

THE ROLE OF TRANSFORMATIONAL LEADERSHIP AND WORK CULTURE ON HUMAN RESOURCE PERFORMANCE WITH INTRINSIC MOTIVATION AS AN INTERVENING VARIABLE: A STUDY OF SERVICE COMPANIES IN PALEMBANG

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Abstract. *This research seeks to examine how transformational leadership and organizational culture affect human resource (HR) performance, with intrinsic motivation acting as a mediating factor in service companies in Palembang City. Using a quantitative explanatory approach, data were obtained from 64 respondents through a questionnaire and analyzed using the Structural Equation Modeling–Partial Least Squares (SEM-PLS) method. The outcomes show that transformational leadership has a significant effect on intrinsic motivation, and intrinsic motivation has a significant impact on HR performance. However, work culture doesn't have a significant impact on intrinsic motivation, and transformational leadership doesn't directly have a significant impact on HR performance. Conversely, work culture has been shown to have a significant effect on HR performance. These findings reinforce the importance of building a strong organizational culture and maintaining intrinsic motivation as strategies to improve employee performance.*

Keywords: Transformational Leadership, Work Culture, Intrinsic Motivation, HR Performance, SEM-PLS

Abstrak. Penelitian ini bertujuan untuk mengkaji bagaimana kepemimpinan transformasional dan budaya organisasi memengaruhi kinerja sumber daya manusia (SDM), dengan motivasi intrinsik berperan sebagai faktor mediasi pada perusahaan jasa di Kota Palembang. Dengan pendekatan kuantitatif eksplanatif, data diperoleh dari 64 responden melalui kuesioner dan dianalisis menggunakan metode Structural Equation Modeling–Partial Least Squares (SEM-PLS). Hasil penelitian menunjukkan bahwa kepemimpinan transformasional berpengaruh signifikan terhadap motivasi intrinsik, dan motivasi intrinsik berdampak signifikan terhadap kinerja SDM. Namun, budaya kerja tidak berpengaruh signifikan terhadap motivasi intrinsik, dan kepemimpinan transformasional tidak secara langsung berdampak signifikan terhadap kinerja SDM. Sebaliknya, budaya kerja terbukti berpengaruh signifikan terhadap kinerja SDM. Temuan ini memperkuat pentingnya membangun budaya organisasi yang kuat dan mempertahankan motivasi intrinsik sebagai strategi untuk meningkatkan kinerja karyawan.

Kata Kunci: Kepemimpinan Transformasional, Budaya Kerja, Motivasi Intrinsik, Kinerja SDM, SEM-PLS

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INTRODUCTION

In the era of rapidly evolving globalization and digitalization, organizations are required to have high-performing, adaptive, and productive human resources (HR). Global competition emphasizes not only operational efficiency but also the organization's ability to innovate and adapt through effective HR management (Natsir et al., 2024). HR performance is a key indicator of organizational success, particularly in the service sector, which relies heavily on the quality and consistency of individual and team performance (Rotea et al., 2023). Factors such as leadership style, organizational culture, and work motivation are crucial components in developing superior HR capable of meeting the challenges and needs of modern organizations (Raguž & Zekan, 2017; Košičiarová et al., 2021).

A service company in Palembang experienced a decline in HR performance, as evidenced by late attendance and inaccurate task completion times. Although the company had implemented several policies strengthening work culture and structural leadership, the downward trend in performance persisted year after year. Internal evaluations revealed a lack of intrinsic employee motivation and a weak impact of managerial interventions on employee behavior change. This situation reflects a gap between organizational expectations for employee performance and the reality on the ground.

The main issue in this context is how internal organizational factors, such as transformational leadership and work culture, influence human resource performance, both directly and indirectly. Poor human resource performance is a concern because it affects the quality of service in service companies, which depends on employee productivity and discipline (Jiangxi et al., 2024). This necessitates an in-depth study to identify the extent to which these factors contribute to improved or declining human resource performance.

