



The Influence of Transformational Leadership and Employee Competence on Employee Performance with Work Motivation as an Intervening Variable

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Abstract

In the era of globalization, organizations are required to possess competent human resources and effective leadership in order to enhance employee performance, which serves as a primary indicator of organizational success. PT Kimia Farma Diagnostika, West Java Business Unit 1, as a healthcare service provider, faces challenges in strengthening transformational leadership, employee competence, and work motivation to achieve optimal performance outcomes. This study aims to analyze the influence of transformational leadership and employee competence on employee performance, with work motivation functioning as an intervening variable. The research adopts a quantitative approach with an explanatory research design. The population consists of 152 employees, with a sample of 110 respondents determined through simple random sampling using the Slovin formula ($\alpha = 5\%$). Data were collected using a seven-point Likert scale questionnaire and analyzed through Structural Equation Modeling (SEM) based on Partial Least Squares using SmartPLS 4. The findings indicate that transformational leadership exerts a positive and statistically significant effect on employee performance ($\beta = 0.144$; $p = 0.027$) and work motivation ($\beta = 0.426$; $p < 0.001$). Employee competence also demonstrates a positive and significant influence on performance ($\beta = 0.539$; $p < 0.001$) and work motivation ($\beta = 0.558$; $p < 0.001$). Work motivation significantly affects employee performance ($\beta = 0.314$; $p < 0.001$). Furthermore, work motivation is proven to significantly mediate the relationship between transformational leadership ($\beta = 0.134$; $p = 0.001$) and employee competence ($\beta = 0.175$; $p = 0.004$) on employee performance. The R^2 values indicate a highly robust model, explaining 91.6% of the variance in work motivation and 95% of the variance in employee performance. These findings underscore the importance of strengthening transformational leadership and continuously developing employee competencies to enhance both motivation and performance.

Introduction

In today's era of globalization, every organization and company must be capable of adapting to change and is required to compete effectively against other organizations or companies (Raja Kamal et al., 2026; Martín-Rojas et al., 2026; Kalandarovna & Qizi, 2023). The strategies implemented must be supported by high-quality human resources possessing competencies aligned with the demands of the workforce and the industrial sector (Muharam et al., 2025; Samuels & Pelsler, 2025; Hoichuk & Lyubomudrova, 2024). Human resources are a central element within organizations and companies, expected to possess advanced knowledge, skills, and the ability to manage the company as effectively as possible (Buntoro, 2021). If a company

lacks qualified human resources, it risks facing failure. Therefore, employee performance serves as a primary indicator in determining whether an organization succeeds in achieving its objectives (Andreas, 2022; Iskanto, 2023; Putra & Husein, 2026).

The challenges concerning the future of any company or organization are the responsibility of a transformational leader to guide their team toward resolving issues and identifying and capitalizing on various opportunities so that the company's goals can be achieved. The World Economic Forum states that the biggest crisis today is a leadership crisis (Abdurrahim, 2021). Leadership can be the root of the solution or the root of the problem.

Leadership functions as a dynamizer and coordinator for all human resources, natural resources, funds, and facilities to achieve specific objectives (Sari et al., 2026; Fikri & Isabella, 2025). Leadership is one of the managerial aspects in organizational life that constitutes a key position, as a leader acts as a facilitator in the process of human collaboration within the organization. The better the leadership within an organization, the better the performance of the company.

In addition to leadership, a factor that supports improved employee performance is competence. Competence, in this context, refers to the skills employees possess, enabling them to work efficiently and adopt an attitude toward completing tasks aligned with their professional expertise in their respective fields an approach that naturally yields higher levels of productivity. This aligns with (Abdi & Wahid, 2018), who states that when employees possess high competence, it leads to improved work outcomes. This theory is further supported by empirical research, as noted by (Kadir, 2018), which found that competence has a positive and significant influence on the work outcomes of subordinates. Employees with work capabilities that align with their job roles will be more thorough in the results they achieve.

Another important factor that can contribute to high performance is competence; there is a positive correlation between competence and performance, due to the fact that an employee's character forms the foundation of their competence. As stated by Spencer (2009), competence is a fundamental characteristic of an individual that is, a factor linked to the criteria for effective performance conversely, performance serves as the arena where employees demonstrate their competencies. Competence explains what employees do at the workplace across various levels and specifies the standards for each level, identifying the knowledge and skill characteristics required for individuals to effectively carry out their tasks and responsibilities, thereby achieving professional quality standards in their work and generating high performance (Wibowo, 2017). This statement indicates that high competencies possessed by employees have been proven to have a significant impact on improving employee performance (Arisanti et al., 2019; Katamang et al., 2018; Saputra et al., 2025).

