

# The Effect of Transformational Leadership, Workload, and Compensation on Employee Performance

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## The Effect of Transformational Leadership, Workload, and Compensation on Employee Performance

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### ABSTRACT

This study aims to analyze the effect of transformational leadership, workload, and compensation on employee performance. The population is employees of the Branchless Banking division of PT Bank ABC in Indonesia with a saturated sample of 58 respondents. Collecting data using a survey method with a questionnaire based on a *Likert Scale*. The data analysis technique used is *Component or Variance Based Structural Equation Model (CB-SEM)* where the data processing uses *Partial Least Square (Smart-PLS)*. The results showed that (1) transformational leadership has a positive and significant effect on employee performance, (2) workload has a negative and significant effect on employee performance, (3) compensation has a positive and significant effect on employee performance. The implication of the hypothesis shows that there is an effect of transformational leadership, workload, and compensation together on employee performance with a variation of the effect of 93% while the rest is explained by other exogenous variables not studied.

**Keywords:** transformational leadership; workload; compensation; Employee Performance.

### INTRODUCTION

The current era of globalization requires all circles of society to excel in various fields, as well as organizations or companies. If a company cannot compete and is unable to outperform its competitors, then it is certain that in the face of globalization as it is today, the company will not be able to last long. According to (Sutrisno 2016), human resources are company assets that are very important to be maintained and managed properly in order to provide maximum contribution to the company. (Raharjo, D. S., & Sulistiasih 2019), companies need leaders for

their progress, where leadership is responsible for managing, controlling, supervising and providing a policy.

Performance refers to an employee's achievement of the tasks assigned to him. *People do what they are rewarded for doing*. All incentive systems depend on worklowd standards (Cascio 1992). The phenomenon that occurs in this study is the decline in employee performance in the Branchless Banking division of PT Bank ABC in Indonesia, hereinafter referred to as "Bank ABC" which causes the company's targets not to be achieved in the last two years. There are targets that were not achieved during 2019 to 2020.

**Table 1. Company Performance Data for 2019**

Category	Target 2019	Realization 2019
PBT Bankwide	63,32 %	51,82%
PBT Consumer Banking	32,26 %	32.88 %
PBT Branchless	4,42 %	3.66%
Total	100%	8 8.36 %

**Source: PT. Bank ABC Branchless Banking Division**

**Table 2. Company Performance Data for 2020**

Category	Target 2020	Realization 2020
PBT Bankwide	63,32 %	51.37%
PBT Consumer Banking	32,26 %	30.05 %
PBT Branchless	4,42 %	3. 23%
Total	100%	8 4.65 %

**Source: PT. Bank ABC Branchless Banking Division**

### THE PROBLEM

The cause of the decline in employee performance is based on several factors. To find out what are the factors that allow a decrease in employee performance, the author conducted a preliminary survey of 20 respondents from Bank ABC Based on the survey, it can be seen that as many as 55% of respondents feel that their leaders do not provide motivation to work better, as many as 35% of respondents feel that the leader did not provide clear information regarding the delegated workers, as many as 15% of respondents did not feel proud to be part of the company's organization, as many as 20% respondents feel that problems in the organization are not the problem, as many as 90% of respondents have a lot of work and feel that the work done must be a race against time (*deadline*), as many as 40% respondents felt that the currently available work facilities were not sufficient to support work activities, then 45% of respondents felt that the salary and benefits received were is incomparable with the results of

the work provided on the company. The decreasing performance needs to be analyzed carefully and deserves to be investigated to find the answer. If a person is not doing what he or she should be able to do, of course something is wrong, so it is necessary to check the background situation.

<sup>30</sup> Based on the description above, the objectives of this study is to determine (1) the effect of transformational leadership on employee performance, (2) the effect of workload on employee performance, and (3) the effect of compensation on employee performance.