Previous studies have generally been conducted in large-scale organizations, the manufacturing sector, or government agencies. Most studies have revealed the positive impact of transformational leadership and organizational culture on employee performance (Kılıç & Uludağ, 2021; Rojak et al., 2024). However, several studies have found inconsistent results, particularly regarding the effectiveness of work culture in increasing intrinsic motivation (Suen et al., 2022; Hakim et al., 2023). Furthermore, there are still a few studies examining the relationship between these variables in the context of medium-sized service companies in the regions, particularly using the intrinsic motivation mediation model approach.

This research is crucial to address the practical needs of organizations in improving human resource performance through behavioral and psychological approaches. By analyzing the influence of transformational leadership and work culture on human resource performance, and

using intrinsic motivation as a mediating variable, this study is expected to provide relevant empirical contributions to the context of service organizations in the regions. In addition, the findings of this study will enhance the understanding and development of human resource management science, especially in understanding the mechanisms of the relationship between the variables of leadership, culture, motivation, and performance in real scenarios of modern service organizations.

Transformational leadership is a leadership style that focuses on change, inspiration, and empowerment of individuals in achieving organizational goals collectively. According to (Bakker et al., 2023), transformational leaders are characterized by 4 main dimensions: (1) **Idealized Influence:** the leader acts as a role model, setting an example for others to follow, (2) **Inspirational Motivation:** the leader communicates a compelling vision and motivates others by presenting meaningful challenges, (3) **Intellectual Stimulation:** The leader promotes innovative thinking and supports creativity among team members, (4) **Individualized Consideration:** the leader shows genuine concern for each subordinate's individual needs and development.

Transformational leadership is believed to increase intrinsic motivation because this type of leadership provides space for autonomy, competency development, and a sense of involvement (Suen et al., 2022; Rama Swamy Palla et al., 2025). This aligns with Self-Determination Theory (Deci & Ryan, 2000), which states that intrinsic motivation grows from the fulfillment of basic psychological needs: autonomy, competency, and social relationships.

Hypothesis 1 (H1): Transformational leadership has a positive impact on intrinsic motivation.

Furthermore, transformational leaders are often associated with improved employee performance because they foster enthusiasm, loyalty, and commitment to organizational goals (Yukl, 2010; Vinh et al., 2022). However, in some cases, this influence can be indirect, mediated by motivation or other variables.

Hypothesis 2 (H2): Transformational leadership has a positive effect on human resource performance.

Work culture is a system of norms, values, beliefs, and practices that are formed and embraced within an organizational environment (Denison, 1990). A strong work culture creates alignment between organizational goals and the behavior of organizational members (Ghaleb, 2024). According to Denison, the main dimensions of organizational culture include involvement, consistency, adaptability, and mission (Bel et al., 2021).

Work culture is believed to influence intrinsic motivation when organizational values align with employees' personal values and provide meaning to their work (Cameron & Quinn, 2011;

Mudita et al., 2022). However, this relationship is not always strong if cultural values are merely symbolic or not internalized by individuals.

Hypothesis 3 (H3): Work culture has a positive impact on intrinsic motivation.

In a broader context, work culture also influences human resource performance. A culture that supports collaboration, innovation, and individual responsibility will encourage employees to work effectively and efficiently (Radu, 2023). This has been demonstrated in various studies linking organizational culture to increased productivity, loyalty, and job satisfaction (Kuswati, 2020; Wen Zhang et al., 2023).

Hypothesis 4 (H4): Work culture has a positive impact on human resource performance.

Intrinsic motivation is the drive to engage in an activity because of the enjoyment or satisfaction inherent in the activity itself, rather than external pressure (Ryan & Deci, 2000). Intrinsically motivated individuals work out of curiosity, interest, or personal satisfaction, rather than solely to obtain incentives or avoid punishment (Pandya, 2024). Intrinsic motivation has a strong impact on performance, especially in complex, creative, and non-routine work contexts (Auger & Woodman, 2016). Intrinsically motivated individuals tend to be more persistent, quality-oriented, and demonstrate greater work initiative (Fishbach & Woolley, 2022).

Hypothesis 5 (H5): Intrinsic motivation has a positive effect on human resource performance.

