	69%	78%
4	SOP Compliance	% Compliance	20%	100%	75%	67%	79%
5	Coordination & Reporting	Report & Meeting Timeliness	10%	100%	68%	66%	72%
—	Average Achievement	—	100%	—	72%	68%	74%
—	2024 Performance Category	—	—	—	Not good	Not good	Good Enough (low)

The 2024 performance evaluation results show that all three divisions at PT PLN (Persero) UID North Sumatra remain in the unsatisfactory range. The Planning Division received an average score of 72%, primarily due to inadequate task completion and inaccurate reporting. The Distribution Division had the lowest score of 68%, facing significant challenges related to employee attendance, task fulfillment, and adherence to standard operating procedures. Meanwhile, the Trading and Customer Management Division achieved the highest score of 74%, but was still considered satisfactory because various factors, including attendance and reporting accuracy, fell short of targets. In summary, these findings highlight the need to improve work discipline, productivity, and adherence to procedures across all divisions.

Problem Formulation

1. Does transformational leadership have a positive and significant effect on employee performance at PT PLN (Persero) UID North Sumatra?
2. Does intrinsic motivation have a positive and significant effect on employee performance at PT PLN (Persero) UID North Sumatra?
3. Does transformational leadership have a positive and significant effect on employee work discipline at PT PLN (Persero) UID North Sumatra?
4. Does intrinsic motivation have a positive and significant effect on employee work discipline at PT PLN (Persero) UID North Sumatra?
5. Does work discipline have a positive and significant effect on employee performance at PT PLN (Persero) UID North Sumatra?
6. Does transformational leadership have a positive and significant effect on employee performance with work discipline as an intervening variable at PT PLN (Persero) UID North Sumatra?
7. Does intrinsic motivation have a positive and significant effect on employee performance with work discipline as an intervening variable at PT PLN (Persero) UID North Sumatra?

Research Objectives

1. To test and analyze the effect of transformational leadership on employee performance at PT PLN (Persero) UID North Sumatra.
2. To test and analyze the effect of intrinsic motivation on employee performance at PT PLN (Persero) UID North Sumatra.
3. To test and analyze the effect of transformational leadership on work discipline at PT PLN (Persero) UID North Sumatra.
4. To test and analyze the effect of intrinsic motivation on work discipline at PT PLN (Persero) UID North Sumatra.
5. To test and analyze the effect of work discipline on employee performance at PT PLN (Persero) UID North Sumatra.
6. To test and analyze the effect of transformational leadership on employee performance with work discipline as an intervening variable at PT PLN (Persero) UID North Sumatra.
7. To test and analyze the effect of intrinsic motivation on employee performance with work discipline as an intervening variable at PT PLN (Persero) UID North Sumatra.

Benefit Research

This study is expected to provide theoretical and practical advantages, which are summarized as follows:

1. Theoretical Advantages

- This study is expected to increase academic knowledge and improve research in the field of human resource management, particularly regarding how transformational leadership, intrinsic motivation, work discipline, and employee performance are interrelated.

- The results of this study can serve as a scientific reference for future researchers who are interested in exploring the relationship between leadership, motivation, work discipline, and employee performance, especially in public sector organizations and state-owned enterprises.
- This study is also expected to expand the existing literature on the significance of intervening variables, offering a more complete understanding of how leadership and intrinsic motivation improve employee performance through work discipline.

2. Practical Advantages

- For the management team at PT PLN (Persero) UID North Sumatra, these findings are predicted to provide information for strategic human resource management decision-making, particularly regarding the development of transformational leadership and increasing employee motivation.
- This research can provide guidance for leaders at PT PLN (Persero) in efforts to improve employee work discipline through continuous training, effective supervision, and the establishment of a fair and targeted reward system to encourage optimal performance.
- For employees, these findings are expected to be a source of motivation and reflection to improve their discipline, work ethics, and accountability in fulfilling their responsibilities in the workplace.
- For academics and researchers, this study can serve as a comparative tool and empirical reference source for further research exploring similar issues with different objectives and contexts.

