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**Research Paper** 



# The Effect of Transformational Leadership and Innovation Culture On Contractual Employee Performance Though Of Referral Edu Ecosystem, Directorate of Digital Business Telkom Indonesia

Siti Maryati<sup>1</sup>, Wagiarto Hoesin<sup>2</sup>, Iwan Kurniawan Subagja<sup>3</sup> <sup>1,2,3</sup> Faculty of Economics Universitas Krisnadwipayana Jakarta

## Abstract

This study aims to: 1) Analyze the effect of transformational leadership and innovation culture on the motivation of contract employees, 2) Analyze the effect of transformational leadership and innovation culture on contract employee performance, 3) Analyze the influence of motivation on contract employee performance, 4) Analyze the influence of transformational leadership and culture of innovation on the performance of contract employees through motivation. This research was conducted on the Referral Edu Ecosystem unit, Directorate of Digital Business, PT Telkom. The sampling technique used a random sampling technique with 75 people as the sample. Analytical methods using descriptive analysis methods and path analysis.

The results showed that: 1) there is an influence of transformational leadership and innovation culture on the motivation of contract employees, 2) there is an influence of transformational leadership and innovation culture on the performance of contract employees, 3) there is an influence of motivation on the performance of contract employees, 4) motivation cannot mediate to improve transformational leadership and a culture of innovation on the performance of contract employees.

Keywords: transformational leadership, innovation culture, motivation, performance, contract employees.

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# I. INTRODUCTION

In the midst of increasingly fierce competition between companies and increasingly advanced technology, the changes that occur are getting faster and faster, so companies need to adapt even faster in a shorter time. Companies that can not keep up with this speed and adapt, it is not impossible to be swallowed up.

Companies can only survive if they change and adapt to the times, and what this means for the company is that the experts in it need to continuously develop and improve their competence. And this process should not stop and must be carried out continuously. And to do this well and smoothly, an organization or company needs a leader with transformational character, also known as transformational leadership.

Robbins & Judge, (2011) stated that leadership is the ability to influence an organization towards the achievement of goals. Transformational leadership is what is defined as true leadership because this leadership works towards goals in the act of directing the organization to a goal that has never been achieved before. Real leaders must be able to direct the organization in a new direction. Transformational leadership consists of four components: Charisma, Individual Consideration, Intellectual Stimulation, Inspirational (Yukl, 2010).

Bass and Avolio (1993) state that transformational leadership will form an organizational culture that supports personal and organizational performance, namely an organizational culture that is responsive to the environment, respects employees as humans, encourages innovation and creativity and unites efforts for the benefit of the organization above individual interests.

According to Almunandar (2017), companies that continue to innovate will be able to continue to survive and emerge as winners because innovation, along with creativity, is the currency towards success. In fact, according to Buddlemeyer (2009) innovation is a determinant of the survival of an organization. Because innovation is a very important factor for organizations, therefore the culture of innovation is an absolute necessity for every organization for business continuity and to survive. Because innovation is mandatory for the sustainability of the organization, while employee performance is mandatory for organizational productivity, the relationship between innovation culture and employee performance can be very useful for organizations if both support each other, it would be ideal if innovation culture can have a positive effect on employee performance and performance. or vice versa. Research is needed to find out about it.

Under the auspices of the current leadership of the directors of PT Telkom, PT Telkom wants to transform from its previous business to prioritize digital business. This transformation can occur and emerge as a strategy for PT Telkom because the current board of directors is a leader with transformational characteristics. And of course to be able to successfully transform and do business in the digital industry, PT Telkom also needs to continue to innovate because the digital industry is full of rapid technological developments where companies can fall behind if they do not continue to innovate.

To be able to successfully penetrate the digital world, PT Telkom formed an organization that has autonomy in certain aspects which is named the Referral Edu Ecosystem. The purpose of establishing the Referral Edu Ecosystem is to help develop and advance Indonesian education as a whole. And because it is related to education, Referral Edu Ecosystem works closely with the Indonesian Ministry of Education and Culture to make this happen. The current condition is that the current Minister, Nadiem Makarim, is a young minister who comes from the start-up world, a world full of digital technology and innovation. Gojek, a company founded by Minister Nadiem Makarim, is a company that is carrying out a digital transformation from basic motorcycle taxis to modern motorcycle taxis. Therefore, it can also be said that Minister Nadiem Makarim is a transformational leader.

Referral Edu Ecosystem is an organization formed by PT Telkom to assist and facilitate the needs of the Indonesian Ministry of Education and Culture in providing innovative technological solutions that can disrupt formal education so that it can bring about massive and rapid changes for the better. Even faster than the time it takes for start-ups like Gojek and Bukalapak to arrive at their current position.