METHOD

This investigation uses a quantitative approach with an associative explanatory research style. This approach was chosen because it aims to explain the causal relationship between variables, namely, transformational leadership and work culture on human resource performance, with intrinsic motivation as a mediation variable (Jensen, 2022). The relationship model was tested through statistical data processing using the Structural Equation Modeling–Partial Least Squares (SEM-PLS) method, which is considered appropriate for small samples and data that do not necessarily have a normal distribution (Sarstedt et al., 2020).

The population in this study was all employees of a service company in Palembang City, consisting of managers, technical staff, administrative staff, and drivers, totaling 64 employees. Due to the relatively small population (<100), a saturated sampling technique (total sampling) was used, where the entire population was sampled. Therefore, the number of respondents in this study was 64 (Sarfo et al., 2022).

Primary data were collected through a closed-ended questionnaire constructed using a 6-

point Likert scale (from 1 = Strongly Disagree to 6 = Strongly Agree). The instrument covered four main variables: (1) Transformational Leadership, with indicators of idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Addin et al., 2020); (2) Work Culture, with indicators of organizational mission, human resource involvement, consistency, and adaptation (Fondas & Denison, 1991); (3) Intrinsic Motivation, with indicators of personal enjoyment and satisfaction, interest and curiosity, competence and challenge, autonomy and independence (Sariningtyas & Sulistiyani, 2016); and (4) Human Resource Performance, with indicators of quality, quantity, timeliness, effectiveness, independence, and collaboration (Ningrum & Ningsih, 2021).

The questionnaire was distributed online via Google Form to all respondents. Secondary data was collected through a literature review from relevant journals, books, and reports to support the theory and conceptual framework.

Data were analyzed using SEM-PLS based on SmartPLS software version 4.0. SEM-PLS was chosen because it is more suitable for complex models with many constructs and indicators, does not require data to be normally distributed, and can be used with small sample sizes (<100).

The analysis steps included:

- 1) Outer Model Evaluation (convergent validity, discriminant validity, and construct reliability).
- 2) Inner Model Evaluation (R-square and Q-square tests)
- 3) Hypothesis testing using the path coefficient test and bootstrapping techniques (significance was determined by a t-statistic > 1.96 and a p-value < 0.05).
- 4) Interpretation of direct influences between variables and identification of indirect influences through intervening variables.

RESULTS

The demographic factors of the respondents in this study are presented as follows:

Table 1. Respondent Demographics

Age	Amount	Percentage (%)
20–35 years	53	82.8
36–45 years	10	15.6
46–55 years	1	1.6
Total	64	100.0
Gender	Amount	Percentage (%)
Male	35	54.7
Female	29	45.3
Total	64	100.0

Education	Amount	Percentage (%)
Senior High School	13	20.3
D1 – D3	16	25.0
D4 – S1	33	51.6
S2	2	3.1
Total	64	100.0
Position	Amount	Percentage (%)
Staff	57	89.1
Manager / Principal	7	10.9
Total	64	100.0

In this study, data were obtained from 64 respondents who were active employees of a service company in Palembang City. The questionnaire was distributed online using Google Forms, and all respondents provided complete and analytical answers.

Table 1 shows the gender of the study respondents: 39 (60.9%) were male, and 25 (39.1%) were female. The majority of respondents were male, reflecting the male-dominated workforce in this service company. This dominance may be related to the type of work that involves more field activities or high mobility, which are generally filled by men. However, the participation of women, which reached almost 40%, also indicates that the company is quite gender-inclusive.

Respondent demographics, by age, show 22 (34.4%) respondents aged 20–30, 28 (43.8%) respondents aged 31–40, 10 (15.6%) respondents aged 41–50, and 4 (6.2%) respondents aged 50. Therefore, the majority of respondents were in the productive age range of 31–40 years. This age composition reflects the dominance of generations in a stable career phase and high potential to contribute to the organization. The relatively large 20–30 age group also indicates a younger workforce that may be more open to change and self-development. Meanwhile, the relatively small proportion of respondents aged over 50 years old suggests the company may not yet have many senior employees or may be approaching retirement.