### <sup>3</sup> LITERATURE REVIEW AND HYPOTHESIS

#### <sup>3</sup> The Effect of Transformational Leadership on Employee Performance

The achievement of employee performance is believed to be driven by effective leadership in the organization. Boles in Raharjo and Sulistiasih (2019) define leadership is a processor a number of actions in which one or more (leader) using influence, authority or power to one people (followers) in moving social system, where the purpose of the system is the need for leadership, productivity, <sup>11</sup>ovation and social system maintenance organizations. Sunyoto and Burhanudin (2015), transformational leaders are leaders who inspire followers to put aside personal interests for the good of the organization and they are able to have a tremendous influence on their followers.

In managing productive human resources, transactional leadership has been applied. Leadership includes many aspects, the leader must change his approach to be oriented to <sup>48</sup>ychological aspects and accommodate moral, ethical and spiritual values in leading the group. Transformational leadership is a form of leadership that is believed to be able to answer the character development needs of a leader to complement his leadership. This is intended to balance the mindset and reflection of the new paradigm in global-scale leadership, so transformational leadership is formulated.

By considering the above theory, it can be understood that transformational leadership has a significant influence on organizational values and culture so as to encourage employee performance improvements. It will be a problem if the company's leaders do not inspire, encourage, and facilitate subordinates in line with the expected mindset change. This has implications such as the ability of leaders to coordinate all resources properly entering the stage of change, otherwise it is very likely that it will result in a decrease in performance and hinder efforts to achieve the company's vision and mission. Robbins (1993) introduced the characteristic of transformational leadership: (1) charisma: provides vision and sense of mission, instills pride, gains respect and trust, (2) inspiration: communicates high expectations, uses symbols to focus efforts, expresses important proposes in simply ways, (3) intellectual simulation: promotes intelligence, rationality, and careful problem solving, (4) individualized consideration: gives personal attention, treats each employee individually.

<sup>29</sup> (Widayati, C. C., & Gunarto 2017) revealed that transformational leadership styles have a significant positive effect on <sup>26</sup>employee performance. In the same direction, (Marsella, A. S., & Yanuar 2019) conclude from the results of the study that transformational leadership style and motivation have a positive and significant influence on employee performance, in <sup>10</sup>ne with (Puspitasari, F. A., Nursyamsi, I., and Rasjid 2018) transformational leadership has a positive and insignificant impact on employee performance, and transformational leadership has a positive and significant effect on employee performance through job satisfaction.

The following research by (Lutfi 2018) is not fully in line with the studies above, that the result of the study showed, the transformational leadership does not influence directly the employee performance. The transformational leadership influenced indirectly the employee performance through motivation.

### Hypothesis 59

Ho: There is no effect of transformational leadership on employee performance

Hi: There is an effect of transformational leadership on employee performance

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### The Effect of Workload on Employee Performance 2

The other factor may affect employee performance is workload. There is no one widely accepted definition of workload. (Hart, S.G., and Staveland 1988) describe workload as "the perceived relationship between the amount of mental processing capability or resources and the amount required by the task." Another definition is that it represents the relationship between a group or an individual human operator and task demands. In simpler terms, it is the volume of work expected of a person. According to Wickens in (Jacobs, K., Hellman, M., Markowitz, J., Wuest 2013), "the main objective of assessing and predicting workload is to achieve evenly distributed, manageable workload and to avoid overload or underload. (Koesomowidjojo 2017), a person's work ethics have been determined in the form of company work standards according to the type of work. If most of the employees work in accordance with company standards, then it does not become a problem. On the other hand, if the employee works substandard then the workload is carried out excessively. Meanwhile, if the employee works above the standard, it means that the estimated standard set is lower than the employee's own capacity.

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Putra in (Rolos, J.K.R., Sambul, S.A.P., and Rumawas 2018) described, there are four indicators in the workload, namely (1) targets that must be achieved, namely individual views on the amount of work targets given to complete their work, views on work results that must be completed within a certain period of time. certain conditions, (2) working conditions, which includes the views held by individuals regarding their work conditions, for example making decisions quickly when working on goods, and overcoming unexpected events such as doing extra work outside the allotted time, (3) use of time, work time used in activities directly related to production, (4) work standards, namely the impression that individuals have about their work, for example feelings that arise about the workload that must be completed within a certain period of time. The research results concluded, workload has a significant negative effect on performance of employees, when the workload increases, it will reduce the potential performance employees and otherwise declining workloads then it will increase the performance potential of the employee. But the findings of (Siswanto 2015), there is a conclusion section which states that there is no significant effect between workload and workability, though a positive and significant effect is found between the workability and the work motivation.