The changes that the Referral Edu Ecosystem will bring to Indonesian education rest on the development and use of appropriate technology to solve current educational problems. It is currently identified that in the year the program will be run in 2021 and 2022, from a number of people on the Referral Edu Ecosystem team there are approximately 300 people, but if you look at 33 subsystems that must be developed in order to have an impact on changes for the better in a short time , the 33 systems are estimated to require an additional 200 people, so the Referral Edu Ecosystem team needs to have nearly 500 members to be able to build the 33 subsystems in 2021-2022. And because this is only an estimate, where it is often estimated that there is a change that usually takes more time or effort than the initial estimate, it is possible for these 33 subsystems to grow and require even more people.

Table 1. Subsystem Development Targets and Achievements							
System Number of Subsystems Completed 2021 Rema							
Intedata	9	3	6				
Boss funds	8	2	6				
Teaching and learning activities	8	3	5				
Higher education	8	2	6				

Looking at the achievement of the subsystem creation target in 2021, it appears that generally twice the number of initial teams is needed to be able to complete the entire subsystem by 2022. However, for one reason or another, employees who can be recruited for the Referral Edu Ecosystem are not permanent employees but only contract employees.

Table 2. Distribution of Employees						
Department Number of Employees						
Engineering	118					
Analysis and Design	64					
Research and development	33					
Operational	79					

Also considering the problems and problems experienced in Indonesian education, what makes it a challenge is that Indonesia as a country with the largest number of islands and including five of the most populous countries in the world, is a unique challenge that is not experienced by any country so that it is a problem and problem that can be solved. said there is no solution in the world. This condition makes the Referral Edu Ecosystem team need to continuously innovate in order to produce a subsystem that is solution to existing problems and problems, where the innovation that is continuously being built needs to become a culture that is rooted in the Referral Edu Ecosystem team, so that a culture of innovation is formed that can provide hope to make the Referral Edu Ecosystem achieve its goals.

With a transformational leader both on the side of PT Telkom as the company that houses the Referral Edu Ecosystem, and a transformational leader on the customer side, namely the Ministry of Education and Culture,

the Referral Edu Ecosystem with a deep-rooted culture of innovation needs to improve its performance even with the status of an employee. contract, so that the planned subsystem targets can be achieved.

However, in Balansa's research (2018), it was found that transformational leadership has a negative effect on employee performance. In the study it was also said that organizational culture had a positive but not significant influence so that when combined, it became an insignificant positive influence. This is one of the reasons why this research was conducted. Meanwhile, the ongoing transformation of the Referral Edu Ecosystem is clear evidence of the transformational leadership carried out by the leadership of the division.

## II. LITERATURE REVIEW

## • Employee Performance

Employee performance is a result achieved by the employee in his work according to certain criteria that apply to a particular job. According to Robbins (2003) that employee performance is a function of the interaction between ability and motivation. In the study of worker or employee performance management, there are things that require important considerations because the individual performance of an employee in the organization is part of the organization's performance, and can determine the performance of the organization. The success or failure of employee performance that has been achieved by the organization will be influenced by the level of performance of employees individually or in groups. Performance is organizational behavior that is directly related to the production of goods or the delivery of services. Performance is often thought of as the achievement of tasks, where the term task itself comes from the thought of activities required by workers (Gibson, 1997). Yukl (1998) uses the term proficiency which has a broader meaning. Performance includes aspects of business, loyalty, potential, leadership, and work morale. Proficiency is seen from three aspects, namely: the behaviors shown by a person at work, the real results or outcomes achieved by workers, and assessments on factors such as motivation, commitment, initiative, leadership potential and work morale. Gibson (1997) defines performance as the result of work related to organizational goals such as quality, efficiency, and other effectiveness criteria. Performance reflects how well an individual fulfills job demands.

Based on the above definitions, performance is seen as a result that is qualitative and quantitative. The success or failure of the performance that has been achieved by the organization is influenced by the level of performance of employees individually or in groups, where performance is measured by instruments developed in studies that depend on general performance measures, then translated into a basic behavioral assessment which can include various things, namely: quantity work, quality of work, opinions or statements conveyed, decisions taken in doing work and job descriptions.

Mangkunegara (2006) states, employee performance is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him. From this statement, if it is reduced to indicators as follows:

• Quality. The quality of work is measured by the employee's perception of the quality of the work produced and the perfection of the task on the skills and abilities of employees.

• Quantity. Represents the resulting amount expressed in terms such as number of units, number of completed activity cycles.

• Compliance with responsibilities. Is the suitability of activities with expectations that are expected according to employee responsibilities.

## III. Transformational Leadership

Based on his theory, employee performance in Keith Davis Theory quoted from Mangkunegara (2009), is formulated through the factors that can affect the performance itself, namely:

Human performance = Ability + Motivation

Motivation = Attitude + Situation

Ability = Knowledge + Skill

Ability factor, psychologically the ability of employees consists of abilities with adequate education for their positions and skilled in doing daily work, then they will be easier to achieve the expected work performance, therefore every employee needs to be placed in jobs that match their skills. While the motivation factor motivation is formed from the attitude of an employee in dealing with work situations in achieving these work goals.