Additionally, a factor that can influence employee performance is work motivation. Motivation addresses how to channel employees' potential so that they are willing to work productively and successfully achieve the goals set by the organization. One way to facilitate the achievement of organizational goals is by providing work motivation so that employees maintain a high level of work enthusiasm (Siagian et al., 2018). Motivation is the driving force that encourages individuals to perform their work; it arises from stimulation in the form of needs both material and non-material that must be fulfilled to achieve satisfaction (Darmono & Hidayah, 2020). Every employee has a motive for working.

PT Kimia Farma Diagnostika (KFD), as a subsidiary of PT Kimia Farma Tbk, plays a strategic role in supporting healthcare services through the management of clinical laboratories and

diagnostic centers across Indonesia. One of its business units, UB Jabar 1, is an operational region responsible for laboratory services in West Java.

An organization's success in achieving its goals depends heavily on employee performance, which is influenced by leadership style, competency levels, and work motivation. Transformational leadership is known to be effective in driving positive change, building trust, and inspiring employees to exceed expected targets. Meanwhile, employee competencies which include knowledge, skills, and work attitudes significantly determine the quality of the work produced. On the other hand, work motivation serves as an internal driver that can enhance productivity and employee loyalty toward the organization.

The following are the results of the researcher's initial survey of 20 employees at PT Kimia Farma Diagnostika UB Jabar 1:

Table 1. Initial Survey on Transformational Leadership at PT Kimia Farma Diagnostika UB Jabar 1

No	Statement	STS	TS	S	SS	Average	Category
1	A leader has a clear and focused vision.	0	2	10	8	3.30	Very High
2	The leader conveys a message that inspires work motivation.	0	3	12	5	3.10	Height
3	My manager encouraged me to think creatively and find new solutions.	2	6	8	4	2.70	Height
4	My manager supports me when I face difficulties at work.	4	7	5	4	2.45	Moderate
5	My manager rarely recognizes my achievements.	8	7	3	2	1.65	Low

Source: Data Processed by the Researcher, 2025

Based on the results of the initial survey on the dimensions of transformational leadership at PT Kimia Farma Diagnostika UB Jabar 1, it was found that the majority of employees perceive a clear vision from their leaders (average 3.30) and communication that inspires work enthusiasm (3.10), which falls into the very high and high categories. However, the dimension of support for employees when facing difficulties falls into the moderate category (2.45), and the provision of recognition for achievements shows the lowest score (1.65), falling into the low category. This indicates that although leaders have demonstrated clear direction and the ability to inspire, the lack of personal support and recognition of employee performance can hinder motivation and ultimately impact overall employee performance. Therefore, the dimensions of transformational leadership need to be strengthened comprehensively to optimally contribute to improving employee performance.

Table 2. Initial Employee Competency Survey at PT Kimia Farma Diagnostika UB Jabar 1

No	Statement	STS	TS	S	SS	Average	Category
1	Employees have sufficient knowledge to perform my duties.	1	3	10	6	3.05	Height
2	Employees possess the technical skills required for my job.	2	5	9	4	2.75	Moderate
3	Employees demonstrate honesty, discipline, and a sense of responsibility in their work.	0	2	9	9	3.35	Tall

4	The employee is able to complete tasks on time in accordance with the given targets.	3	6	8	3	2.60	Moderate
5	Employees are able to adapt quickly to changes in their work.	1	2	11	6	3.10	High

Source: Data Processed by the Researcher, 2025

Based on respondents' responses to competency indicators, it appears that the majority of employees possess high levels of knowledge and work attitudes, as reflected in statements regarding adequate knowledge (average 3.05) and work attitudes characterized by honesty, discipline, and responsibility (average 3.35). However, several aspects of technical competence and operational performance remain in the moderate category, such as technical skills (average 2.75) and the ability to complete tasks on time (average 2.60) (). This indicates that while employees possess a solid foundation of knowledge and work ethics, further strengthening is needed in terms of technical skills and time management to enhance work effectiveness. Thus, comprehensive competency improvement is a key factor in driving optimal employee performance within the environment of PT Kimia Farma Diagnostika UB Jabar 1.

Table 3. Initial Survey on Work Motivation at PT Kimia Farma Diagnostika UB Jabar 1

No	Statement	STS	TS	S	SS	Average	Category
1	I feel that the salary and benefits I receive are sufficient to cover my daily living expenses.	2	5	9	4	2.75	Moderate
2	I work and have insurance coverage	1	2	11	6	3.10	Height
3	I can interact well with my coworkers	0	3	10	7	3.20	Height
4	The company rewards high-performing employees	3	4	8	5	2.85	Moderate
5	Employees are free to develop their talents to advance	2	4	10	4	2.70	Moderate

Source: Data Processed by the Researcher, 2025

Based on the respondents' responses to the work motivation indicators, it appears that several dimensions of motivation fall into the high category, such as the need for security (average 3.10) and the need for social connection (average 3.20), indicating that employees feel comfortable and have good working relationships. However, there are also dimensions that remain in the moderate category, such as physiological needs (average 2.75), the need for recognition (average 2.85), and self-actualization (average 2.70). This indicates that although the work environment is perceived as safe and socially supportive, there are still needs that have not been fully met, particularly regarding financial fulfillment, recognition of contributions, and opportunities for self-development. Therefore, improving overall work motivation must be a priority for management to maximize employee performance.