### Hypothesis 2

Ho: There is no effect of workload on employee performance

Hi: There is an effect of workload on employee performance



## <sup>1</sup> The Effect of Compensation on Employee Performance

Compensation as <sup>2</sup> the process of paying and rewarding <sup>21</sup> people for the contributions made to an organization (Stewart, G. S., and Brown 2020), is a function of Human Resource Management that deals with each type of reward that <sup>18</sup> individuals receive in return for the work of organizational tasks (Kadarisman 2014), is all income in the form of money, direct or indirect goods received by employees in exchange for services given to the company, shows all things both tangible in the form of financial and non-financial services from the company to its employees (Hasibuan 2016).

So, compensation is an award given by the organization in relation to the work of employees for the organization. Employee benefits in the award format are interpreted for employee contributions, where the benefits can be in the form of financial or non-financial, received directly or indirectly. Whatever the form and how it is distributed, regardless of being a reward, the award is given with a view to increasing performance. Many aspects are caused by "compensation", including the intention of changing employee perceptions to be good towards the company, acceptance of employees towards the company, making employees feel at home working in the company, creating morale, increasing work motivation and driving performance improvement, not the other way around.

From previous research by (Panjaitan, M., Sinaga, A. O., & Manurung 2018), it was found that <sup>8</sup> compensation has a significant positive effect on employee performance, namely the higher the compensation received by employees, the more employee performance increases. In line <sup>8</sup> with this, (Nurcahyani, N. M., & Adnyani 2016) (Hidayat, Z., & Taufiq, M 2012) concluded also that, compensation has a significant positive effect on employee performance. However, there are research findings to the contrary, namely that there is no effect of <sup>8</sup> compensation on performance. (Puspitasari, F. A., Nursyamsi, I., and Rasjid 2018) mentioned that compensation has a negative and significant <sup>51</sup> effect on employee performance, similarly with (Efendi 2019), there was an indication that compensation does not significantly influence employee performance.

### Hypothesis 3

Ho: <sup>1</sup> There is no effect of compensation on employee performance

Hi: There is an effect of compensation on employee performance

### Performance as the Endogenous Variable

(Muchinsky 1997), performance entails some evaluation of behavior. The basic unit of observation is behavior, but coupled with the behavior is an assessment of the behavior as judged against some standard. Most organizational theories tend to be concerned with performance, not just behavior. Performance, however, is determined by factors that transcend behavior. <sup>15</sup> Relevant to that, Nikols in (Solovich, Harold D. and Keeps 1992) defines performance as a result of behavior. Behavior is an individual's activity whereas behavioral outcomes are the ways in which the environment of an individual who behaves is somehow different as a result of his behavior.

Based on the opinion above, it can be analyzed that performance is the behavior of people in the process of working to produce from what has been done. So the output of the implementation of an employee's work occurs because of the employee's work behavior. Good

work behavior will produce good outputs, but good work behavior requires the right definition so that good output requires several requirements including ability, motivation and an environment that provides opportunities and support from various aspects until the work results can meet the requirements. Therefore, it is said that performance is determined by the work behavior of the person who does it, while behavior is influenced by many factors that surround it. (Garrison, James L, Ivancevich, John M. and Donnelly 1994) discuss behavior within organization, in the perspective of both individual and organizational performance, to maximize individual performance should be dealing with several facets of individual behavior: (1) individual characteristic, (2) individual motivation, (3) rewards and appraisal, (4) stress, (5) group behavior and interpersonal influence, (6) leadership, (7) job design and organizational design.