Handoko (2009:294) states that leadership is the ability that a person has to influence others to work towards achieving goals and objectives. An example from a leader is needed, because a leader is a role model and spotlight from his subordinates. Another view, as stated by Suparmi (2010) states that the leadership factor is the biggest factor in influencing an employee. One leadership style that is considered capable of improving employee performance is the transformational leadership style.

A similar statement, according to Munawaroh (2011) suggests that transformational leadership is described as a leadership style that can arouse or motivate employees, so that they can develop and achieve performance at a high level, beyond what they previously thought. According to Mamik (2010) in Apriyanto and

Satrio (2015) indicators of transformational leadership can be measured through task orientation, relationship orientation, and position power. Previous research evidence explains that transformational leadership has a positive and significant effect on employee performance (Apriyanto and Satrio: 2015). The difference in research results in analyzing the effect of transformational leadership on employee performance is shown in a study conducted by Puspitasari et al (2018) that transformational leadership has a positive and insignificant effect on employee performance.

Dimensions and indicators of transformational leadership, according to Robbins and Judge (2008) there are four components of transformational leadership, namely:

• Idealized Influence is a leader's behavior that provides a vision and mission, and earns the respect and trust of subordinates;

• Inspirational Motivation is the behavior of leaders who are able to communicate high expectations, and inspire subordinates to achieve goals that result in important progress for the organization.

• Intellectual Stimulation, is the behavior of leaders who are able to increase the creativity and innovation of subordinates, increase rationality, and solve problems carefully

• Individualized Consideration is the behavior of leaders who treat each subordinate as an individual with different needs, abilities, and aspirations, as well as train and provide advice

## IV. Innovation Culture

Innovation culture is one example of organizational culture. Basically, the notion of organizational culture is a characteristic that exists in an organization and is used as a guide for the organization or company so that it is able to distinguish it from other organizations. That means, it is a norm as well as behavioral values that are understood and accepted by all members of the organization and are also used as the basis for the rules of behavior within the organization or company. Deal and Kennedy (1982) say that this can also be interpreted as all things that can be resolved in the organization's shelter. Culture in an organization will involve all experiences, philosophies, experiences, expectations and also all the values contained in it, so that later it will be reflected in the activities of each member, starting from work, interactions with the outside environment, to expectations that are expected to be realized in the future.

Noe and Mondy (1996) in their book explain that organizational culture can be divided into two, namely open and participatory culture. This type is characterized by the achievement of high results goals and is supported by mutual trust in subordinates, open communication, supportive leadership and full attention, solving common problems, employee autonomy, and sharing all available information and a closed and autocratic culture. A characteristic of this type is the achievement of goals at high yields, but this achievement will be more stated and enforced in organizations with strong autocratic leadership traits.

Process innovation is divided into two categories, namely technological innovation and organizational innovation. In technological process innovation changes the way products are produced by introducing technological changes (physical equipment, techniques and systems) while organizational innovation is innovation in organizational structure, strategy and administrative processes (Damanpour & Aravind, 2012) a study conducted by Ojasalo (2008) also mapping several innovations, such as incremental innovation, which utilizes the potential of a predetermined design and often strengthens the dominance of a company's ability because with this innovation it can increase the functional capability of an existing technology, add value to technology or make small-scale improvements to existing products and processes and business at the moment.

Innovation culture is an organization/company value system and will affect the way work is done and employees behave which can be concluded that what is meant by innovation culture in this study is the organizational/company value system adopted by company members, which then affects the way they work and behave from company members. Innovation is related to the activity of creating change and improvement. Meaningful change also introduces something new by replacing the old to something better. Change is closely related to innovative behavior that leads to generating, introducing, and applying 'new' things. Therefore, change is a process that must occur, and to be able to adapt to change must be responded to with innovative behavior.

The culture of innovation is a process in which employees have creative attitudes or ideas in their work and are able to take risks that aim to improve their performance (Tiqwani, 2014). Tiqwani (2014) states that the culture of innovation is stating that the extent to which the organization encourages employees to be innovative and dare to take risks. In addition, how the organization appreciates risk-taking actions by employees and generates employee ideas. Dobni (2008) describes a culture of innovation more broadly as the beginning of a marked change from traditional management principles, processes and practices or the beginning of a customary form of organization that significantly changes the way management works.

According to Dobni (2008), the indicators of innovation culture are as follows:

• Intention to innovate. Without the intention to innovate, the culture of innovation is very rarely formed by itself, so this means that the culture of innovation is deliberately and planned to be built.