Based on the background described above, and supported by several theories and previous research findings, the researcher proposes a study entitled: "The Influence of Transformational Leadership and Employee Competence on Employee Performance with Work Motivation as an Intervening Variable at PT Kimia Farma Diagnostika UB Jabar 1."

Methods

Context, population and sampling techniques.

This research will take the context of financial technology (fintech) in Indonesia, specifically digital payment services (Ovo, Gopay, and Dana). The researcher used a purposive sampling technique, a non-probabilistic, unrestricted sampling method (Cooper & Schindler, 2014; Trochim & Donnelly, 2008), in which sample members are selected because they meet the established criteria. The description of the research sample is as in the following table below.

Table 4. Sample Description

Category	Sub-category	Frequency	Percent	Cumulative Percentage
Gender	Man	32	29.1	29.1
	Woman	78	70.9	70.9
Age (Years)	< 20 Years	1	0.9	0.9
	20 - 25 Years	20	18.2	19.1
	26 - 35 Years	70	63.6	82.7
	36 - 45 Years	13	11.8	94.5
	> 46 Years	6	5.5	100
Education	SENIOR HIGH SCHOOL	12	10.9	10.9
	D1/D2/D3	48	43.6	54.5
	D4/S1	48	43.6	98.1
	S2	2	1.8	100
Length of work	< 1 Year	9	8.2	8.2
	1-2 Years	14	12.7	20.9
	3-4 Years	34	30.9	51.8
	> 5 Years	53	48.2	100
Total		110	100	100

Development of research instruments

The research instrument is the most crucial element in survey research and determines the success of the study. Good instrumentation will facilitate researchers in collecting the necessary data. This study used three stages in instrument development (Malhotra, 2015). The first stage is the literature study stage, which involves searching for literature related to the research topic, namely transformational leadership, competence, work motivation, and employee performance, both in terms of theory, concepts, and measurement. Second, a preliminary survey. The next stage, once a theoretical overview has been obtained, the researcher conducts preliminary interviews with employees as potential respondents. This is intended to ensure that the theoretical basis obtained in the previous stage is aligned with the research setting. Subsequently, a research instrument in the form of an initial questionnaire is created and discussed with experts or colleagues. Third, the questionnaire is tested. In the final stage of instrumentation, to ensure the research instrument meets the qualifications of validity and reliability statistically, the researcher tested it on thirty respondents and then revised the instrument. The revised instrument results were then converted into a final questionnaire and distributed to respondents electronically. This stage is carried out to obtain measurements that meet the quality of construct validity, face validity and content validity, as well as reliability (Trochim & Donnelly, 2008).

Measurement

The measurement and operationalization of constructs (Trochim & Donnelly, 2008) or operational definitions (Zikmund et al., 2010) used in this study can be described descriptively as follows below. The measurement of constructs in this study uses statement items adopted from previous studies, namely: transformational leadership (Emron Edison et al., 2016, p. 98-99), competence (Edison, Anwar, and Komariyah, 2018), work motivation (Wijasih et al., 2020), and employee performance (Simanjuntak, 2018: 119). The entire construct is measured using a Likert scale ranging from strongly disagree with a score of one to strongly agree with a score of seven. A higher score means a higher level of construct value. Specifically for the usage variable (PG), a 6-point interval scale (1, 2-3, 4-5, 6-7, 8-9, and ≥ 10) is used. In full, the measurement items for each construct are as in Table 1 below.