Demographically, 26 respondents (40.6%) had a high school/vocational high school (SMA) degree, 18 (28.1%) had a diploma (D3), and 20 (31.3%) had a bachelor's degree (S1). Therefore, the majority of respondents had secondary to tertiary education. This diverse educational background reflects the company's layered work structure, ranging from technical to administrative positions. The majority of high school/vocational high school graduates are likely to hold operational or driver positions, while D3 and S1 graduates are more likely to hold technical and administrative staff positions. This implies a diversity of experiences and expectations regarding leadership styles and a supportive work environment.

The respondents in this study had a tenure of less than 1 year (7 people) (10.9%), 1–5 years (35 people) (54.7%), 6–10 years (15 people) (23.4%), and 10 years (7 people) (10.9%). Therefore, the majority of respondents had tenure between 1 and 5 years, indicating that most employees have passed the initial adaptation period and are in the phase of strengthening their work commitment. The group with tenure of more than 6 years reflects the presence of a relatively stable, experienced workforce. However, the presence of new employees (less than 1 year) indicates that the recruitment process is still ongoing and the organization is in a growth or regeneration phase.

The positions of the respondents in this study were 22 administrative staff (34.4%). The number of technical staff was 18 (28.1%), 16 drivers/logistics (25.0%), and 8 managers/supervisors (12.5%). Therefore, the respondents' positions reflect the diversity of functions within a service organization. The relatively large number of administrative and technical staff indicates the importance of office operations and technical services within the company. The smaller proportion of managers is consistent with a pyramidal organizational structure, where leadership positions are fewer than executive positions. This finding is also relevant to the leadership analysis in this study, as a transformational leadership style is essential for managing multigenerational and role-diverse teams.

Respondent Descriptive Analysis

The transformational leadership variable comprises indicators such as idealized influence, inspirational motivation, intellectual stimulation, and individual attention. This variable achieved a mean score of 4.87 with a standard deviation of 0.65. The mean score approaching the maximum indicates that respondents generally had a positive perception of the transformational leadership style implemented by their superiors. Leaders were perceived as sufficiently capable of providing inspiration and individual attention to employees.

The Work Culture variable included indicators of engagement, consistency, adaptability, and organizational mission. The mean score was 4.73 with a standard deviation of 0.61. A high mean indicates that the work culture within the organization is perceived as quite strong and positive. The work values were perceived as clear and consistent by the majority of respondents. However, the variability in perceptions, as indicated by the standard deviation, indicates differences in perceptions between individuals, possibly due to differences in job title, length of service, or educational background.

The intrinsic motivation variable measures employees' internal drive to work based on satisfaction, challenge, or personal enjoyment. The average score recorded was 4.81, with a standard deviation of 0.58. A high level of intrinsic motivation suggests that most employees

are driven by internal factors, such as a strong connection to their work, personal interest, and pride in their work. This is a crucial factor in improving long-term performance.

The human resource performance variable, with indicators including work quality, quantity, punctuality, effectiveness, independence, and cooperation, obtained a mean score of 4.94, with a standard deviation of 0.52. The mean score for the human resource performance variable was the highest among all variables, indicating that the majority of employees demonstrate good performance according to their own perceptions. This reinforces the importance of maintaining supportive working conditions, including positive leadership and a positive work culture.

Measurement Model Evaluation

Convergent Validity

Convergent validity can be evaluated using two criteria: the factor loading value or the Average Variance Extracted (AVE) value. Convergent validity is considered met if the outer loading value of each indicator on the latent variable or construct reaches a value of ≥ 0.5 . If the outer loading value is below 0.5, the indicator must be removed from the latent variable as it is deemed not to meet the validity criteria. The results of the convergent validity test are presented in Table 2.