• Infrastructure for innovation. What is meant by infrastructure is all supporters to be able to innovate, such as leadership support and support from fellow teams

• Influence and orientation to innovate. Without the drive for influence to innovate both from outside and from within, an innovation culture will be difficult to form

• The environment or context that supports the implementation of the innovation. Innovations that are ideas will not go anywhere, innovations need to be implemented and a friendly environment to try changes will form a better innovation culture.

## V. Motivation

Based on Abraham Maslow's hierarchy of needs theory, theory X and theory Y of Douglas McGregor as well as contemporary motivational theory, the meaning of motivation is the 'reason' that underlies an action performed by an individual. Someone said to have high motivation can be interpreted that the person has a very strong reason to achieve what he wants by doing his current job. In contrast to motivation in the sense that develops in society which is often equated with 'spirit', for example in the conversation "I want my child to be highly motivated". This statement can mean that parents want their children to have a high enthusiasm for learning. So, it should be understood that there are differences in the use of the term motivation in society. There are those who interpret motivation as a reason, and there are also those who interpret motivation as the same as enthusiasm.

Maslow's hierarchy theory is a motivational theory proposed by Abraham Maslow in 1943. Reporting from Lumen Learning, Maslow's hierarchy describes a series of physiological and emotional needs for human satisfaction that are arranged in a hierarchy or sequence of human needs. Maslow's hierarchy theory ranks human needs from the bottom to the top, namely:

• Physiological needs. Physiological needs are basic needs related to human survival. Physiological needs in the form of oxygen, food, sleep, clean water, homeostatic abilities and secretions. Security needs Security needs are human security needs.

• Security needs include personal security, financial security, job well-being, family security, and morality.

• Social needs. Humans as social beings have social needs, namely interaction between human beings. Social needs can be in the form of friendship, the need to be loved, good family relationships, to relationships with colleagues or just acquaintances.

• Appreciation needs. Humans also need appreciation needs in the form of self-confidence, respect for others, a sense of respect and respect for others, and also feelings of being recognized for their talents and abilities.

e. Self-actualization needs. The need for self-actualization is a person's full potential and personal ambition. Self-actualization needs can be in the form of creativity, spontaneity, and also problem solving abilities.

According to Suwati (2013), the components of work motivation indicators are as follows:

• Awards, Leaders give praise for the work of employees if the work is satisfactory and is manifested in the provision of bonuses for employees who excel.

• Attention, the leadership pays attention to employees fairly and proportionally as shown by the leadership's policy of paying attention in the form of bonuses for employees who excel so that the principle of fairness in every employee is realized properly.

• Competition, working relations and healthy competition with fellow co-workers are well established, this is indicated by the absence of fights between employees during work.

• Participation, the Company is always open to hear the aspirations or opinions of employees that will provide benefits such as being able to produce a better decision.

• Pride, Employees are less proud and satisfied with the company, this is indicated by the increasing intensity of employees who resign from the company which is mostly due to employee dissatisfaction with the company's policy on compensation.

• Punishment in the form of sanctions, suspension, demotion or imposition of fines and others as negative motivation. In this case the company provides a warning letter for employees who are absent from work and if there is no change from the employee, they will be expelled from the company. Deductions from salaries and premiums for employees who exceed the permit period given by the company and no transportation replacement is given if you resign from the company for less than 6 months of service.

# VI. Research Method

### **Research Time and Location**

• Research time, this research was conducted in November-December 2021

• The research location was conducted at the Edu Ecosystem Referral, Directorate of Digital Business PT Telkom Indonesia.

### **Research Design**

This study uses an explanatory research approach, namely research that aims to test a theory or hypothesis in order to strengthen or even reject the theory or hypothesis of previous research results. The causal approach in this study is used to explain the effect of the independent variables, namely transformational leadership (X1), innovation culture (X2) and motivation (Y) on employee performance (Z) so that the influence of each variable can be known.

### **Population and Sample**

Population is the entire object of research consisting of humans, objects, animals, plants, symptoms, test scores, or events as data sources that have certain characteristics in a study as stated (Margono, 2004) inside (Hardani, 2020).

The purpose of holding a population is to be able to determine the size of the sample members taken from members of the population and limit the validity of the generalization area. However, research does not need to use all members of the population because it is called a total sample or census. One person can be used as a population, because that one person has various characteristics, such as speaking style, discipline, hobbies, way of getting along, leadership, etc. For example, if you want to do research on the leadership style of director A, then that leadership is a sample of all the characteristics possessed by director A. The population in this study is the contract employees of Referral Edu Ecosystem, Directorate of Digital Business PT Telkom Indonesia as many as 300 people.

The sample is part of the population taken using the sampling technique as stated (Husain and Purnomo, 2001) in Hardani (2020). The sample must truly reflect the state of the population, meaning that the conclusions of the research results drawn from the sample must be conclusions on the population. Research using sampling techniques is more profitable than using the population alone. The number of contract employees Referral Edu Ecosystem, Directorate of Digital Business PT Telkom Indonesia as many as 300 people.