Table 5. Constructs and Items

Question	Construct/Item	Mean	Standard Deviation	Loading Factor
	Transformational Leadership			
KT1	RBM understands the direction of the organization where I work.	4.40	1.30	0.900
KT2	RBM is able to organize work programs well.	4.39	1.52	0.841
KT3	RBM is committed to contributing to achieving the company's goals.	4.39	1.64	0.795
KT4	RBM encourages me to be meticulous in completing work.	4.37	1.99	0.804
KT5	RBM encourages me to think in a new way.	4.33	1.49	0.781
KT6	RBM pays attention to my working conditions.	4.35	1.36	0.865
KT7	RBM shows dissatisfaction if work results are not optimal.	4.51	1.72	0.909
KT8	RBM set a good example for me.	4.32	1.44	0.911
KT9	RBM instills a positive influence in the work environment.	4.34	1.64	0.875
KT10	RBM relies on my passion for work.	4.46	1.65	0.869
KT11	RBM supports my career development.	4.38	1.62	0.868
KT12	RBM respects me as a valuable person.	4.39	1.78	0.818
KT13	RBM recognizes my work achievements.	4.42	1.71	0.852
KT14	RBM considers my opinion in making decisions.	4.44	1.99	0.856
	Employee Competence			
KK1	I have sufficient knowledge to carry out the job duties.	4.53	2.94	0.916
KK2	I have responsibilities according to my field of work.	4.67	2.39	0.843
KK3	I am able to carry out my responsibilities to the maximum.	4.67	2.44	0.925
KK4	I continue to develop knowledge to support the implementation of my duties.	4.60	2.18	0.902

KK5	I carry out my duties in accordance with applicable regulations.	4.61	2.00	0.925
KK6	I have a responsible character according to the company's demands.	4.66	1.71	0.864
Work motivation				
MK1	I get paid according to the work I do.	4.44	1.66	0.861
MK2	I received incentives as a form of appreciation for performance.	4.52	1.96	0.891
MK3	I get work benefits as per the provisions.	4.48	2.04	0.899
MK4	I get job guarantee from the company	4.46	2.12	0.872
MK5	The company provides adequate occupational safety.	4.53	2.03	0.907
MK6	I get a supportive work environment in working.	4.46	2.03	0.909
MK7	I have a good working relationship with my immediate superior.	4.59	1.96	0.929
MK8	I have a harmonious working relationship with my coworkers.	4.53	2.27	0.915
MK9	I received an award for my work performance.	4.47	2.03	0.917
MK10	I get appreciation for my work.	4.56	2.13	0.875
MK11	I received constructive criticism from my immediate superior.	4.55	1.93	0.918
MK12	I get the opportunity to innovate in my work.	4.56	2.11	0.921
MK13	I get motivated to continue growing at work.	4.55	1.94	0.917
Employee Performance				
KP1	I maintain neatness in my work results.	4.68	2.00	0.930
KP2	I have good working skills in carrying out tasks.	4.69	2.44	0.919
KP3	I achieved satisfactory work results.	4.66	2.06	0.921
KP4	I am able to complete the work according to the target.	4.53	2.31	0.924
KP5	I am able to complete the work within the specified deadline.	4.60	2.26	0.918
KP6	I am punctual in completing assignments.	4.66	2.08	0.918
KP7	I am committed to the importance of punctuality.	4.50	2.69	0.921
KP8	I work with accuracy in carrying out tasks.	4.61	1.81	0.924
KP9	I comply with the company's SOP in working.	4.61	2.52	0.918
KP10	I am able to complete work without having to wait for direct instructions from my superior.	4.63	2.31	0.921
KP11	I have the initiative to solve work problems independently.	4.69	2.16	0.932

Description: DP = digital payment; ***= $p < 0.001$

Result and Discussion

Based on the search results, a total of 164 articles were identified using keywords such as 'tonsillectomy', 'surgery', and 'recurrent tonsillitis'. All journals were included in the search and screening process. The researcher then screened the titles and abstracts of the articles; during this screening stage, 147 articles were excluded because their research did not meet the inclusion criteria or were published more than 10 years ago. Ultimately, 17 articles remained that met the inclusion criteria and were subsequently used for this literature review.

