

# CHAPTER I

## INTRODUCTION

### A. Background of the Topic

Nowadays, in this era of globalization, an organization must have relevant goals and effective results. This of course cannot be separated from the figure of a leader who is able to bring and direct employees to a common goal that has been designed previously. A leader is someone who can influence others and has managerial authority (Robbins & Coulter, 2015). The survival of an organization depends on its leader. Leaders become one of the indicators of success in achieving organizational goals.

Successful businesses can be supported with competent human resources who perform properly. On the other hand, incompetent human resources that underperform are a competitive issue that might result in a loss for the company. Human resources should perform as system managers to help an organisation achieve its objectives. Of course, for this system to function, management must focus on a number of crucial factors, including leadership, employee motivation, performance, and other factors. As a result, one of the key metrics for efficiently and successfully attaining corporate goals will be human resource management.

Improving employee performance at ED. Biru Aluminium can be achieved if the leaders in this company are able to provide direction and protect employees or subordinates, so that it will provide motivation for employees at

work which will certainly improve employee performance at ED.Biru Alumunium so as to create maximum results and company goals. On the other hand, the existence of miscommunication between leaders and subordinates and the low motivation of employees at work will certainly create an unfavorable situation that makes employee performance in the company decrease.

In all situations the leader has a very important role. The leader is a symbol, role model, motivator as well as a source of influence, who can direct various activities and resources to achieve a goal. The ability to unify the human aspects becomes a difficulty in itself, and it is one of the duties of a leader. Leadership is the ability to influence a group towards achieving a set vision or goal (Robbins & Coulter, 2015). With transformational leadership, the leader is expected to be able to motivate, inspire, and focus on each employee both individually and in groups to ensure that they are working as efficiently as possible, which will boost their productivity.

Transformational leadership has more moral values than followers in its efforts to increase their awareness of ethical issues and to mobilize their energy and resources to reform institutions. Bass reveals that transformational leadership is a leader who has the power to influence subordinates in certain ways (Yukl, 2010). In addition to transformational leadership, there are other factors that affect performance, one of which is work motivation.

Employee motivation in an organization can be considered simple and can also be a complex problem, because basically humans are easy to be motivated by giving what they want. According to Robbins & Coulter (2015)

motivation refers to the process by which one's efforts are energized, directed, and sustained towards the achievement of a goal. Increasing employee performance motivation is an important concern of the organization, because it will create an environment that encourages an employee to do their best, both inside and outside working hours. This is a win-win situation for both the employee and the organization. In Herzberg's theory, motivation is much influenced by intrinsic and extrinsic factors. Intrinsic factors come from within a person and extrinsic factors come from outside such as the environment and the organization can form personal employees who help in the process of achieving organizational goals (Supriyono & Susmonowati, 2022).

Previous studies have proven that there is a significant relationship between transformational leadership on performance, one of which is Sari *et al* research (2021) which states that transformational leadership style has a positive and significant effect on employee performance, the result of a combination of philosophy, skills, traits, and attitudes that are often applied. A leader when he tries to influence the performance of his subordinates. However, there are other studies that show that transformational leadership has no significant effect on employee performance, research by Kharis (2015) states that there is no influence between transformational leadership style on employee performance but not significant. Research conducted by Suranton & Lestari (2014) found that work motivation and leadership style had a significant influence on employee performance. This is because there are frequent mutations and changes in leadership that provide guidance and motivation to employees have

not been able to make employees aware of the importance of performance because employees need other things in the form of finance to improve employee performance for this reason this research was carried out.

This study is a modification of the journal Handayani (2010) entitled "Analisis Pengaruh Gaya Kepemimpinan dan Motivasi kerja Terhadap Kinerja Pegawai Pada Dinas Tenaga Kerja Provinsi Lampung". The results in his research there is a positive relationship between leadership style and work motivation on employee performance at Dinas Tenaga Kerja Provinsi Lampung. In this study, the researcher changed the Leadership Style variable into Transformational Leadership and changed its object to ED. Biru Alumunium. Based on the description above, the authors feel interested in making a study entitled "The Effect of Transformational Leadership, and Work Motivation on Employee Performance".

## **B. Formulation of the Problem**

Based on the background of the problem that has been described above, the formulation of the problem in this study is as follows:

1. Does Transformational Leadership effect on employee performance in ED.BiruAlumunium?
2. Does Work Motivation effect on employee performance in ED.Biru Alumunium?
3. Does Transformational Leadership effect on Work Motiovation in ED.Biru Alumunium?

### **C. Research Purposes**

The following are the research objectives based on the formulation of the problem:

1. Identify the effect Transformational Leadership style on employee performance in ED. Biru Alumunium.
2. Identify the effect of Work Motivation on employee performance in ED. Biru Alumunium.
3. Identify the effect of Transformational Leadership on Work motivation in ED. Biru Alumunium

### **D. Benefits of research**

1. Theoretical Benefits

This research can provide information and add theoretical insight about transformational leadership, and work motivation on employee performance.

2. For Company

The research is expected to add insight to Managers Company regarding how to take policies in the field of HR and employment. For managers, it is hoped that this research can help the criteria to be achieved in improving employee performance.

3. For Academic Research

Research can add insight to students and become a reference for further

research and become useful insights for students about employee performance and are expected to add knowledge to the real world of work.