So that the results of the research conducted on the sample can still be trusted in the sense that it can still represent the characteristics of the population, the sampling method must be carried out carefully. Suryani and Hendryadi (2015), the method of sample selection is known as the sampling technique or sampling technique.

Sample selection by means of probability sampling is highly recommended in quantitative research as presented in Hardani (2020), and random sampling is one of the techniques that fall into the category of probability sampling. The main characteristic of this sampling is that each element of the entire population has an equal chance of being selected. This means that each element is chosen independently of every other element.

Determination of the sample in this study using the technique of Simple Random Sampling or random, meaning that the researcher took randomly from the total population. While the technique of determining the number of samples using the Slovin formula. Based on the above calculations, the sample size (n) in this study was 75 people.

### **Data Collection Technique**

Data collection techniques are used to obtain accurate data regarding the problems in this study which were carried out through the questionnaire method, namely data collection techniques carried out by giving a set of questions or statements to other people who were used as respondents to answer (Suryani and Hendryadi, 2015). In this study, questionnaires were distributed online to contract employees of Referral Edu Ecosystem, Telkom Indonesia Directorate of Digital Business. The data obtained through the respondents' answers were then scored based on the Likert scale.

## Data Analysis Technique

## a. Descriptive Analysis

Descriptive analysis is the most basic analysis to describe the general state of the data. This descriptive analysis includes several things, namely frequency distribution, measurement of central tendency, and measurement of variability (Wiyono, 2001). Descriptive analysis consists of mean, median, mode, standard deviation and variance. There are four data used, namely nominal data, ordinal data, interval data and ratio data. However, there are limitations in the use of data with certain scales. Nominal data can only be used to determine the mode because nominal data is the simplest data. Ordinal data can be used to determine the mode and median. Meanwhile, interval and ratio data are used to determine the mode, median, mean and standard deviation. This is because to calculate the mean can only be done using data that can be performed mathematical operations such as add, subtract, multiply, divide and others.

### b. Path Analysis

After getting the data, analysis will be carried out, one of which is path analysis. Path analysis is a statistical analysis technique developed from multiple regression analysis. In Indonesian language literature, this technique

is also known as cross analysis or trajectory analysis. This technique was first introduced by Sewall Wright in 1934 as a tool for studying the relationships between variables in livestock production, but its application is now expanding to other fields, such as applied genetics and economics.

### VII. Research Results And Discussion

## 1) Analysis of the Effect of Transformational Leadership and Innovation Culture on Motivation

### Table 3. Test Results of the Effect of Transformational Leadership and Innovation Culture on Motivation

	Model Summar	У					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate			
1	.781ª	.609	.599	4.72342			
a. Predictors: (Constant), INNOVATION_CULTURE, TRANSFORMATIONAL_LEADERSHIP							
b. Dependent Variable: MOTIVATION							
Carrier Duine	Sama Driman Data and 2022						

Source: Primary Data processed, 2022

Table 3 shows the value of R2 (R Square) of 0.609. This R2 value is used in calculating the coefficient value of e1. The e1 coefficient is a motivational variance that is not explained by transformational leadership and innovation culture.

Coefficient  $e_1 = = = 0.625$ 

# Table 4. Results of Motivational Regression Analysis Coefficients<sup>a</sup>

Unstanda	ardized Coefficients	Standardized Coefficients	t	Sig.
В	Std. Error	Beta		
10.085	2.876		3.507	.001
<b>.</b> 726	.140	.545	5.176	.000
.396	.143	.291	2.762	.007
	B 10.085 .726	B         Std. Error           10.085         2.876           .726         .140	Unstandardized CoefficientsCoefficientsBStd. ErrorBeta10.0852.8762.726.140.545	Unstandardized Coefficients         Coefficients         t           B         Std. Error         Beta           10.085         2.876         3.507           .726         .140         .545         5.176

a. Dependent Variable: MOTIVATION Source: Primary Data processed, 2022

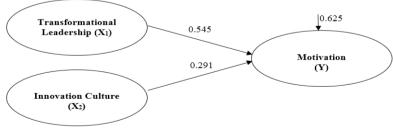
Source: Frindi'y Duta processed, 202

$$\begin{array}{ll} Y & = b_1 X_1 + b_2 X_2 + e_1 \\ Y & = 0.545 X_1 + 0.291 X_2 + 0.625 e_2 \dots \dots \dots (1) \end{array}$$

### The equation shows that:

• Every 1 increase in the transformational leadership variable will be accompanied by an increase in motivation of 0.545

• Every 1 increase in the innovation culture variable will be accompanied by an increase in motivation of 0.291 From equation (1) above, it can be seen that if transformational leadership increases, motivation will increase. Likewise, with an increased culture of innovation, motivation will increase. Based on equation (1), a path analysis model is obtained as follows:



## Figure 1. Equation of Substructure 1

2) Analysis of the Effect of Transformational Leadership and Innovation Culture on Employee Performance The results of the regression analysis of the influence of transformational leadership and innovation culture on employee performance can be seen in the table below:

# Table 5. Leadership Influence Test Results Transformational and Innovation Culture on Employee Performance

Model Summary							
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate			
1	.804ª	.647	.637	2.28248			
		INNOVATION_CULTU MPLOYEE_PERPORM	JRE, TRANSFORMATION	AL_LEADERSHIP			

Source: Primary Data processed, 2022

Table 5, shows the value of R2 (R Square) of 0.647. This R2 value is used in calculating the coefficient value of e1.

 $Coefficient e_2 = = = = 0.594$ 

	Table 6. Results of Employee Performance Regression Analysis							
		Unstanda	rdized Coefficients	Standardized Coefficients				
Mod	lel	В	Std. Error	Beta	t	Sig.		
1	(Constant)	4.346	1.390		3.127	.003		
	TRANSFORMATIONAL_LEADERSHI P	.394	.068	.583	5.817	.000		
	INNOVATION_CULTURE	.192	.069	.277	2.764	.007		

a. Dependent Variable: EMPLOYEE\_PERPORMANCE Source: Primary Data processed, 2022

Based on Table 6, it can be seen that the regression equation is as follows:

 $\begin{array}{ll} Z & = b_1 X_1 + b_2 X_2 + e_2 \\ Z & = 0.583 X_1 + 0.277 X_2 + 0.594 e_2 .....(2) \end{array}$ 

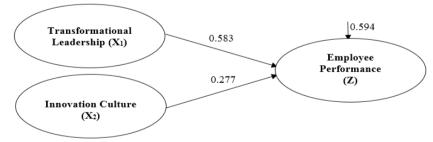
The equation shows that:

• Every 1 increase in the transformational leadership variable will be accompanied by an increase in employee performance by 0.583

• Every 1 increase in the innovation culture variable will be accompanied by an increase in employee performance by 0.277

From equation (2) above, it can be seen that if transformational leadership increases, employee performance will increase. Likewise, with an increased innovation culture, employee performance will increase. Based on equation (2) a path analysis model is obtained as follows:

Based on equation (2), a path analysis model is obtained as follows:



**Figure 2. Substructure Equation 2** 

3) Analysis of the Effect of Motivation on Employee Performance

The results of the regression analysis of the influence of motivation on employee performance can be seen in the table below:

Table 7. Test Results of the Effect of Motivation on Employee Performance
Model Summary

	Model Summary							
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate				
1	.789ª	.623	.617	2.34393				
Predictors: (Constant), MOTIVATION								

Dependent Variable: EMPLOYEE\_PERPORMANCE

Source: Primary Data processed, 2022

Table 8. Results	of Employee	Performance	Regression Analysis

			Coefficient	ts <sup>a</sup>		
		Unstand	ardized Coefficients	Standardized Coefficients		
Model		В	Std. Error	Beta	t	Sig.
1	(Constant)	3.860	1.472		2.623	.011
	MOTIVATION	.401	.037	.789	10.974	.000

Source: Primary Data processed, 2022

Based on Table 8, it can be seen that the regression equation is as follows:

 $\begin{array}{ll} Z & = a + b_3 Y + e2 \\ Z & = 3.860 + 0.789 \end{array}$ 

= 3.860 + 0.789 + 0.594....(3)

The equation shows that:

• Every time there is an increase in 1 unit of motivation, it will be followed by an increase in employee performance of 0.789

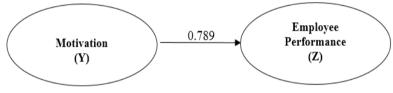


Figure 3. Equation of Substructure 3

- Analysis of the Effect of Transformational Leadership and Innovation Culture on Employee Performance Through Motivation
- Based on equations (1), (2) and (3), a path analysis model is obtained as follows:

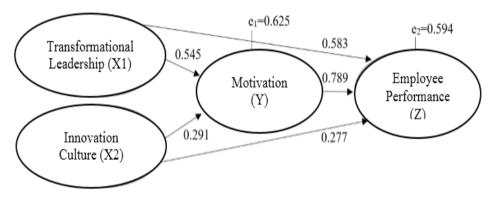


Figure 4. Path Analysis Model

The value of the influence of transformational leadership and innovation culture on employee performance through motivation is as follows:

X<sub>1</sub> Y Z = ( $\rho$ YX<sub>1</sub>) x ( $\rho$ ZY) = 0.545 x 0.789= 0.430 X<sub>2</sub> Y Z = ( $\rho$ YX<sub>2</sub>) x ( $\rho$ ZY) = 0.291 x 0.789 = 0.229