Thus, individual performance in relation to the organization may be described as a process of individual behavior that produces outputs through various aspects of organizational life in order to achieve maximum results through interactions with various influences, including, namely, personal factors and factors outside of themselves such as interactions with the environment that allow them to become individuals who quality, have the opportunity to explore their abilities to the fullest and be productive. Supporting individual performance in the organization can be in the form of psychology, motivation, reward system, workload in stress balance, work group behavior (which is constructive), transformative leadership behavior, and job design according to their abilities and the company's organizational structure that facilitates actualization of work.

If it can be specifically described based on several factors that become the focus of attention, such as effective leadership, an acceptable reward system, and workload pressures that can be managed well by employees, then individual performance, of course, with a functional approach can be defined specifically as well. So clearly, employee performance is the result of work achieved by employees, managed with effective transformative leadership, determined by a measurable workload according to quantity, quality and time within their authority and responsibility, and driven by the implementation of an acceptable rewards system.

### METHOD

Researchers carried out this series of processes starting from March 2020 to December 2020 at Bank ABC. The population were employees who work in Bank ABC which amounted to 58 respondents was taken with a saturated sampling technique. The research data was collected by conducting a survey directly on the object of the study. Data collection instrument using questionnaires based on likert scale and literature study. The research is descriptive, verification, and explanatory. The research variable are transformative leadership (X1), workload (X2), compensation (X3), the three as exogenous (*independent*) variables and employee performance (Y) as the endogenous (*dependent*) variable. Discriminant Validity Test uses *Fornell Larcker Criterion* and *Cross Loading*. Convergent validity test is used to meet the average variance extracted criterion. Reliability tests in PLS using *Composite Reliability* and *Cronbach's Alpha*. Predictive relevance for the construct using *Q Square* test. The hypothesis testing is carried out after the structural model evaluation has done. Technique of data analysis used was *Component or Variance Based Structural Equation Model* in which the processing data using the *Partial Least Square* (Smart-PLS) program version 3.2.8 PLS. Santosa & Raharjo (2021), the PLS is an alternative model of covariance based SEM, which does not require normal

data, the amount of data is full, and the data can be ordinal, interval and nominal scales. PLS for variance-based SEM is used to predict the indicators of the observed latent variables and the aim is to predict the relationship between constructs.

## RESULTS AND DISCUSSION

### Evaluation of Discriminant Validity Testing

Fornell Larcker Criterion and Cross Loading calculated the value of the square root of average variance extracted is accordingly 0.834, 0.902, 0.821 and 0.866 are more than 0.70. The values are greater than the correlation of each construct and meet the criteria of discriminant validity (Hair et al. 2016).

The results of the convergent validity construct testing shows that the average variance extracted (AVE) value of transformational leadership (X1) is 0.696, workload (X2) is 0.813, compensation (X3) is 0.674, and employee performance (Y) is 0.751, where each construct has met the criteria of value above 0.50. This value describes the validity of an adequate convergence and means that one latent variable is able to explain the indicators in it.

### Evaluation of Composite Reliability testing and Cronbach's Alpha

It was found that the Cronbach's alpha value of Variable X1 is 0.960, Variable X2 is 0.974, Variable X3 is 0.938, and Variable Y is 0.972, all of each value is more than 0.60. For the composite reliability, value of Variable X1 is 0.965, Variable X2 is 0.977, Variable X3 is 0.949, and Variable Y is 0.975, all of each value is more than 0.70. A construct is said to be reliable if the value of cronbach's alpha must be more than 0.60 and the value of composite reliability must be more than 0.70. (Sugiyono, 2016).

### Structural Model Evaluation (Inner Model)

The evaluation of structural models (inner models) aims to predict the relationships between latent variables by looking at the value of the coefficients of determination ( $R^2$ ), f-Square and predictive relevance ( $Q^2$ ) to assess the structural.

### Evaluation of Coefficient of Determination

#### Testing

It was found that the value of R-Square ( $R^2$ ) or coefficient of determination of the employee performance construct is 0.927. It means that the endogenous variables can be explained by exogenous variables with the variation of 93% (0.927) while the rest is explained by other exogenous variables not studied.

