

# What Determine the Employee Performance? Examining the Role of Leadership Style and Work Discipline

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## ABSTRACT

This study aims at obtaining explanatory evidences about influence of (1) transformational management style and discipline on employee performance, (2) transformational leadership style on work discipline, (3) transformational leadership style on employee performance, and (4) Discipline work on overall employee performance at Koperasi Mulya Sejahtera Tabanan. The subjects of this study are employees of Koperasi Mulya Sejahtera Tabanan, and the goals of this study are transformational leadership style, work discipline, and employee performance. The population of this research was ninety people who all formed the analysis unit. The data was gathered by surveys and interviews, and the results were evaluated using path analysis. The findings of the study indicate a significant impact of (1) transformational leadership style and work self-discipline on employee performance, (2) transformational management style on work discipline of discipline, (3) transformational management style on worker performance, and (4) work discipline on employee at the Koperasi Mulya Sejahtera Tabanan.

**Keywords:** *Employee performance, Transformational leadership style, Work discipline.*

## 1. INTRODUCTION

In the current era of globalization, human resources (HR) are an important factor in achieving organizational goals. This is because human resources are an important asset for organizations that are able to mobilize other resources to create a competitive advantage for the organization. Many organizations have realized the importance of maintaining their human resources because human resources have a very large contribution in determining the success of an organization so that demands arise for better management of human resources owned by the organization.

However, the amenities and infrastructure owned with the aid of the agency besides the help of certified human sources will avoid the fulfillment of organizational goals. Understanding the significance of the existence of human resources, the employer seeks to create so that every human useful resource owned can help success in reaching organizational desires.

Efforts to improve and improve human resources, especially government organizations, are something that must be implemented. This is due to the high demand for fast and efficient service quality to serve the community. Realizing a quality government, government organizations must be able to maximize all the potential they have, especially in the potential of their human resources.

Cooperative employees are one of the elements that carry out very important and strategic tasks in determining the success of a cooperative. Management of employees in an organization must be done seriously considering that employees as cooperative organizers must have high performance by prioritizing excellent service to the community.

Good employee performance will be able to carry out the duties and responsibilities given by the organization effectively and efficiently so that it will have an impact on the achievement of organizational goals. According to Simamorang performance is the level at which employees achieve job requirements that have been

determined by the organization. By knowing the overall performance of the employee, it is acknowledged whether the worker is in a position to whole the assignment or not. High overall performance should be created in every employee's work unit so that it can acquire the performance requirements that have been determined via the organisation.

Mulya Sejahtera Cooperative Tabanan is one of the cooperatives whose members are mostly farmers in Tabanan district which is headquartered in Pesapan, Tabanan. The Mulya Sejahtera Cooperative's branches are located in Penebel, Bajra, and Abian Tuwung. The Mulya Sejahtera Cooperative includes savings and loans, shops, and sales of seeds and medicines agricultural medicine.

Researchers make observations about the results of the performance of Cooperatives in Bali Province which will be used as a reference in making comparisons to determine the object of research. Researchers used five cooperatives in the province of Bali as the initial sample in determining the object of research. More details can be seen in table 1.

**Table 1.** five cooperatives in the province of Bali

No	Cooperative Name	Total Performance Achievement Score
1	Tabanan Regency	79,28
2	Badung regency	84,62
3	Buleleng Regency	74,90
4	Gianyar Regency	80.73
5	Karangasem Regency	76,16

Based on Table 1 it can be seen that the absolute best overall performance achievement was once accomplished by means of the Badung Regency Cooperative with a total performance achievement of 84.62 while the lowest achievement was achieved by the Buleleng Regency Cooperative with a performance achievement of 74.90 so that researchers were interested in conducting research in this Buleleng Regency Cooperative. This is because the Buleleng Regency Cooperative has the lowest performance rating among cooperatives in other regencies

The application of leadership style at the Mulya Sejahtera Cooperative applies a transformational leadership style which is characterized by encouragement from superiors to subordinates in order to create higher performance beyond the standards set by the organization but the drive to achieve higher performance standards is not accompanied by providing solutions. in the form of ideas or ideas to subordinates to solve problems faced by employees. This is evidenced by the presence of several employees who have not reached the performance

standards set by the organization. According to [1] transformational leadership is described as a leadership style that is able to arouse or encourage employees so that they can boost and gain overall performance at a high level, past what they earlier notion.