# Table 9. Path Coefficients of Direct Influence, Indirect Influence, and Total Effects of Transformational Leadership, Innovation Culture, Employee Motivation and Performance

** • • •	Coefficient Path	Effect		
Variable		Direct	Indirect	Total
Transformational Leadership (X1)	0,583	0, 583	0,430	1,013
Innovation Culture (X2)	0,277	0,277	0,229	0,506
Motivation (Y)	0,789	0,789	-	-
Performance	-	-	-	-
Employee (Z)	0,625	-	-	-
Coefficient e1	0,594	-	-	-

Source: Primary Data processed, 2022

### VIII. Discussion

# 1. The Influence of Transformational Leadership and Innovation Culture on Edu Ecosystem Referral Motivation at PT Telkom Indonesia's Digital Business Directorate

Based on the analysis of the description of the average value of the transformational leadership variable, employees tend to agree with the referral contract edu ecosystem, the digital business directorate of Telkom Indonesia tends to agree that the transformational leadership variable is formed by ideal influences, inspirational motivation, intellectual stimulation and individual considerations. The indicator that gives the greatest contribution to the transformational leadership variable is the ideal influence, meaning that the leadership of PT Telkom is able to convey a clear vision and mission to employees. On the innovation culture variable, employees tend to agree with the referral contract edu ecosystem, the digital business directorate of Telkom Indonesia tends to agree that the innovation culture variable is formed by the intention to innovate, the infrastructure to innovate, the influence and orientation to innovate, the environment or context that supports the implementation of innovation. The indicator that gives the greatest contribution to the innovation culture variable is the intention to innovate, meaning that the leadership of PT Telkom provides clear and firm directions so that employees understand the need for innovation for organizational success. On the motivation variable, employees tend to agree with referral contract edu ecosystem, the digital business directorate of Telkom Indonesia tends to agree that the motivation variable is formed by rewards, attention, competition, participation, pride, and punishment. The indicator that gives the biggest contribution to the motivation variable is pride, which means that PT Telkom employees generally resign because of external pull factors and company policies that favor employees.

Based on the results of the path analysis, it shows that transformational leadership and a culture of innovation are able to increase work motivation at the Referral Edu Ecosystem, Directorate of Digital Business, PT Telkom Indonesia. The variable that provides the greatest support for increasing motivation is transformational leadership. The results of this study are in line with the results of research conducted by Ipda (2019) and Ekawati (2014).

# 2. The Influence of Transformational Leadership and Innovation Culture on the Performance of Edu Ecosystem Referral Contract Employees, PT Telkom Indonesia's Digital Business Directorate

Based on the analysis of the description of the average value of employee performance variables, employees tend to agree with referral contract edu ecosystem employees, the digital business directorate of Telkom Indonesia tends to agree that employee performance variables are shaped by work quality, work quantity, and suitability with responsibilities. The indicator that gives the greatest contribution to the employee performance variable is conformity with responsibility, meaning that PT Telkom employees do work that is in accordance with the scope of their position and carry out activities that are closely related to the position they have.

Based on the results of the path analysis, it shows that transformational leadership and a culture of innovation are able to improve employee performance at the Referral Edu Ecosystem of the Digital Business Directorate of PT Telkom Indonesia. The variable that provides the greatest support for improving employee performance is transformational leadership. The results of this study are in line with research conducted by Roy Wayan and Riana (2014). And it is not in line with the results of research conducted by Balansa (2018) which states that transformational leadership has a negative effect on performance.

# **3.** The Effect of Motivation on the Performance of Edu Ecosystem Referral Contract Employees, PT Telkom Indonesia's Digital Business Directorate

Based on the results of the analysis of the description of the indicator that gives the largest contribution to the motivation variable, namely pride, it means that PT Telkom employees generally resign because of external pull factors and company policies that favor employees. The indicator that gives the greatest contribution to the employee performance variable is conformity with responsibility, meaning that PT Telkom employees do work

that is in accordance with the scope of their position and carry out activities that are closely related to the position they have.

Based on the results of path analysis shows that motivation provides support for employee performance. The results of this study are in line with the results of research conducted by Ipda and Herman (2019), Roy (2014), Dharma (2018), Tucunan (2014) but contradicts Fadli (2017).

### 4. The Influence of Transformational Leadership and Innovation Culture on Contract Employee Performance through Edu Ecosystem Referral Motivation, PT Telkom Indonesia's Digital Business Directorate

The results of the path analysis show that the variables of transformational leadership and innovation culture are able to provide an increase in employee performance compared to the motivational variable. This means that motivational variables are not able to mediate between transformational leadership variables with a culture of innovation on employee performance. The results of this study are in line with the results of research conducted by Fadli (2017).