### Q Square

#### Test Results

For the  $Q^2$  value greater than zero for a given endogenous latent variable indicates the PLS path model has predictive relevance for the construct. The calculation obtained a value of 0.686 (greater than zero), so it can be concluded that the model has a relevant predictive value (Hair et al. 2017).

### Fit Model Test Results

The results showed that the model had a good fit because it had a standardized root mean square residual (SRMR) value below 1.00 and the normal fit index (NFI) value showed that the model



in this study was 49% (0.499) better than the *null model*. Meanwhile, *Chi-square* has met the criteria above 0.90, which is 2788.062. Thus the model is said to be worthy of having relevant predictive value.

### Hypothesis Testing (Path Coefficient)

The size of the effect for each path model (22) can be obtained by calculating *Cohen* ( $f^2$ ). Based on *Cohen* values ( $f^2$ ) the size of the effect can be determined that 0.02, 0.15, and 0.35 represent small, medium, and large effects (Hair *et al.* 2014),

The test results between transformation leadership variable and employee performance variable which show the path coefficients value of 0.727 which is close to the value of + 1, the value of T-Statistic 7,000 ( $>1.96$ ), the value of f-square is 0.83, as well as a p-value of 0.000 ( $<0.05$ ). Thus  $H_0$  is rejected, and  $H_1$  is accepted. It indicates the transformation leadership variable (X1) has a positive and significant influence on the performance of employee variable (Y).

**Table 3. Hypothesis Testing Results**

	Original Sample (O)	Sample Mean	Standard Deviation (STDEV)	TStatistics ( O/STDEV )	P Values	Significance
TR (X1) --> EP (Y)	0.727	0.711	0.104	7.000	0.000	Positive Signifies
WL (X2) --> EP (Y)	-0.368	-0.341	0.099	3.699	0.000	Significant Negatives
Co (X3) --> EP (Y)	0.592	0.584	0.069	8.555	0.000	Significant Positives

**Source: Output PLS, 2020**

The test results between workload and employee performance showed the path coefficients value of -0.368 which is close to the value of -1, the T-Statistic value of 3,699 ( $<1.96$ ), the f-square value of 0.297, and the p-value of 0.000 ( $<0.05$ ). Thus  $H_0$  is rejected, and  $H_1$  is accepted. It indicates the workload variable (X2) has a negative and significant influence on the performance of the employees (Y).

The test results between compensation and employee performance which is show the existence of a path coefficients value of 0.592 which is close to the value of +1, a T-Statistical value of 8,555 ( $>1.96$ ), an f-square value of 1.191 and a p-value of 0.000 ( $<0.05$ ). Thus  $H_0$  is rejected, and  $H_1$  is accepted. It indicates compensation variable (X3) has a positive and significant influence on the performance of employee variable (Y).

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First indication says, transformation leadership has a positive and significant influence on the performance of employee. This means, the more intensive transformational leadership is carried out, the higher the employee's performance. And conversely, if this kind of leadership loosens then employee performance also decreases.

The decline in Bank ABC's performance in the last two years was marked by an increase in the deviation of target achievement from deviating from 12 percent in 2019 to 15 percent in 2020.

Taking into account the indications above, the development of transformational leadership in the future is expected to improve employee performance and in turn the company's performance as well increase. Thus the company's commercial achievement grows so that the problem of declining company performance in achieving business targets can be overcome.

(Knight 2016) put forward the theory that adding other factors on the leadership talent, these factors are precede antecedent where the occurrence of leader, attribution factors and consequences factors of leadership, not only the leader feel with his own beliefs, but also felt that he had lofty goals eternal supernatural further, his followers on the other hand, not only the trust and respect the leader, but also idolized and adore him as a human being or hero a magnitude unseen or spiritual leaders.

Influencing behavior is the essence of leadership. Most of the leader's activity is influencing the attitudes and behavior of people, including subordinates, co-workers, and even people outside the organization. This influencing behavior includes a variety of techniques for developing commitment to organizational goals and compliance with requests. Charismatic leadership is needed to motivate subordinates or staff, inspire and provide value, foster commitment to goals, and be role models for followers to emulate.