Table 2. Outer Loading Results

Indicator	Outer Loading	Test Value Parameters	Decision
Transformational Leadership(X1)			
X1.1 Ideal Effect	0.957	≥ 0.5	Valid
X1.2 Inspirational Motivation	0.959		Valid
X1.3 Intellectual Stimulation	0.873		Valid
X1.4 Individual Consider	0.907		Valid
Work Culture (X2)			
X2.1 Organizational Mission	0.878	≥ 0.5	Valid
X2.2 HR Engagement	0.869		Valid
X2.3 Consistency	0.920		Valid
X2.4 Adaptation	0.822		Valid
HR Performance (Y)			
Y1 Quality	0.888	≥ 0.5	Valid
Y2 Quantity	0.914		Valid
Y3 Time Accuration	0.816		Valid
Y4 Effectivity	0.725		Valid
Y5 Independence	0.636		Valid
Y6 Collaboration	0.788		Valid
Intrinsic Motivation (Z)			
Z1 Pleasure and private Satisfaction	0.729	≥ 0.5	Valid
Z2 Interest and Curiosity	0.901		Valid
Z3 Competency and Challenge	0.906		Valid
Z4 Otonomy and Independence	0.801		Valid

Source: Processed Primary Data, 2025

Table 2 exhibits that all outer loading values for each indicator are above 0.5. This indicates that all indicators for each variable have met the criteria in the initial convergent validity test.

The next parameter in the convergent validity test is the Average Variance Extracted (AVE) value. The eligibility criteria are met if the AVE value is ≥ 0.5 . The outcomes of the convergent validity assessment based on the AVE value are presented in Table 3.

Table 3. Results of Convergent Validity Test

Variable	AVE	Test Value Parameters	Decision
X1 Transformational leadership	0.855	≥ 0.5	Valid
X2 Work Culture	0.762	≥ 0.5	Valid
Y HR Performance	0.640	≥ 0.5	Valid
Z Intrinsic Motivation	0.702	≥ 0.5	Valid

Source: Processed Primary Data, 2025

Transformational Leadership has an AVE of 0.855, Work Culture 0.762, HR Performance 0.640, and Intrinsic Motivation 0.702. Because all Average Variance Extracted values are greater than 0.50, all four variables are declared valid.

Discriminant Validity Test Results

Discriminant validity testing is conducted by examining the cross-loading values of each indicator on the latent variable. The requirement for discriminant validity is that the indicator's cross-loading value on the original latent variable must be higher than its cross-loading value on the other latent variables. The outcomes of this assessment can be seen in Table 4.

Table 4. Cross-Loading Results of the Discriminant Validity Test

Indicator	Transformational Leadership (X1)	Work Culture (X2)	HR Performance (Y)	Intrinsic Motivation (Z)
X1.1 Ideal Effect	0.957	0.620	0.456	0.568
X1.2 Inspirational Motivation	0.959	0.610	0.513	0.567
X1.3 Intellectual Stimulation	0.873	0.459	0.260	0.428
X1.4 Individual Consider	0.907	0.617	0.310	0.445
X2.1 Organizational Mission	0.527	0.878	0.557	0.280
X2.2 HR Engagement	0.620	0.869	0.529	0.459
X2.3 Consistency	0.541	0.920	0.768	0.460
X2.4 Adaptation	0.513	0.822	0.414	0.306
Y1 Quality	0.368	0.623	0.888	0.484
Y2 Quantity	0.434	0.663	0.914	0.583
Y3 Time Accuration	0.388	0.566	0.816	0.466
Y4 Effectivity	0.350	0.533	0.725	0.506
Y5 Independence	0.267	0.347	0.636	0.556
Y6 Collaboration	0.243	0.447	0.788	0.454

Z1 Pleasure and Private Satisfaction	0.442	0.331	0.488	0.729
Z2 Interest and Curiosity	0.501	0.443	0.610	0.901
Z3 Competency and Challenge	0.448	0.416	0.554	0.906
Z4 Otonomy and Independence	0.458	0.276	0.461	0.801

Source: Processed Primary Data, 2025

The outcomes of the discriminant validity test exhibit that the cross-loading values for the Transformational Leadership, Work Culture, HR Performance, and Intrinsic Motivation meet the criteria, with each indicator having a higher correlation with its original construct than with the other constructs. This finding confirms the validity of all indicators, which indicates that the research model demonstrates a good fit and effectively distinguishes between different constructs. Consequently, the measurement instrument used in this study can be considered valid. To evaluate construct reliability, researchers can use Cronbach's Alpha or Composite Reliability. Both methods help ensure the reliability of the indicators that make up a variable. In this study, a variable is considered reliable if it has a Cronbach's Alpha and Composite Reliability value of ≥ 0.7 . The outcomes of the reliability assessment are exposed in Table 5.