Another variable that is thought to affect the low performance of employees at the Mulya Sejahtera Cooperative is the work discipline of employees. A good work discipline attitude in employees reflects the amount of responsibility an employee has for the tasks assigned to him. A good work discipline attitude in employees will encourage work passion, work spirit which has an impact on the performance of the employee. According to Setyawan and Wahidin (2006), work self-discipline is basically generally expected to symbolize every and every human aid in the organization, because with excessive work discipline the enterprise will run well and can obtain its goals properly as properly.

Every organization has rules that must be obeyed by every employee in order to create high work discipline behavior which is characterized by employees obeying the rules that have been determined by the organization which is manifested through attitudes, behavior and actions so that there is order, harmony within the organization. The more rules that are violated by the employee, the lower the work discipline that the employee has. According to Husin work discipline is obedient and obedient employees in carrying out work regulations in the form of oral or written from groups or organizations.

Researchers are interested in observing the work discipline of employees at the Mulya Sejahtera Cooperative by taking an initial sample of 10 employees. The following are the results of initial observations regarding the work discipline possessed by employees at the Mulya Sejahtera Cooperative.

Based on the description of the heritage of the problem, the low overall performance of the Mulya Sejahtera Cooperative's employees is thinking to be triggered via the much less than most beneficial utility of transformational leadership fashion and the low work discipline of employees According to [2] , the application of the proper transformational management fashion in an employer will produce personnel who are loyal to their superiors so that they will admire their superiors and obey the regulations that have been decided with the aid of the organization. This will have an have an effect on on high employee performance, this is due to the fact personnel become confident to obtain greater optimal performance targets. This opinion is supported by way of the outcomes of lookup carried out with the aid of Atmayana (2016), that transformational leadership fashion and work discipline have a fine and extensive effect on worker overall performance. Therefore, it is deemed fundamental to behavior research as outlined in the title " What Determine The Employee Performance?

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The formula of the trouble in this find out about are as follows, (1) How is the impact of transformational management fashion and work self-discipline on worker overall performance at the Mulya Sejahtera Cooperative Tabanan? (2) How is the influence of transformational management fashion and worker work discipline at the Mulya Sejahtera Cooperative Tabanan? (3) How is the impact of transformational leadership style on worker overall performance at the Mulya Sejahtera Cooperative Tabanan? (4) What is the impact of work discipline on employee overall performance at the Mulya Sejahtera Cooperative Tabanan?

The purpose of this research is to examine the relationship between (1) transformational management style and work self-discipline on employee performance, (2) transformational leadership style and employee discipline, (3) transformational management style on worker performance, and (4) work discipline on worker performance.

Theoretically, the findings of this research should be beneficial in the advancement of human aid administration economics, particularly in the areas of transformational leadership styles, work discipline, and employee performance, among other things. While, in practice, the findings of this study are expected to provide recommendations and contribution to the Mulya Sejahtera Tabanan Cooperative in order to improve employee overall performance through the use of transformational management styles and work discipline, the findings of this study are also expected to provide recommendations and input to other organizations.

## 2. LITERATURE REVIEW & HYPOTHESES DEVELOPMENT

### 2.1. Relationship of Transformational Leadership Style to Performance

affect the overall performance of employees. If the transformational leadership style utilized is good, the employee's overall performance will increase. According to Kendra (2013), leadership transformational is in a position to encourage followers to alternate expectations, perceptions and motivations to work in the direction of a common goal. This opinion is supported by lookup conducted via Ramli (2013), which states that the transformational leadership fashion has a positive effect on worker performance.

H<sub>1</sub>: There is an effect of transformational leadership style on employee performance.