This indication of the influence of transformation leadership is supported by the research conducted by (Widayati, C., Rahardjo, T. H., & Febriyanti 2017), (Wijaya, H. P., Widayati, C. C., & Rahmayanti 2018), (Puspitasari, F. A., Nursyamsi, I., & Rasjid 2018), (Chen 2018), (Marsella, A. S., & Yanuar 2019), (Widayati, C. C., & Gunarto 2017), and (Khan 2020) .

<sup>20</sup> Second indication shows, workload has a negative and significant influence on employee performance. This means the lower the existing workload, the higher the employee performance, and conversely if the work puts more pressure on it and causes employees to become stressed, their performance will decrease. It was found that the indicator with the lowest value for workload is the working environment conditions that allow all work to be completed on time.

Workload can occur due to employee acceptance of tasks that must be completed. In advance, it is described that there are factors from within a person and external factors that respond to the workload whether it is felt light or heavy for the employee concerned. Excessive workloads can put pressure on employees, especially if employees are not able to manage stress properly, because there is a relationship between work and personal employees. The indicator analyzed from the ABC Bank phenomenon is the emergence of unsupportive working conditions so that the tasks given to be completed in a <sup>24</sup> time become constrained, this becomes a disproportionate workload for employees. (Gibson, James L, Ivancevich, John M. and Donnelly <sup>153</sup>4) stress is important result of the interaction between the <sup>19</sup> job and the individual. (Munandar, A., Musnadi, S., and Sulaiman. 2019), work stress has a negative and significant effect on job satisfaction and employee performance.

The results of this research that workload has a significant negative effect on performance of employees, when the workload increases, it will reduce the potential performance employees and otherwise declining workloads then it will increase the performance potential of the employee, as are the conclusions of (Andreani, F., & Petrik 2016) (Paramitadewi

2017)(Munandar, A., Musnadi, S. 2019) (Adrianto, T., Ilmi, Z. a<sup>14</sup> Heksarini 2020)(Widodo, J., & Widiyawan 2021) However, it should be taken into account, different levels of workload can affect performance of employees, and it is important for firms to assess the effect of this in order to improve capacity decisions (Bruggen 2015)(Bruggen. 2015).

The third indication is shown by the acceptance of the hypothesis that compensation has a positive effect on employee performance. In connection with this, it was observed that there was a discussion regarding inspiration regarding the fulfillment of benefits for employees at ABC Bank. According to Rao in Huseno (2016), employees will perform better when they are clear about what is expected of them and if occasionally they have the authority to change those expectations, and employees will perform better when they feel that the organization provides opportunities for their job performance to be rewarded and rewarded. Panjaitan *et al.*, (2018), compensation is important to be used as a way for companies to grow employee morale for the company's success.

The company is expected to make a fair contribution in determining how to increase salary. Organization is expected to redevelop existing procedures in determining the fairer promotions among its employees. The problem of declining performance of Ba<sup>54</sup> ABC in the above phenomenon is relevant to the acceptance of the hypothesis about the positive effect of compensation on the performance of employee. It should be understood that a good reward system makes employees committed to completing tasks, this encourages the degree of intensity of employee involvement in carrying out work. It is wise if the reward system is always adjusted to the current conditions to become an organizational commitment. Many factors are needed to have an effective system to drive employee engagement, one of which is the performance rewards. Muchinsky (1997), basing rewards on organizational performance is one way to ensure that employees are involved in and care about the performance of their company.

The result which stated that there is an effect of compensation on employee performance is the same as the findings (Nurcahyani, N. M., & Adnyani 2016)(Panjaitan, M., Sinaga, A. O., & Manurung 2018)(Wijaya, H. P., Widayati, C. C., dan Rahmayanti 2018) (Sutoro 2019) (Iptian, R., Zamroni, Z., and Efendi 2020) and (Wellem 2022).

## CONCLUSION

### Acceptance of the research hypothesis

#### Hypothesis 1

Accepted H<sub>i</sub>, there is an effect<sup>27</sup> transformational leadership on employee performance. Transformational leadership has a positive and significant effect on employee performance, the more effectively this leadership is applied, the higher the employee's performance. On the other hand, the weakening of the intensity of the transformational approach in the company's leadership will be followed by a decrease in employee performance.