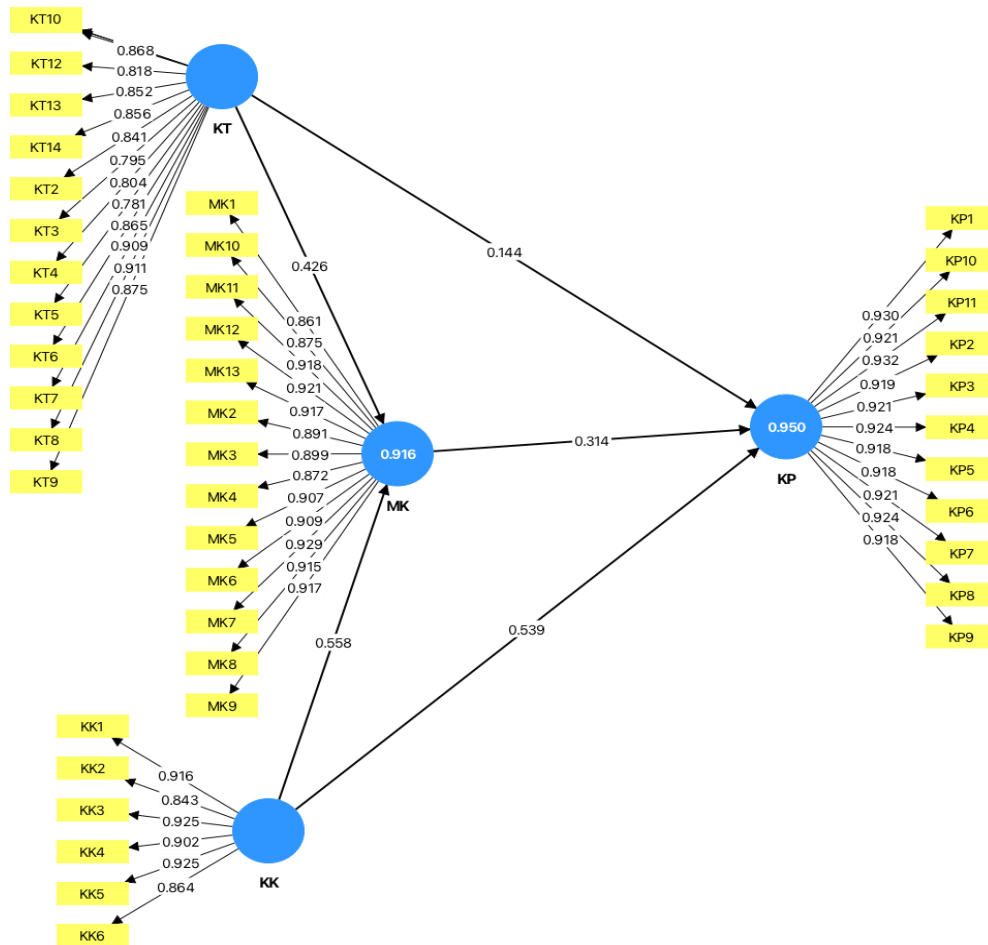


Figure 1. First Outer Model

Outer Model Evaluation

An evaluation of the outer model was conducted to ensure that the indicators used in each construct could fully and validly explain the latent variables. This evaluation included tests of convergent validity, construct reliability, and discriminant validity.

Convergent Validity

Convergent validity is assessed based on the outer loading values of each indicator relative to its construct. If the loading value is > 0.70 , the indicator is considered to meet convergent validity (Hair et al., 2017). Based on the SmartPLS output in Appendix 7, all indicators have outer loading values above 0.70; therefore, it can be concluded that all indicators meet the criteria for convergent validity and are capable of comprehensively representing the constructs being measured.

Construct Reliability

Construct reliability is assessed using Cronbach's Alpha, Composite Reliability (CR), and Average Variance Extracted (AVE). Based on the results of the Construct Reliability Test analysis, it can be seen that all constructs have Cronbach's Alpha values > 0.7 and $AVE > 0.5$, indicating very good construct reliability and validity. Composite Reliability (CR) is used in the SEM-PLS approach's to measure internal consistency among indicators within a construct.

Inner Model Evaluation

The inner model evaluation was conducted to assess the quality of the structural model and the relationships among latent constructs. The evaluation was performed using the following tests:

Table 6. R-Square (R^2) Test

Endogenous Variables	R^2	Description
Work Motivation (MK)	0.916	Very strong
Employee Performance (EP)	0.950	Very strong

Based on Table 6 R-Square (R^2) Test, the R-Square value is 91.6% of the variation in work motivation, meaning that work motivation is explained by transformational leadership and employee competence by 91.6% (very strong category) and the R-Square value of 95% of the variation in employee performance, meaning that Employee Performance is explained by Work Motivation, Transformational Leadership, and Employee Competence by 95.0% (very strong category).

Hypothesis Testing

Hypothesis testing is based on the results of direct and indirect (mediation) effect tests, as explained in the inner model analysis.