### 2.2. The relationship between transformational leadership style and work discipline

Transformational leadership is able to inspire subordinates to behave according to the rules that are applied. According to [3], the transformational leadership style puts more emphasis on the obedience of subordinates to the leadership in totality so that what is desired or ordered by the leader, is done absolutely without any rejection or argument. This opinion is supported by research from Borrill and Downson (2015), that transformational leadership style with work discipline is very positive and significant.

H<sub>2</sub>: There is an impact of transformational leadership style on worker work self-discipline.

### 2.3. Relationship between Work Discipline and Performance

Discipline in the work environment is wanted to improve organizational performance. The higher the stage of worker discipline, the better the performance of an employee. According to Sastrohadiwiryo (2002: 292), one of the desires of work self-discipline is that employees are in a position to carry out their work as nicely as viable and are capable to supply most service to positive parties with an hobby in the corporation in accordance with the area of work assigned to them. The opinion of Sastrohadiwiryo is supported via research from [4], that work self-discipline has a big impact on performance.

H<sub>3</sub>: there is a relationship between work self-discipline and worker performance.

### 2.4. Relationship between Transformational Leadership Style, Work Discipline and Performance

Leaders who apply the transformational management style will use their mental competencies to inspire, motivate, influence and make their subordinates loyal to their superiors. If management is able to encourage and motivate subordinates, it will produce subordinates who have excessive discipline and performance. This opinion is supported via Groves and Bhattacharyya (2006), transformational leadership style motivates and inspires subordinates to be innovative and revolutionary in bringing work discipline into their overall performance so as to produce most desirable performance. This is supported with the aid of the results of lookup carried out by way of [5] that transformational leadership style and work discipline have a superb and widespread effect on performance, where a chief who applies a true transformational leadership fashion in the corporation will have greater employee work discipline and better performance.

H<sub>4</sub>: There is an effect of transformational leadership style and work self-discipline on employee overall performance

### 3. METHOD

This study uses a causal quantitative research design. The topics of this lookup are personnel of the Mulya Sejahtera Cooperative Tabanan and the object of this lookup is transformational management style, work discipline and worker performance. The populace used is ninety personnel at the Mulya Sejahtera Cooperative Tabanan. The type of data amassed in this learn about is quantitative data, in terms of the source, the data used is essential data, specifically transformational management fashion data, work discipline and employee performance got from employees. The statistics had been accrued the usage of the technique (1) questionnaire

### 4. RESULTS & DISCUSSION

#### 4.1 Result

Based on the consequences of the statistical check calculation direction analysis (path analysis) the usage of the help of the Statistical Package for Social Science program (SPSS) sixteen For Windows which is used to

determine the effect of transformational leadership style (X1), work self-discipline (X2) and employee overall performance (Y) then the SPSS calculation effects are got as proven in Tables 2 and 3.

Based on the outcomes of the course analysis statistical take a look at calculations (path analysis) in Tables 1 and 2 show that transformational leadership style and work discipline have a fine effect on employee overall performance of the Tabanan Mulya Sejahtera Cooperative. The have an effect on of each variable can be described in Figure 1.

The effects of path analysis statistical assessments in Tables 2 and two exhibit that transformational management style and work discipline have a fantastic impact on worker overall performance at the Mulya Sejahtera Cooperative Tabanan. It is shown that the  $p$ -value  $\leq 0.05$ . The contribution of transformational leadership style and work self-discipline to worker overall performance is 67.10%, whilst the closing 32.90% is influenced by other variables. This capability that 67.10% of employee overall performance is influenced by means of transformational management fashion variables and work self-discipline whilst the remaining 33.90% is influenced by using different variables that want in addition investigation.