# IX. CONCLUSIONS AND RECOMMENDATIONS

### • Conclusion

• Based on the results of research on transformational leadership and innovation culture on employee performance through motivation, the following conclusions can be drawn based on description analysis and path analysis:

# • a. The Influence of Transformational Leadership and Innovation Culture on Edu Ecosystem Referral Motivation PT Telkom Indonesia's Digital Business Directorate

• Based on the description analysis of the average value of the transformational leadership variable, it tends to agree that the indicator that gives the largest contribution to the transformational leadership variable is the ideal influence, meaning that the leadership of PT Telkom is able to convey a clear vision and mission to employees. Based on the path analysis shows that transformational leadership provides support for increasing motivation.

• Based on the analysis of the description of the average value of the innovation culture variable, it tends to agree that the indicator that gives the largest contribution to the innovation culture variable is the intention to innovate, meaning that the leadership of PT Telkom provides clear and firm directions so that employees understand the need for innovation for organizational success. Based on the path analysis shows that the culture of innovation provides support for increasing motivation. This shows that transformational leadership and innovation culture have a significant and significant effect on motivation in the Referral Edu Ecosystem Directorate of Digital Business PT Telkom Indonesia.

# b. The Influence of Transformational Leadership and Innovation Culture on the Performance of Edu Ecosystem Referral Contract Employees, PT Telkom Indonesia's Digital Business Directorate

• Based on the analysis of the description of the average value of the employee performance variable, it tends to agree that the indicator that gives the largest contribution to the employee performance variable is conformity with responsibility, meaning that PT Telkom employees do work that is in accordance with the scope of office and carry out activities that are closely related to the position assigned. owned.

• Based on the description analysis and analysis of the path of transformational leadership and innovation culture, it has a significant and significant effect on employee performance at the Referral Edu Ecosystem, Directorate of Digital Business, PT Telkom Indonesia.

# c. The Effect of Motivation on Employee Performance Contract Referral Motivation Edu Ecosystem Directorate of Digital Business PT Telkom Indonesia

• Based on the description analysis of the average value of the motivation variable, it tends to agree that the indicator that gives the largest contribution to the motivational variable is pride, meaning that PT Telkom employees generally resign because of external pull factors and company policies that favor employees.

• Based on the description analysis and path analysis, motivation has an effect and is significant on employee performance at the Referral Edu Ecosystem, Directorate of Digital Business, PT Telkom Indonesia.

### d. The Influence of Transformational Leadership and Innovation Culture on Contract Employee Performance through Edu Ecosystem Referral Motivation PT Telkom Indonesia's Digital Business Directorate

• Based on the analysis of the description of the average value of the employee performance variable, it tends to agree that the indicator that gives the largest contribution to the employee performance variable is conformity

with responsibility, meaning that PT Telkom employees do work that is in accordance with the scope of office and carry out activities that are closely related to the position assigned. owned. The results of the path analysis show that the variables of transformational leadership and innovation culture are able to provide an increase in employee performance compared to the motivational variable. This means that the motivational variable is not able to mediate between the transformational leadership variables and the culture of innovation on employee performance at the Referral Edu Ecosystem of the Digital Business Directorate of PT Telkom Indonesia.

## X. Suggestion

Based on the results of research on transformational leadership and a culture of innovation on employee performance through motivation, several suggestions can be made as follows:

The results of this study are expected to be considered for researchers, especially researchers who will conduct further research on transformational leadership, innovation culture, motivation, and performance of contract employees in order to examine other variables that have not been studied in this study, such as adding learning orientation variables and knowledge management.

For Referral Edu Ecosystem Directorate of Digital Business PT Telkom Indonesia:

### 1) Transformational Leadership

In this study, individual consideration is the lowest indicator among all indicators of transformational leadership, therefore it needs special attention from the leadership to pay more attention to the needs of each individual, not to take shortcuts to give equal rewards to all. Should not take a "one size fits all" approach but do consider each individual carefully and in detail.

### 2) Innovation Culture

In this study, the environment or context that supports the implementation of innovation is the lowest indicator among all indicators of innovation culture, therefore it needs special attention, by encouraging the environment and context that fully supports innovation activities. Therefore, special attention is needed from the leadership to formulate rules that support the implementation of innovation, namely the freedom of employees to make decisions and be given ample room to make mistakes.

#### 3) Motivation

In this study, the award is the lowest indicator among all motivational indicators, therefore it needs special attention from management to be more creative in compiling awards for the team, for example for employees who need qualified work tools given laptop specifications that are different from the others, Another example is an employee who excels at being given a definite parking location, and another example, for example, an employee who achieves the target is given additional leave rights.

### 4) Employee Performance

In this study, the quantity of work is the lowest indicator among all employee performance indicators. Therefore it needs special attention from the leadership to further reduce the scope of work so that more and more employees can complete in one day, which will increase morale and enthusiasm so that in the future they can complete more work.

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\*Corresponding Author: Siti Maryati

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