Employee Performance

According to Armstrong and Taylor (2019), employee performance is the result of a person's ability, effort, and opportunity in carrying out their duties and responsibilities. Performance encompasses work behavior and results achieved within a certain period according to standards set by the organization. According to Gibson, Ivancevich, Donnelly, and Konopaske (2019), employee performance is the work behavior results of an individual related to the achievement of organizational goals. Performance reflects the real contribution of an employee towards achieving organizational targets, efficiency, and effectiveness.

Transformational Leadership

According to Yukl (2019), transformational leadership is a process in which a leader influences subordinates by creating changes in values, beliefs, and needs, so that employees work beyond personal interests for the sake of the organization's interests.

According to Avolio and Bass (2019), transformational leadership is a leadership style focused on the leader's ability to inspire followers through vision, provide moral encouragement, raise awareness, and develop subordinates' potential to achieve common goals.

Indicators of Transformational Leadership

According to Bass & Avolio (2019), the indicators in this research are as follows:

1. Idealized Influence , the leader becomes a role model and is respected by subordinates.
2. Inspirational Motivation , the leader provides a clear vision and spirit.
3. Intellectual Stimulation , the leader encourages creativity and innovation in subordinates.
4. Individualized Consideration , the leader pays attention to the needs and potential of individual employees.

Intrinsic Motivation

According to Schunk, Pintrich, and Meece (2019), intrinsic motivation is motivation that arises when a person engages in an activity because of personal interest, curiosity, and enjoyment in the learning or working process itself. According to Gagné and Deci (2019), intrinsic motivation is a drive that arises from within an individual to perform an activity because the activity is felt to be enjoyable, challenging, or provides personal satisfaction, not because of external rewards.

Indicators of Intrinsic Motivation

According to Gagné & Deci (2019), indicators of Intrinsic Motivation:

1. Enjoyment at work.
2. Challenge seeking.
3. Personal satisfaction.
4. Autonomy in performing tasks.
5. Growth and learning desire.

Work Discipline

According to Siagian (2019), work discipline is a form of self-control and a person's willingness to obey all provisions set by the organization with full awareness, not due to coercion. According to Sutrisno (2019), work discipline is an attitude of obedience, responsibility, and compliance of a person to work rules and norms applicable in the organization to achieve work effectiveness and efficiency.

Indicators of Work Discipline

According to Sutrisno (2019), indicators of Work Discipline:

1. Compliance with work regulations.
2. Responsibility for assigned tasks.
3. Attendance and punctuality.
4. Obedience to leaders' instructions.
5. Discipline in the use of work time.