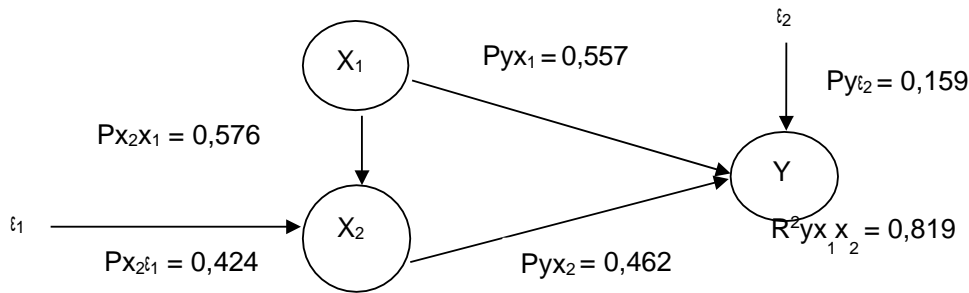
**Table 2** SPSS Output Pathway Analysis Effect of X1 and X2 on Y

Parameter	Coefficient	<i>p</i> -value	<i>Alpha</i>	Decision	Conclusion
$R_{yx1x_2}$	0,819	0,000	0,05	Refuse Ho	There is a positive effect of X1 and X2 on Y
$R^2_{yx1x_2}$	0,671	0,000	0,05	Refuse Ho	Big contribution of influence X1 and X2 to Y
$P_{yx1}$	0,557	0,000	0,05	Refuse Ho	There is a relationship between X1 and X2
$P^2_{yx1}$	0,310	0,000	0,05	Refuse Ho	The contribution of X1's influence on Y
$P_{x_2x_1}$	0,576	0,000	0,05	Refuse Ho	There is a relationship between X1 and X2
$P^2_{x_2x_1}$	0,331	0,000	0,005	Refuse Ho	The contribution of X1's influence on X2
$P_{yx2}$	0,462	0,000	0,05	Refuse Ho	There is a relationship between X2 and Y
$P^2_{yx2}$	0,213	0,000	0,05	Refuse Ho	The contribution of X2's influence on Y
$P_{y\epsilon_2}$	0,159	-	-	-	There is a relationship between the influence of other variables on Y
$P_{X_2\epsilon_2}$	0,424	-	-	-	There is a relationship between the influence of other variables on X2

**Table 3.** Contribution Influence of Transformational Leadership Style (X<sub>1</sub>) and Discipline Work (X<sub>2</sub>) on Employee Performance (Y)

Information	Big Donation	Percentage
The direct influence of X <sub>1</sub> on Y	0,310	31,00%
The magnitude of the indirect effect of X <sub>1</sub> on Y through	0,148	14,80%
The total influence of X <sub>1</sub> on Y	0,458	45,80,%
The magnitude of the direct effect of X <sub>2</sub> on Y	0,213	21,30%
The total influence of X <sub>1</sub> and X <sub>2</sub> on Y	0,671	67,10%
Another big influence X <sub>1</sub> and X <sub>2</sub> on Y	0,329	32,90%
Total	1,000	100,00%

The path diagram of the influence of transformational leadership style (X<sub>1</sub>) and work discipline (X<sub>2</sub>) on employee performance (Y) as shown in the picture 1



**Figure 1.** The relationship between the structure of the influence of transformational leadership style (X<sub>1</sub>) and work discipline (X<sub>2</sub>) on employee performance (Y)

The outcomes of course evaluation statistical exams in Tables 2 and 3 show that there is a high-quality affect of transformational leadership style on employee work discipline at the Mulya Sejahtera Cooperative Tabanan. This is indicated with the aid of the p-value  $\leq 0.05$ . The magnitude of the affect of transformational management style with employee work discipline at the Mulya Sejahtera Cooperative Tabanan is 57.60% whilst the contribution of the have an effect on of management transformational to work self-discipline is 33.10%. The relationship between the affect of different variables on work discipline is 42.40%.

The consequences of course evaluation statistical tests in Tables 1 and 2 show that there is a advantageous have an effect on of transformational management fashion on worker performance at the Mulya Sejahtera Cooperative Tabanan. This is indicated with the aid of p-value  $< \alpha = 0.05$ . The magnitude of the have an impact on of transformational management fashion on employee

performance is 55.70%, while the contribution of transformational leadership to worker performance is 31.00%.