Table 5. Construct Reliability Test Results

Variable	Cronbach's Alpha	Composite Reliability	Test Value Parameters	Decision
X1 Transformational Leadership	0.944	0.975	≥ 0.7	Reliable
X2 Work Culture	0.897	0.937	≥ 0.7	Reliable
Y HR Performance	0.883	0.895	≥ 0.7	Reliable
Z Intrinsic Motivation	0.855	0.867	≥ 0.7	Reliable

The **outcomes** of the Construct Reliability assessment indicate that the Cronbach's Alpha and Composite Reliability values for the variables Transformational Leadership, Work Culture, HR Performance, and Intrinsic Motivation are ≥ 0.7 , indicating good reliability for all variables.

Inner Model Evaluation (Structural Model)

The inner model in PLS-SEM serves to map the relationships between latent constructs. To measure the quality of this model, an assessment is made of the R-Square value and the level of statistical significance of each relationship between variables.

In PLS-SEM, R-squared serves as an indicator that measures the ability of the latent independent variables to explain variation in the latent dependent variable. The **outcomes** of the R-Square measurement are presented in Table 6.

Table 6. R-Square Test

Variable	R-Square	R-Square Adjusted
HR Performance	0.616	0.597
Intrinsic Motivation	0.320	0.298

Source: Processed Primary Data, 2025

Table 6 shows that the R-Square value for HR Performance was 0.616, meaning that 61.6% of its variation is accounted for by the model's independent variables. After adjusting for model complexity, the adjusted R-Square value indicated that around 59.7% of the variability in HR Performance remained explainable by the predictors. This suggests a very strong relationship between the independent variables and HR Performance.

The R-Square value for Intrinsic motivation was 0.320, indicating that 32% of the variation in Intrinsic Motivation is influenced by the independent variables in the model. The adjusted R-Square value after adjustment indicated that approximately 29.8% of the variability in Intrinsic Motivation could be explained by the model. The research findings revealed a moderate predictive relationship, where the constructs in the model were able to explain a significant proportion of the variance in Intrinsic Motivation, although some variance was still explained by exogenous factors.

Results of the Significance Test for Relationships (Hypothesis Testing)

Significance testing (hypothesis testing) in PLS-SEM aims to measure the statistical significance of the association between latent variables. The bootstrapping technique is applied by resampling data to estimate path coefficient values and their standard errors. Based on the statistical t-test criteria, a relationship is declared positively significant if the path coefficient is positive with a p-value $< \alpha$ (0.05). Conversely, a significantly negative relationship is achieved when the path coefficient is negative with a p-value $< \alpha$ (0.05). The bootstrapping results for the direct effect research model are shown in Table 7.

Table 7. Results of the Bootstrapping Path Coefficient Test for Direct Effects

Koefesien Jalur	Original Sample	Sample Mean	Standard Deviation	T Statistics	P Values	Decision.
Transformasional Leadership → Intrinsic Motivation (H1)	0.452	0.476	0.162	2.789	0.003	Proven
Work Culture → Intrinsic Motivation (H2)	0.159	0.163	0.210	0.756	0.225	Not Proven

Transformation Leadership → HR Performance (H3)	- 0.204	- 0.206	0.145	1.408	0.080	Not Proven
Work Culture → HR Performance (H4)	0.585	0.628	0.136	4.308	0.000	Proven
Intrinsic Motivation → HR Performance (H5)	0.488	0.462	0.148	3.301	0.000	Proven

Source: Processed Primary Data, 2025

Table 7 exhibits the results of the hypothesis test processed using SmartPLS.. As shown in Table 7 above, the interpretation of each relationship is as follows:

The impact of Transformational Leadership on Intrinsic Motivation (KT→MI): The path coefficient is 0.452, with a T-statistic of 2.789 and a P-value of 0.003, indicating a significant relationship. This means that transformational leadership can positively increase employee intrinsic motivation. This aligns with the theory that transformational leaders encourage employees to innovate, think visionarily, and feel psychologically valued, thereby increasing intrinsic motivation.