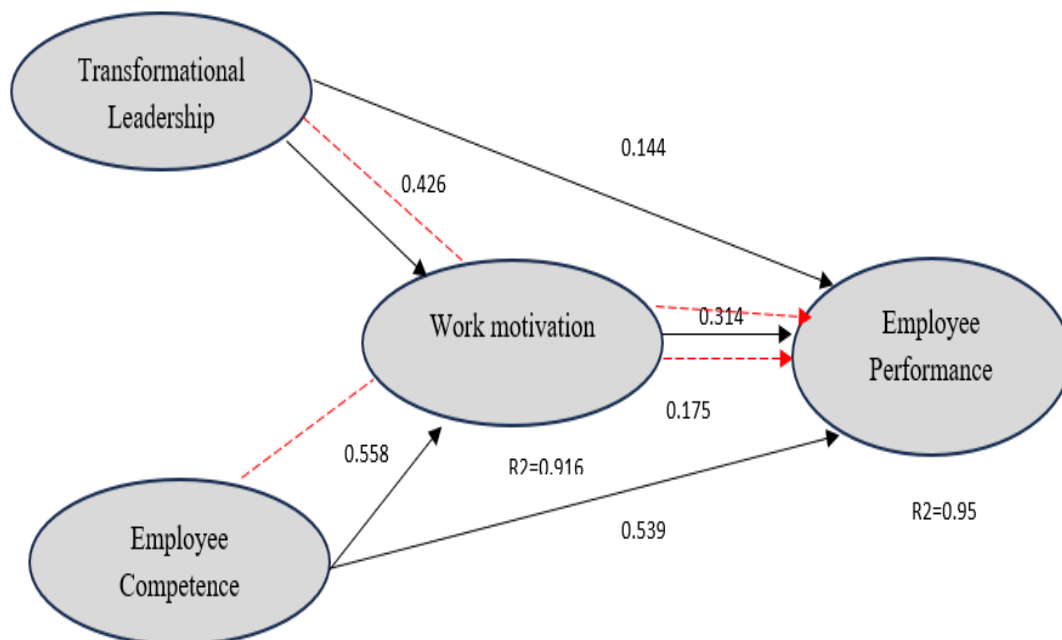


Figure 2. Results of hypothesis testing

A summary of the results of the hypothesis testing is presented in Table 3.2 Hypothesis Testing as follows:

Table 7. Hypothesis Testing

No	Hypothesis	Coefficient	T-Statistic	P Value	Results
1	Transformational Leadership → Employee Performance	0.144	2,214	0.027	Accepted
2	Employee Competence → Employee Performance	0.539	6,546	0.000	Accepted
3	Transformational Leadership → Work Motivation	0.426	3,727	0.000	Accepted
4	Employee Competence → Work Motivation	0.558	4,853	0.000	Accepted
5	Work Motivation → Employee Performance	0.314	4,365	0.000	Accepted
6	The Mediating Role of Work Motivation on the Effect of Transformational Leadership () on Performance	0.134	3,299	0.001	Accepted
7	The Mediating Role of Work Motivation in the Effect of Employee Competence on Performance	0.175	2,886	0.004	Accepted

Based on Table 7. the R-Square (R^2) test shows an R-Square value of 91.6% for the variation in work motivation, meaning that work motivation is explained by transformational leadership and employee competence by 91.6% (very strong category), and the R-Square value of 95% of the variation in employee performance, meaning that Employee Performance is explained by Work Motivation, Transformational Leadership, and Employee Competence by 95.0% (very strong category).

This subsection discusses the research results from both theoretical and empirical perspectives to provide answers to the research questions and objectives. The discussion is based on the testing of the seven hypotheses proposed in the model. Each discussion covers the reasoning behind the statistical test results, their consistency with theory, and their relevance to field conditions at PT Kimia Farma Diagnostika UB Jabar 1.

Transformational Leadership Has a Positive and Significant Effect on Employee Performance

These results indicate that the first hypothesis is accepted, meaning that the better the implementation of transformational leadership, the more likely employee performance is to improve. Theoretically, this finding supports the theory of transformational leadership proposed by (Bass & Avolio, 1990), which explains that transformational leaders are able to influence subordinates' performance through idealized influence, inspirational motivation, intellectual stimulation, and individual consideration. This leadership style encourages employees to work more effectively, increases commitment to tasks, and drives efforts to achieve established work targets.

Empirically, the results of this study align with the findings of (Bitner & Brown, 2008) and (Wake up, 2017), which states that transformational leadership has a positive and significant effect on employee performance. Thus, it can be concluded that transformational leadership is a key factor in improving employee performance; However, its effectiveness in practice must be continuously strengthened through enhanced leadership by example and encouragement of more innovative work practices to ensure employee performance improves more effectively.

The Influence of Employee Competence on Employee Performance

The results of the hypothesis testing indicate that employee competence has a positive and significant influence on employee performance. This suggests that the higher the level of competence possessed by employees, the higher the performance they produce. Thus, employee competence is a factor with a strong influence on improving employee performance.

These findings indicate that employee competence is not limited to technical skills but also encompasses responsibility, adherence to procedures, and the ability to develop knowledge in line with job requirements. Employees with adequate competence tend to effectively complete tasks, meet work targets, and maintain the quality of their work, thus directly contributing to improved performance.

Field observations indicate that employees with a good understanding of their work, clear responsibilities, and the ability to perform tasks according to procedures tend to demonstrate more consistent performance. Adequate competencies help employees work independently, minimize errors, and improve timeliness and the quality of work outcomes. However, there remains a need to enhance technical knowledge mastery so that all employees maintain relatively uniform competency standards.