Conceptual Framework

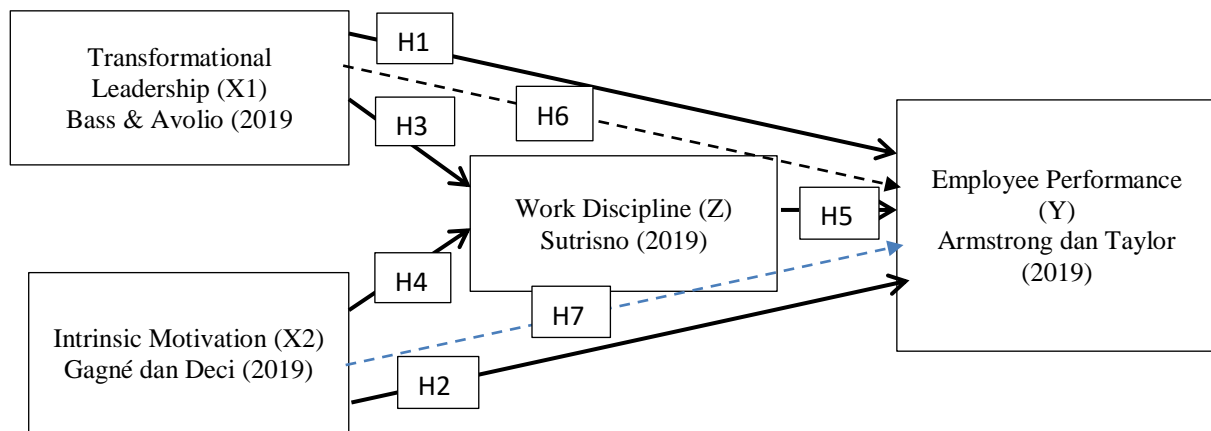


Figure I Conceptual Framework

Research Hypotheses

1. Transformational leadership has a positive and significant effect on employee performance at PT PLN (Persero) UID North Sumatra.
2. Intrinsic motivation has a positive and significant effect on employee performance at PT PLN (Persero) UID North Sumatra.
3. Transformational leadership has a positive and significant effect on employee work discipline at PT PLN (Persero) UID North Sumatra.
4. Intrinsic motivation has a positive and significant effect on employee work discipline at PT PLN (Persero) UID North Sumatra.
5. Work discipline has a positive and significant effect on employee performance at PT PLN (Persero) UID North Sumatra.
6. Transformational leadership has a positive and significant effect on employee performance with work discipline as an intervening variable at PT PLN (Persero) UID North Sumatra.
7. Intrinsic motivation has a positive and significant effect on employee performance with work discipline as an intervening variable at PT PLN (Persero) UID North Sumatra.

Research Methodology

Types of research

This research uses a quantitative method with an associative approach. The quantitative approach aims to objectively evaluate theories by quantifying the relationships between variables, which are represented as numbers and analyzed using statistical methods. The associative method seeks to establish the relationships and influences between several variables under study (Creswell, 2019).

Research Location and Time

This research was conducted at PT PLN (Persero) Main Distribution Unit of North Sumatra, Jl. KL. Yos Sudarso No.284, Glugur Kota, Medan Barat District, Medan City, North Sumatra 20238 (PLN UID North Sumatra Office), focusing on employees of the Planning Division, Distribution Division, and Commerce and Customer Management Division. The research time was carried out from November to December 2025.

Research Population and Sample

The population in this study were all employees of PT PLN (Persero) UID North Sumatra working in the Planning Division, totaling 99 respondents, the Distribution Division, and the Commerce and Customer Management Division. According to Sugeng et al. (2019), a population is the entire object of the researcher's attention to be studied and used as the basis for drawing conclusions. The sampling technique used was saturated sampling (census sampling), meaning all population members were used as samples because the population number is relatively limited and considered to be representative as a whole (Sekaran & Bougie, 2019). The sample used was 99 respondents.

Data source

The data sources in this study consist of:

1. Primary data, collected directly from respondents through questionnaires distributed to employees of PT PLN (Persero) UID North Sumatra.
2. Secondary data, which consists of additional information collected from the company, such as employee performance reports, organizational charts, and other relevant documents related to the research.

Data collection technique

Information was collected through a closed-ended survey administered directly to participants. The survey was structured using a five-point Likert scale, from 1 to 5. A survey is a data collection tool that includes a series of organized questions aimed at gathering specific information from participants and is commonly used in research related to organizations and management to produce quantitative data that can be analyzed statistically (Malhotra, 2019). Data Presentation Method To facilitate systematic and structured understanding, the data obtained in this study are presented in the form of tables and visualizations in the form of images.