#### Hypothesis 2

Accepted H<sub>i</sub>, there is an effect of workload on employee performance. Workload has a negative and significant effect on employee performance. If the workload given to employee is getting more pressing, there will be a tendency for rejection to occur so that employee performance



decreases, and vice versa, if the company reduces work pressure, employee performance will increase.

### **Hypothesis 3**

<sup>10</sup> Accepted  $H_1$ , there is an effect of compensation on employee performance. Compensation has a positive and significant effect on employee performance. This gives rise to a tendency that if the compensation received is considered commensurate with its contribution, the employee will improve his performance, and vice versa if the compensation received is not as expected, his performance will decrease.

### **Hypothetical implications**

The implications of the research results can be expressed in such a way that the research provides comprehensive benefits. The behavior of exogenous variables towards endogenous variables revealed and proven in research can be seen from a broad perspective. That, an organizational event that never happened just because of one factor. From an event there are other causal factors that have a follow-up impact that also creates an effect, whether large or small the degree of influence. However, the following are only implications that are directly related to the hypothetical research discussed, and the authors refer to these as hypothetical implications.

<sup>4</sup> Q Square Test obtained that  $Q^2 = 0.686$ , value greater than zero for a given endogenous latent variable indicates the PLS path model has predictive relevance for the construct. Coefficient of Determination Test found the value of *R-Square* ( $R^2$ ) is 0.927.

Based on the entire description above, as an implication, the following hypotheses can be formulated.

### **Hypothesis 4 (Null)**

$H_0$ : There is no effect of transformational leadership, workload, and compensation together on employee performance

$H_1$ : There is an effect of transformational leadership, workload, and compensation together on employee performance

Proof of the hypothesis using the above test results which shows the transformation leadership variable ( $X_1$ ), workload variable ( $X_2$ ), and compensation variable ( $X_3$ ) <sup>52</sup> simultaneously have a significant effect on employee performance, variable ( $Y$ ). It means rejecting  $H_0$ . So  $H_1$  is accepted: "there is an effect of transformational leadership, workload, and compensation together on employee performance". This case presents the fact that there is so much influence of the three endogenous variables on employee performance. The problem and research objectives must be stated to prove the new hypothesis. We present further implications in the following suggestions.

### **Suggestions**

Leader respect the opinions of their members is an indicator of Transformational Leadership variables. This indicator is a valid instrument for assessing the transformational leadership variable. The results of the analysis found that the score on transformational leadership had the lowest value. It is recommended (to companies) to make leadership improvements with up-to-



date professional and transformational leadership training. Improving the quality of the work environment to support leadership by providing all the necessary facilities, including a ballot box website where members can provide input to their leaders and provide a one on one program where members can discuss with their leaders to express opinions or suggestions or provide feedback.

It was found that valid indicators of working environment conditions for Workload Variables had the lowest score. To enable all work to be completed on time, it is recommended to complete the facilities in the work environment by providing equipment and facilities such as laptops and communication tools, especially to facilitate long-distance communication. It was found that a valid indicator of the availability of insurance facilities (from the company) gave the lowest value to the compensation variable. This indicator contains a sense of security for employees by insurance, so it is advisable to try to provide benefits to every employee such as social security, old age insurance, and work accident insurance, and it is recommended to provide medical check-up facilities or routine health checks once a year to every employee to ensure his health.

The managerial implication is implementing digital transformation to make HR Management successful in guiding organizations in facing change in business. HR management is advised to start or improve performance based on Information Technology. Building a Human Resources Information System (HRIS) provides digital solutions that aim to speed up and simplify the work process, make them more creative and encourage employees to work based on data in making decisions. HR management must build a digital culture, in order to immediately provide benefits to many interested parties.

As a theoretical suggestion, first, in continuing this research, it is recommended that researcher enrich exogenous variables by accommodating relevant implication with the intention that the research are more comprehensive. Second, this research can be developed using a larger sample, the number of respondents is extended to industry.

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