THE INFLUENCE OF TRANSFORMATIONAL LEADERSHIP AND WORK ENVIRONMENT ON EMPLOYEE PERFORMANCE: THE ROLE OF COMMUNICATION IN RETAIL INDUSTRY



Written by:

RIZQIYAH ALFIAN NUFUS

20200410056

INTERNATIONAL PROGRAM OF MANAGEMENT AND BUSINESS

FACULTY OF ECONOMICS AND BUSINESS

UNIVERSITAS MUHAMMADIYAH YOGYAKARTA

2024

DECLARATION SHEET

Written by

Name	:	Rizqiyah Alfian Nufus	
Student Number	:	20200410056	
Department	:	International Program of Management and Business	
Faculty	:	Economics and Business	
University	:	Universitas Muhammadiyah Yogyakarta	

Thesis Title

The Influence of Transformational Leadership and Work
Environment on Employee Performance: The Role of Communication in Retail Industry

Declare that in this thesis there is no previous work submitted to obtain a bachelor's degree at a university and as far as I know, there are no such works or opinions written or published by another author, except as written in this thesis and mentioned in the bibliography. If this thesis contains works that have been written or published by other authors, then I am willing to accept the consequences.

OG

April 2rd Yogyakarta, 2024 X672985

Rizqiyah Alfian Nufus

ACKNOWLEDGEMENTS

Praise the authors say to Allah SWT. who have provided opportunities in all activities, and always provide health, ability, and strength so that the author can finish this thesis with the title **"The Influence of Transformational Leadership and Work Environment on Employee Performance: The Role of Communication in Retail Industry".** All obstacles and difficulties that the author encountered in the process and the author has successfully completed the preparation of this thesis by the will of Allah SWT. So, in the end this thesis is finished and the author is grateful and dedicated to:

- My beloved parents who always provide support, motivation and attention to the author so that can complete this thesis well. Thank you for the prayers of my parents who continually pray for me so that the process of working on my thesis runs smoothly and always pray to make it easier for me to achieve my dreams.
- 2. Kurnia Agustin, Siti Ayu Patimah and Sri Wulandari are close friends from Brebes who are always help the author in the process of working on my thesis, both physically and providing moral support so that the author's complaints can be eliminated and the author remains enthusiastic in completing this thesis.
- 3. Friends in Yogyakarta who also always provide encouragement, assistance, convenience and encouragement in the process of completing my thesis

- 4. To my campus, Universitas Muhammadiyah Yogyakarta. Thank you for accepting the author as one of your students which can resolve the sweet and bitter times in the world this lecture.
- 5. For myself, I just want to say thank you for being willing to survive and fight until now. This is not the end, but the beginning of another big dream that I still have to fight for.

PREFACE

Praise be to Allah SWT for the blessing, the author was able to complete the thesis entitled **"The Influence of Transfirmational Leadership and Work Environment on Employee Performance: The Role of Communication in Retail Industry".** This thesis was prepared to fulfill one of the requirements to be able to complete the Bachelor Program in International Program of Management and Business, Faculty of Economics and Business, Muhammadiyah University of Yogyakarta

During the completion of this thesis, of course, there was never without support from the various parties involved. On this occasion, the author would like to thank:

- Prof. Dr. Ir. Gunawan Budianto, M.P., IPM., ASEAN.Eng as Rector of Universitas Muhammadiyah Yogyakarta.
- Prof. Rizal Yaya, S.E., M.Sc., Ph.D., Ak., CA., CRP as Dean of the Faculty Economics and Business, Universitas Muhammadiyah Yogyakarta.
- Dr. Sri Handari W, SE., M.Si as Head of the Management Study Program Faculty of Economics and Business, Universitas Muhammadiyah Yogyakarta.
- 4. Dr. Udin, MM as my supervisor who has patiently provided advice and guidance during the process of writing my thesis.
- 5. All the lecturers in the Management Study Program, Faculty of Economics and Business, Universitas Muhammadiyah Yogyakarta who played an important role during the author's lecture process.

- 6. All Yogya Toserba Losari Brebes staff who have helped in the research process and preparation of this thesis
- 7. All parties involved in the process of preparing my thesis.

The author realizes that there are still many shortcomings in this thesis. Therefore, the author hopes for good criticism and suggestions for the future.

Yogyakarta, November 15th, 2023

Rizqiyah Alfian Nufus

TABLE OF CONTENTS

TITLE.		i	
VALIDITY SHEET			
DECLARATION SHEET			
мотто			
ACKNO	DWLEDGEMENTS	vi	
ABSTRACT		viii	
PREFACE			
TABLE OF CONTENTS			
LIST O	F FIGURES	xiv	
	F TABLES		
CHAPT	ER I INTRODUCTION	1	
1.1	Background	1	
1.2	Research Formulation	6	
1.3	Research Purposes	6	
1.4	Research Benefits	7	
CHAPT	ER II LITERATURE REVIEW	8	
2.1	Theoretical Review	8	
2.2	Hypothesis Developments	12	
CHAPT	ER III RESEARCH METHODS	22	
3.1	Research Design	22	
3.2	Data Sources	23	
3.3	Data Collection Method	23	
3.4	Population and Sample	23	
3.5	Operational Definitions and Variable Indicators	24	
3.6	Data Analysis Technique	26	
CHAPT	ER IV RESULT AND DISCUSSION	31	
4.1	General Description of Research Object	31	
4.2	Instrument and Data Quality Test	44	
4.3	Research Result (Hypothesis Test)	49	
4.4	Discussions	55	

CHAPTER V CONCLUSIONS, LIMITATIONS, AND SUGG	ESTIONS65
5.1 Conclusions	65
5.2 Limitations	65
5.3 Suggestions	66
REFERENCES	
ATTACHMENTS	

LIST OF FIGURES

Figure 2. 1 Theoretical Framework	.21
Figure 4. 1 Measurement Output Model	.45
Figure 4. 2 Bootstrapping Output	.50

LIST OF TABLES

Table 3. 1 Measurements 25
Table 4. 1 Yogya Department Store Branch
Table 4. 2 Questionnaire Distribution Details 36
Table 4. 3 Gender of Respondents
Table 4. 4 Age of Respondents
Table 4. 5 Respondents' Length of Service
Table 4. 6 Respondents' last education 38
Table 4. 7 Descriptive Statistics of Transformational Leadership
Table 4. 8 Descriptive Statistics of Work Environment
Table 4. 9 Descriptive Statistics of Employee Performance
Table 4. 10 Descriptive Statistics of Communication
Table 4. 11 Average Variance Extracted 45
Table 4. 12 Discriminant Validity
Table 4. 13 Cronbach's Alpha and Composite Reability Values 48
Table 4. 14 R Square
Table 4. 15 Hypothesis Testing based on Path Coefficient
Table 4. 16 Hypothesis Testing based on Specific Indirect Effect 53
Table 4. 17 Summary of Hypothesis Test Result