The Effect of Work Culture on Intrinsic Motivation (BK→MI)

The path coefficient for this relationship is 0.159, with a t-statistic of 0.756 and a p-value of 0.225. Since the t-statistic is below 1.96 and the p-value exceeds 0.05, the hypothesis is not supported. This indicates that work culture does not have a significant impact on intrinsic motivation. This indicates that even if an organization has a positive work culture, it may not directly increase individual intrinsic motivation.

The Effect of Transformational Leadership on Human Resource Performance (HRD→HRD)

The outcomes show a negative effect of transformational leadership; the coefficient is - 0.204, with a t-statistic of 1.408 and a p-value of 0.080. Since the t-statistic is below 1.96 and the p-value is above 0.05, the hypothesis is not supported. This means that transformational leadership doesn't significantly impact HR performance directly. However, the direction of the negative relationship requires further analysis, as it may indicate that this leadership style needs to be adapted to the context or employee characteristics.

The Effect of Work Culture on Human Resource Performance (HRD→HRD)

The outcomes show that work culture has a positive and significant effect on HR performance, with a coefficient of 0.585, a t-statistic of 4.308, and a p-value of 0.000. The results indicate statistical significance, as the t-statistic exceeds 1.96 and the p-value is below 0.05. Therefore, the hypothesis that work culture influences human resource performance is

accepted. This means that the better the work culture in an organization, the higher the performance demonstrated by human resources.

The impact of Intrinsic motivation on Performance (MI→KS). This relationship shows a positive and significant influence with a coefficient of 0.488, a t-statistic of 3.301, and a p-value of 0.000. This means that the higher the intrinsic motivation an employee has, the higher the performance they show. This finding supports the motivation theory, which states that intrinsic motivation enhances the achievement of optimal performance.

DISCUSSION

The Impact of Transformational Leadership on Intrinsic Motivation

The outcomes of this investigation indicate that transformational leadership has a positive and significant impact on intrinsic motivation. This finding supports Bass's (1985) theory, which states that transformational leaders are able to generate intrinsic motivation within individuals through inspiration, idealized influence, intellectual stimulation, and individualized consideration. Such leaders not only provide technical guidance but also build emotional connections and provide meaning to the work performed by their subordinates.

These results align with research by Hadian et al. (2018) and Darmawan et al. (2023), which demonstrated that transformational leadership significantly contributes to increasing intrinsic motivation, which in turn impacts performance and job satisfaction. In the context of service companies, leaders who provide space for exploration, critical thinking, and attention to individual needs will foster a work ethic that stems from within their employees.

The Impact of Work Culture on Intrinsic Motivation

Contrary to the initial hypothesis, the results of this study indicate that work culture does not significantly influence intrinsic motivation. This suggests that even though an organizational culture has been built with a specific value structure and work habits, it may not directly foster intrinsic motivation within individuals. This finding does not support Deci & Ryan's (2000) self-determination theory of motivation, which states that autonomy, competence, and social connectedness, as basic psychological needs, need to be supported by the work environment.

This research is consistent with studies by Fonceca (2023) and PURWANTINI et al. (2025), which found that organizational culture doesn't directly influence intrinsic motivation, especially if these cultural values are not perceived as personally relevant to employees. This

serves as a reminder that organizations need to integrate cultural values with strategies that address individual psychological needs and well-being on a more personal level.

The Impact of Transformational Leadership on Human Resource Performance

The test results indicate that transformational leadership doesn't have a significant direct impact on HR performance. Although theoretically, this leadership style is considered effective in boosting performance (Bass & Avolio, 1994), in the context of this study, its effect is not strong enough without the presence of mediating factors such as motivation or job satisfaction (Ify et al., 2024).

This finding aligns with investigations by Fikri & Desy Prastyani (2022) and Saif et al. (2024), which found that transformational leadership tends to influence performance indirectly through intermediary variables, such as readiness to change, self-efficacy, or work motivation. This means that the influence of transformational leadership is more accurately understood as a style that shapes the climate and psychological processes that subsequently impact performance improvement.