Statistical Data Examination

The statistical evaluation in this study was conducted using the Structural Equation Modeling method based on Partial Least Squares (SEM-PLS). The analysis stages following the PLS approach consist of:

1. External Model Inspection

The purpose of external model validation is to determine the suitability of the applied measurement instrument, ensuring that the research indicators meet validity and reliability criteria. Various tests conducted in this analysis include:

- a. Convergent validity evaluates the loading factor value between the latent variables and their respective indicators, with a target value above 0.70.
- b. Discriminant validity examines cross-loading values to verify that each construct maintains an appropriate level of differentiation. This involves comparing the loading values of indicators on the construct in question, ensuring that they exceed the loading values of other constructs.
- c. Composite reliability assesses the reliability of the construct, where a value above 0.70 indicates a strong level of reliability.
- d. Average Variance Extracted (AVE) serves as a measure of the portion of indicator variance that can be explained by the latent construct, with a minimum acceptable threshold of 0.50.
- e. Cronbach's Alpha evaluates internal consistency to strengthen composite reliability findings, with the minimum acceptable value set at 0.60 (Husein, 2015).

2. Internal Model Check

Internal model testing is used to investigate the structural relationships between latent constructs within the research framework. The testing stages include:

- a. Assess the R-squared value for each dependent variable as an initial measure in analyzing the robustness of the structural model. The R-squared value reflects the ability of the independent variables to explain variation in the dependent variable. Variations in the R-squared value help evaluate the extent of influence between constructs in the model.
- b. Evaluation of the structural model also takes into account the absence of multicollinearity, a situation where two or more independent variables show a high correlation that can reduce the predictive ability of the model.
- c. The next stage involves bootstrapping to obtain path coefficient estimates and the significance of the relationships between latent variables. The relationship between constructs is considered significant if the t-statistic value exceeds 1.96 (Ghozali et al., 2015).

Hypothesis Validation

In this study, hypothesis validation relies on the t-statistic and the probability value (p-value). The hypothesis testing criteria used are as follows:

1. With a significance threshold of 5%, the reference t-statistic value is 1.96.
2. The hypothesis is accepted if the t-statistic value exceeds 1.96.
3. The hypothesis is also accepted if the probability value (p-value) is lower than 0.05 (Husein, 2015).

Results and Discussion

Outer Model Analysis

Measurement model testing, also known as external model testing, is used to analyze the relationship between latent variables and their indicators. This process includes examining convergent validity, discriminant validity, and construct reliability.

1. Convergent Validity

In a measurement model using reflective indicators, convergent validity is evaluated through the relationship between indicator scores and latent construct scores. An indicator is considered reliable if its loading value exceeds 0.70. However, for research still developing its instrument, loading values ranging from 0.50 to 0.60 can be considered acceptable. External loading tests indicate that several indicators exhibit loading values below 0.60 and are insignificant, thus requiring further assessment of these indicators. The structural model used in this study is shown in the figure below.