The consequences of route analysis statistical tests in Tables 1 and 2 show that there is a fantastic work discipline effect on worker overall performance at the Mulya Sejahtera Cooperative Tabanan. It is shown that the p-value  $< \alpha = 0.05$ . The influence of work self-discipline on worker overall performance at the Mulya Sejahtera Cooperative Tabanan is 46.20%, whilst the contribution of work discipline is giant to overall performance is 21.30%.

#### 4.2 Discussion

The findings of the learn about mentioned that the variables of transformational leadership style and work discipline had an impact on worker performance at the Mulya Sejahtera Cooperative Tabanan. The findings of

this learn about are in line with the idea of Groves and Bhattacharyya (2006), that the transformational leadership style motivates and evokes subordinates to be innovative and revolutionary in bringing work self-discipline into their overall performance so as to produce most fulfilling performance. This is supported by way of the outcomes of lookup carried out by means of Firda (2015), that transformational leadership fashion and work discipline have a nice and large effect on employee performance.

The findings of the learn about cited that the transformational management style variable positively affected the work discipline of personnel at the Mulya Sejahtera Cooperative Tabanan. The findings of this find out about are in line with [6] theory, that the transformational leadership fashion emphasizes the obedience of subordinates to the management in totality so that what is desired or ordered through the leader, is executed honestly besides any rejection or argument. This opinion is supported by using lookup from Borrill and Downson (2015), that transformational leadership style with work self-discipline is very effective and considerable.

The findings of the study stated that the transformational leadership style variable had a positive effect on employee performance at the Mulya Sejahtera Tabanan Cooperative. The findings of this study are in line with the theory put forward by [7] transformational leaders pay attention to the things and improvement wants of their followers. Transformational leaders trade followers' attention of issues by means of assisting them see in new methods so that they can arouse and motivate their subordinates to work hard and loyally. to the corporation so as to improve performance. The consequences of this find out about guide the empirical find out about of Yuniati (2014) revealing that the transformational leadership style has a tremendous and sizable impact on employee overall performance.

The findings of the find out about cited that the work discipline variable had a wonderful impact on worker performance at the Mulya Sejahtera Cooperative Tabanan. The findings of this study are in line with the principle through [8] which states that essentially the work self-discipline factor is one of the necessary features of human aid management and is the key to attaining goals, due to the fact barring self-discipline it is challenging to achieve maximum goals. The results of this learn about guide the empirical study of Sanjaya (2015: 71), the outcomes of his lookup conclude that work discipline has a high-quality and widespread effect on worker performance.

The difficulty of this lookup is that the object of research is only finished in the service oriented region so it desires to be developed in the income oriented sector. Besides that, the variables studied are nevertheless limited, particularly transformational management

fashion variables and work discipline, so it is additionally predicted to take a look at other variables that are strongly suspected to affect worker performance. such as work ethic, compensation, and motivation.

## 5. CONCLUSION

The main conclusions can be reached from the results of a search and a discussion: This cooperative's workers benefit from a transformational management style and work discipline, as do the styles of leadership and management that follow suit. In addition, the fashion of management that follows suit has an effect on the work discipline of its employees, who in turn benefit from a more disciplined work environment.

Based on the findings above, the following recommendations can be made: One of the cooperative's goals is to improve worker performance by emphasizing transformational leadership style as well as work discipline. This is because research shows that both transformational leadership style and work discipline have an impact on worker performance. Transformational leadership patterns and work discipline can be used to improve overall performance by incorporating subordinates in decision-making, radically changing innovative ideas and ideas to subordinates to clear up problems, creating clear and easy-to-understand rules, and applying sanctions firmly and fairly if employees violate the guidelines imposed. Employees who make mistakes are punished, while those who follow the rules are rewarded or praised. Aside from the transformational management style and work discipline, performance can be improved by: (1) increasing employee duty for work, (2) inspiring employees, and (3) providing subordinates with incentives.

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