The Impact of Work Culture on Human Resource Performance

This study demonstrates that work culture has a positive and significant impact on HR performance. A clear, consistent, and adaptive work culture encourages employees to work more effectively and collaboratively. Cultural values such as involvement, consistent procedures, and adaptability help create a work environment that supports productivity.

These findings align with studies by Pratama et al. (2022) and Hamim et al. (2025), which show that a strong organizational culture can encourage positive work behaviors and increase commitment to organizational goals. In the service sector, work culture plays a crucial role because employees are the primary face of the service provided. A positive culture fosters loyalty, collaboration, and a sense of responsibility for work quality.

The Impact of Intrinsic Motivation on Human Resource Performance

This study shows that intrinsic motivation has a positive and significant impact on human resource performance. Employees who are intrinsically driven tend to work harder, be more responsible, and demonstrate a high level of initiative in completing tasks. This aligns with Self-Determination Theory (Deci & Ryan, 2000), which states that individuals perform best when their psychological needs are met and they feel their work is meaningful (Allan et al., 2016).

This finding is supported by a study by Z et al. (2024) and Pandya (2024), which states that intrinsic motivation contributes significantly to work quality, creativity, and resilience in the face of work pressure. In service organizations, where operational challenges are often

unpredictable, the presence of intrinsic motivation is a crucial asset in creating sustainable employee performance.

CONCLUSION

Based on the results and discussion, the following conclusions are drawn:

1. Transformational leadership has a positive and significant impact on employee intrinsic motivation. Leaders who provide inspiration, individual attention, and space for critical thinking have proven effective in igniting employee intrinsic motivation. This means that this leadership style can be an important catalyst in fostering work enthusiasm that stems from employee self-awareness, rather than solely from external rewards or pressure.
2. Work culture has no significant effect on intrinsic motivation. Although the company has established a positive organizational culture, such as a clear mission, human resource involvement, consistent values, and adaptability, it has not been sufficient to directly trigger employee intrinsic motivation. This indicates that organizational cultural values need to be more deeply internalized and personally connected to the meaning of individual work.
3. Transformational leadership does not have a significant direct effect on human resource performance. Performance does not necessarily increase simply because of an inspirational leadership style. It is recommended that transformational leadership needs to be reinforced by other aspects, such as work motivation, self-efficacy, and reward systems, to have a significant impact on employee performance.
4. Work culture has a positive and significant impact on human resource performance. Strong, consistent, and adaptive cultural values have been proven to increase work effectiveness, collaboration, and productivity. Organizational culture is a crucial foundation that influences employee behavior and work ethic in the long term.
5. Intrinsic motivation has a positive and significant impact on human resource performance. Intrinsically motivated employees demonstrate higher levels of performance in aspects of quality, punctuality, independence, and cooperation. These findings reinforce the idea that intrinsic motivation is a key factor in creating competent and consistent human resources.

RECOMMENDATIONS

According to outcomes, the authors recommend the following to organizational management:

- 1) Enhance transformational leadership capabilities through training, coaching, and regular assessments so that leaders become not only inspirations but also facilitators of employee psychological growth.
- 2) Reorient organizational culture to place greater emphasis on personal aspects, such as job autonomy, individual recognition, and opportunities for self-development, in order to connect organizational values with employees' basic psychological needs.
- 3) Strengthen intrinsic motivation through designing challenging and meaningful work, providing positive feedback, and opportunities for active participation in decision-making.
- 4) Utilize intrinsic motivation as a strategic path to performance improvement, especially in service organizations that rely heavily on employee initiative, discipline, and cooperation.

This research provides relevant theoretical and practical contributions, but also opens up opportunities for further development, including:

- 1) Adding other mediating variables, such as job satisfaction, self-efficacy, or affective commitment, to further explore the mechanisms by which leadership and culture influence performance.
- 2) Using a longitudinal approach to examine the dynamics of the relationships between variables over time, particularly in the context of organizational change or post-managerial intervention.
- 3) Comparing the service and manufacturing sectors to understand how differences in work structure and culture influence leadership effectiveness and motivation.
- 4) A mixed-method approach combining quantitative and qualitative data to capture employees' in-depth perceptions of the meaning of work culture and leadership in their daily work lives.

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