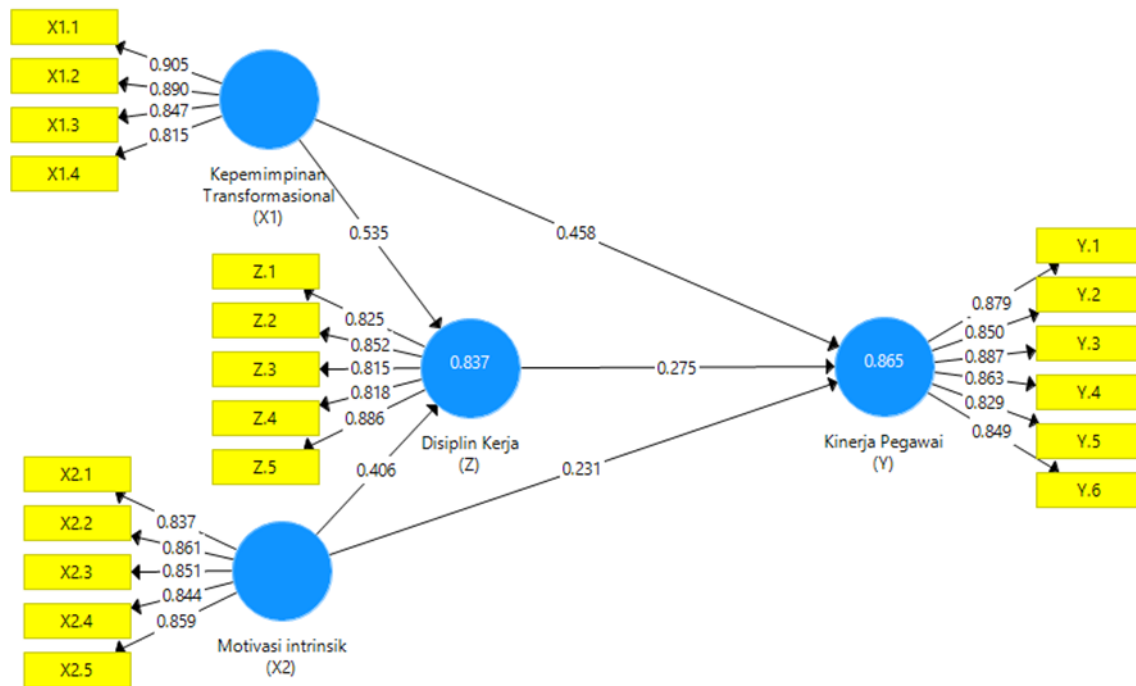


Figure 2 Outer Model

Source : Smart PLS 3.3.3

Based on the table presented previously, the external loading values for each variable and indicator exceed 0.7. This indicates that the factor loadings for each indicator in this study yield valid findings, allowing for further investigation. This study presents an equation consisting of two substructures.

substructure 1

$$Z = b1X1 + b2X2 + e1$$

$$Z = 0.535 + 0.406 + e1$$

For substructure 2

$$Y = b_3X_1 + b_4X_2 + b_5Z + e_2$$

$$Y = 0.458 + 0.231 + 0.275 + e_2$$

Table 1. Outer Loadings

	Work Discipline_(Z)	Transformational Leadership_(X1)	Employee Performance_(Y)	Intrinsic motivation (X2)
X1.1		0.905		
X1.2		0.890		
X1.3		0.847		
X1.4		0.815		
X2.1				0.837
X2.2				0.861
X2.3				0.851
X2.4				0.844
X2.5				0.859
Y.1			0.879	
Y.2			0.850	
Y.3			0.887	
Y.4			0.863	
Y.5			0.829	
Y.6			0.849	
Z.1	0.825			
Z.2	0.852			
Z.3	0.815			
Z.4	0.818			
Z.5	0.886			

Source : Smart PLS 3.3.3

According to the data shown in Table 1, each measure related to Transformational Leadership, Intrinsic Motivation, Employee Performance, and Work Discipline showed an outer loading value greater than 0.80. These results indicate that each measure meets solid validity standards and accurately represents the concept being evaluated.

Discriminant Validity

This section presents the findings from the discriminant validity assessment. This evaluation uses cross-loading values to determine how well each measure clearly represents its respective variable. A measure is considered to meet the requirements of discriminant validity if its cross-loading value for the concept being evaluated is higher than its cross-loading values for other concepts. The cross-loading values for each measure are as follows.

Table 2. Discriminant Validity

	Work Discipline (Z)	Transformational Leadership (X1)	Employee Performance (Y)	Intrinsic motivation (X2)
X1.1	0.825	0.905	0.821	0.807
X1.2	0.788	0.890	0.831	0.776
X1.3	0.750	0.847	0.763	0.713
X1.4	0.733	0.815	0.729	0.784
X2.1	0.732	0.727	0.659	0.837
X2.2	0.756	0.767	0.774	0.861
X2.3	0.747	0.747	0.793	0.851
X2.4	0.784	0.804	0.799	0.844
X2.5	0.725	0.734	0.710	0.859
Y.1	0.867	0.833	0.879	0.817
Y.2	0.686	0.731	0.850	0.701
Y.3	0.765	0.759	0.887	0.728
Y.4	0.735	0.782	0.863	0.762
Y.5	0.725	0.786	0.829	0.726
Y.6	0.792	0.795	0.849	0.800
Z.1	0.825	0.741	0.748	0.784
Z.2	0.852	0.722	0.707	0.798
Z.3	0.815	0.694	0.665	0.690
Z.4	0.818	0.757	0.743	0.667
Z.5	0.886	0.837	0.855	0.760