Empirically, the findings of this study are consistent with those of (Rismayadi & Maemunah, 2016), (Rafferty & Jimmieson, 2017), and (Moeheriono, 2018), which state that competencies have a positive and significant effect on employee performance. These studies confirm that employees with good competencies are able to make a greater contribution to the achievement of organizational goals.

Thus, it can be concluded that employee competence is a key factor in improving employee performance. Competence development must be carried out continuously through the enhancement of work knowledge, the updating of skills, and the fostering of a professional work attitude so that employee performance can continue to improve optimally.

The Influence of Transformational Leadership on Work Motivation

The results of the hypothesis testing indicate that transformational leadership has a positive and significant effect on work motivation. These results suggest that the better transformational leadership is implemented, the higher the employees' work motivation. Thus, transformational leadership is a crucial factor in fostering employees' enthusiasm, engagement, and willingness to work optimally.

On-the-ground conditions indicate that leaders play a role in maintaining employee work enthusiasm through supervision, communication, and providing guidance in task execution. Employees who feel cared for and valued tend to demonstrate higher work enthusiasm, harmonious work relationships, and a willingness to complete tasks effectively. However, there is still room to enhance the role of leaders as a source of inspiration and a driver of innovation so that work motivation is not merely routine but also oriented toward self-development.

Empirically, the results of this study are consistent with the findings of (Sabrina & Sulasmi, 2021), (Handoko, 2017), and (Edison et al., 2017), which state that leadership has a positive and significant effect on work motivation. These findings confirm that the right leadership style can create a work environment that fosters enthusiasm, satisfaction, and employee engagement.

Thus, it can be concluded that transformational leadership plays a crucial role in enhancing employee work motivation. Strengthening transformational leadership should focus on enhancing exemplary behavior, providing inspiration, and fostering creative thinking to ensure that employee work motivation continues to improve sustainably.

The Influence of Employee Competence on Work Motivation

The results of the hypothesis testing indicate that employee competencies have a positive and significant influence on work motivation. These findings suggest that the higher an employee's competencies, the greater their perceived work motivation. Thus, employee competencies are a key factor in driving employee enthusiasm and engagement in performing their duties.

Field observations indicate that employees with competencies aligned with their job roles tend to exhibit higher self-confidence, stable work enthusiasm, and readiness to complete tasks and fulfill responsibilities. Strong competencies enable employees to feel capable of handling workloads and job demands, thereby fostering motivation to work consistently and responsibly. Conversely, competency limitations, particularly in technical knowledge, can diminish self-confidence and work enthusiasm.

Empirically, the results of this study are consistent with the findings of (Nurjaya, 2021) and (Lilyana et al., 2021), which state that competencies have a positive and significant effect on work motivation. These studies confirm that enhancing employee competencies is one of the most effective ways to build strong and sustainable work motivation.

Thus, it can be concluded that employee competence plays a crucial role in enhancing work motivation. Efforts to improve competence should focus on strengthening job knowledge, updating skills, and fostering a professional work attitude to ensure that employee motivation can be continuously optimized.

The Effect of Work Motivation on Employee Performance

The results of the hypothesis testing indicate that work motivation has a positive and significant effect on the performance of employees at PT Kimia Farma Diagnostika UB Jabar 1. These results show that the higher the work motivation possessed by employees, the better the performance demonstrated in the execution of job tasks and responsibilities. Thus, the fifth hypothesis in this study is accepted.

The path coefficient values indicate that the influence of work motivation on employee performance falls into the moderate category but is statistically significant. This suggests that work motivation plays a crucial role in enhancing performance, although it is not the sole determining factor. Motivated employees tend to work more diligently, take greater responsibility, and strive to achieve established work targets.

Empirically, the results of this study align with the findings of (Farisi et al., 2020) and (Ena & Djami, 2021), which states that work motivation has a positive and significant effect on employee performance, particularly in the service sector. These studies confirm that work motivation impacts not only the quantity of work output but also the quality of service and the effectiveness of task execution.

Thus, it can be concluded that work motivation is a crucial factor in enhancing employee performance. Efforts to increase work motivation must be sustained through the provision of fair recognition, the creation of a supportive work environment, and the offering of opportunities for professional development to ensure that employee performance can be continuously improved.

Work Motivation as a Mediator of the Influence of Leadership Style on Employee Performance

The results of the hypothesis testing indicate that work motivation significantly mediates the influence of transformational leadership on employee performance. This finding suggests that transformational leadership not only has a direct impact on employee performance but also exerts an indirect influence through enhanced work motivation.