Source : Smart PLS 3.3.3

According to Table 2, the test results indicate that discriminant validity has been achieved. Each indicator displays the highest value for its respective variable when compared to other variables. This confirms that these indicators can effectively distinguish one construct from another and accurately represent each variable.

Composite Reliability

The next testing stage involves assessing the composite reliability of each indicator block used to evaluate the research constructs. A construct is considered to have acceptable reliability if its composite reliability score is above 0.60. Furthermore, the reliability of a construct or latent variable can also be evaluated using Cronbach's alpha value. A construct is considered reliable if its Cronbach's alpha value is greater than 0.70. The results of the reliability testing for the variables Work Motivation, Work Discipline, Organizational Commitment, and Employee Performance indicate that each construct and its indicators meet reliability standards. The loading values for each research variable construct were obtained through data processing using the SmartPLS application and are shown in the table below.

Table 3. Construct Reliability and Validity

	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Work Discipline_(Z)	0.895	0.923	0.705
Transformational Leadership_(X1)	0.887	0.922	0.748
Employee Performance_(Y)	0.929	0.944	0.739
Intrinsic motivation (X2)	0.904	0.929	0.723

Source : Smart PLS 3.3.3

According to Table 3, various research variables demonstrated satisfactory levels of reliability and validity. This is demonstrated by Cronbach's Alpha and composite reliability scores above 0.70, along with an Average Variance Extracted (AVE) value exceeding 0.50. These results indicate that the instrument used has strong internal consistency and is effective in accurately measuring the research concepts.

Internal Model Analysis

A review of the structural model (internal model) is conducted to ensure that the model achieved adequate precision and robustness. The structural model is evaluated using several measurement criteria, including the following:

Coefficient of Determination (R²)

From the analysis conducted using SmartPLS software version 3.0, the coefficient of determination (R²) was found as follows:

Table 4. R Square Results

	R Square	Adjusted R Square
Work Discipline_(Z)	0.837	0.835
Employee Performance_(Y)	0.865	0.863

Source : Smart PLS 3.3.3

Table 4 shows that the R-square value for the Work Discipline (Z) variable is 0.837. This indicates that the independent variables in the model explain 83.7% of the changes in Work Discipline, while the remaining percentage is influenced by other elements not considered in the research framework. In addition, the R-square value for the Employee Performance (Y) variable is 0.865, which indicates that 86.5% of the changes in Employee Performance can be attributed to the variables contained in the model. Therefore, this research framework has significant explanatory power.

Hypothesis Testing

After assessing the structural model, the next phase involves analyzing the relationships between the latent constructs as outlined in the research hypotheses. Hypothesis testing is conducted by evaluating the T statistic and P value. The hypothesis is

considered accepted if the T statistic exceeds 1.96 and the P value is below 0.05. The findings of the path coefficient examination for the direct effect are presented as follows:

Table 5. Path Coefficients (Direct Effect)

	Original Sample (O)	T Statistics (O/STDEV)	P Values	Results
Work Discipline_(Z) -> Employee Performance_(Y)	0.275	3,696	0,000	Accepted
Transformational Leadership_(X1) -> Work Discipline_(Z)	0.535	7,925	0,000	Accepted
Transformational Leadership_(X1) -> Employee Performance_(Y)	0.458	5,300	0,000	Accepted
Intrinsic motivation (X2) -> Work Discipline_(Z)	0.406	6,027	0,000	Accepted
Intrinsic motivation (X2) -> Employee performance_(Y)	0.231	3,329	0,000	Accepted

Source : Smart PLS 3.3.3

1. Work Discipline (Z) positively and significantly influences Employee Performance (Y), with a coefficient of 0.275, a T statistic of 3.696, and a p-value of 0.000. This indicates that increased work discipline results in better employee performance.
2. Transformational Leadership (X1) positively and significantly influences Work Discipline (Z), as indicated by a coefficient of 0.535, a T statistic of 7.925, and a p-value of 0.000. This implies that effective transformational leadership can improve employee work discipline.
3. Transformational Leadership (X1) positively and significantly influences Employee Performance (Y), with a coefficient of 0.458, a T statistic of 5.300, and a p-value of 0.000. This indicates that transformational leadership plays an important role in improving employee performance.
4. Intrinsic Motivation (X2) has a positive and significant influence on Work Discipline (Z), with a coefficient of 0.406, a T statistic of 6.027, and a p-value of 0.000. This means that as employees' intrinsic motivation increases, their level of work discipline also increases.
5. Intrinsic Motivation (X2) has a positive and significant effect on Employee Performance (Y), indicated by a coefficient of 0.231, a T statistic of 3.329, and a p-value of 0.000. Therefore, higher intrinsic motivation leads to increased employee performance.

Table 6. Path Coefficients (Indirect Effect)

	Original Sample (O)	T Statistics (O/STDEV)	P Values	Results
Transformational Leadership (X1) -> Work Discipline (Z) -> Employee Performance (Y)	0.147	3,286	0.001	Accepted
Intrinsic motivation (X2) -> Work Discipline (Z) -> Employee Performance (Y)	0.112	3,114	0.001	Accepted

Source : Smart PLS 3.3.3

1. Transformational Leadership (X1) has a positive effect on Employee Performance (Y) through Work Discipline (Z), indicated by a coefficient of 0.147, a T statistic of 3.286, and a p value of 0.001. This indicates that work discipline acts as a mediator in the relationship between transformational leadership and employee performance.
2. Intrinsic Motivation (X2) has a positive effect on Employee Performance (Y) through Work Discipline (Z), as indicated by a coefficient of 0.112, a T statistic of 3.114, and a p-value of 0.001. Therefore, work discipline acts as a mediator in the relationship between intrinsic motivation and employee performance.

Conclusion

Based on the findings and data analysis described in the previous chapter, the conclusions listed below can be made:

1. Impact of Work Discipline on Employee Performance
Work discipline has a positive impact on employee performance. This shows that when employees are more disciplined, their ability to carry out their duties and responsibilities increases.
2. The Influence of Transformational Leadership on Work Discipline
Transformational leadership has a positive impact on work discipline. This implies that leaders who set an example, motivate, and inspire can lead employees to be more disciplined in their work.
3. The Influence of Transformational Leadership on Employee Performance
Transformational leadership has a positive and significant impact on employee performance. This suggests that the use of a transformational leadership style can directly improve employee performance.
4. The Impact of Intrinsic Motivation on Work Discipline
Intrinsic motivation has a positive effect on work discipline. The higher an employee's intrinsic motivation, the higher their level of work discipline.

5. The Influence of Intrinsic Motivation on Employee Performance

Intrinsic motivation has a positive and significant impact on employee performance. This indicates that employee internal motivation plays a crucial role in improving performance.

6. The Role of Transformational Leadership on Employee Performance through Work Discipline

Transformational leadership positively influences employee performance through work discipline. This suggests that work discipline can serve as a mediator in how transformational leadership affects employee performance.

7. The Role of Intrinsic Motivation on Employee Performance through Work Discipline

Intrinsic motivation has a positive and significant influence on employee performance through work discipline. Therefore, work discipline serves as a mediating factor in the relationship between intrinsic motivation and employee performance.

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