These results demonstrate that work motivation acts as an intermediary mechanism bridging the relationship between transformational leadership and employee performance. This means that the practice of transformational leadership implemented by leaders first enhances employees' work motivation, which subsequently drives improved performance. Thus, work motivation serves as a crucial psychological factor that strengthens the effectiveness of transformational leadership in achieving optimal performance.

Field observations indicate that leaders who provide clear direction, show concern for employees, and offer support for task execution can foster work enthusiasm and employee engagement. Employees who feel cared for and valued tend to exhibit higher work motivation, such as a willingness to take on greater responsibility, maintain the quality of work outcomes, and complete tasks on time. It is this motivation that then directly contributes to improved employee performance.

Empirically, the results of this study are consistent with the findings of (Arisanti et al., 2019) and (Siagian et al., 2018), which indicates that work motivation significantly mediates the influence of transformational leadership on employee performance. These findings confirm that work motivation is not merely a supporting variable but a crucial component in the mechanism through which leadership influences performance.

Thus, it can be concluded that work motivation plays a significant role as a mediator in the relationship between transformational leadership and employee performance. Improvements in employee performance depend not only on the quality of leadership but also on the leader's ability to sustainably foster employee work motivation through support, exemplary behavior, and attention to employees' needs.

Work Motivation as a Mediator of the Influence of Employee Competence on Employee Performance

The results of the hypothesis testing indicate that work motivation acts as a significant mediator in the relationship between employee competence and employee performance. These findings suggest that employee competence not only has a direct effect on performance but also exerts an indirect influence through increased work motivation.

These results demonstrate that enhancing employee competence, particularly through relevant training and development, first boosts employee work motivation, which subsequently leads to improved performance. In other words, work motivation serves as a crucial psychological mechanism bridging the relationship between employees' competencies and the work outcomes achieved.

Field observations indicate that employees who receive planned training and development feel more confident, are better prepared to handle job demands, and possess a stronger drive to complete tasks effectively. Training not only enhances technical skills but also fosters a sense of being valued and self-confidence, which ultimately boosts work motivation and drives better performance.

Empirically, the results of this study are consistent with the findings of (Darmono & Hidayah, 2020) and (Putri & Winarningsih, 2020), which states that training and competency development influence performance through increased work motivation. These studies confirm that work motivation is a crucial mediating variable in explaining how employee competencies can be translated into optimal performance.

Thus, it can be concluded that work motivation significantly mediates the influence of employee competencies on employee performance. Performance improvement does not depend solely on technical competencies but also on the organization's ability to foster work motivation through relevant, sustainable, and job-specific competency development.

Conclusion

Based on the research findings and discussion, it can be concluded that transformational leadership, employee competence, and work motivation play important roles in improving employee performance at PT Kimia Farma Diagnostika UB Jabar 1. Transformational leadership has a positive and significant effect on employee performance, indicating that leaders who provide clear direction, support, attention, and positive encouragement can improve employees' work quality, punctuality, and independence.

Employee competence also has a positive and significant effect on employee performance. Employees with adequate knowledge, technical skills, responsibility, and professionalism are more capable of completing their duties effectively. In addition, transformational leadership and employee competence both have positive and significant effects on work motivation, showing that supportive leadership and strong employee capabilities can increase enthusiasm, commitment, and confidence at work.

Work motivation has a positive and significant effect on employee performance. Employees with high motivation tend to be more responsible, punctual, compliant with procedures, and proactive in completing tasks. Furthermore, work motivation mediates the effects of transformational leadership and employee competence on employee performance. This means that leadership and competence improve performance not only directly, but also indirectly by increasing employee motivation.

Suggestions

Based on the research findings and various limitations, several recommendations can be proposed for future improvement and development. First, the leadership of PT Kimia Farma Diagnostika UB Jabar 1 is advised to continue enhancing transformational leadership practices, particularly in providing inspiration, setting a good example, and offering individual attention to employees. This can be supported through continuous leadership training and coaching to ensure the effectiveness of leadership in driving performance and work motivation increasingly becomes optimal. Second, employee competency development needs to be optimized by tailoring training programs more specifically to each employee's core duties and functions, as well as conducting periodic evaluations to ensure that training genuinely impacts service quality improvement. Third, strengthening work motivation also requires attention by creating a conducive work environment, providing performance-based rewards, and increasing

employee involvement in the organization's decision-making process. Fourth, future research is recommended to use more contextual and specific performance indicators in line with service standards and job characteristics, so that performance measurement becomes more accurate. Fifth, to enhance the generalizability of the results, the study could be replicated in other healthcare units or organizations across different regions to obtain a more comprehensive understanding of the factors influencing employee performance. Finally, the research model should be expanded by including additional variables such as job satisfaction, organizational culture, or workload, so that the model becomes more comprehensive and capable of explaining employee performance in greater depth.

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