# A TRANSFORMATIONAL LEADERSHIP, REWARD, AND PUNISHMENT PHYSICAL WORK ENVIRONMENT AND ITS INFLUENCE ON EMPLOYEE PERFORMANCE THROUGH EMPLOYEE WORK MOTIVATION

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#### ABSTRACT

This study aims to find out the influences of determine consist of Transformational Leadership, Reward and Punishment, and Physical Work Environment on the Employee Work Motivation of the RGD, Corp. Then, this research analyzes the influence of Transformational Leadership, Reward and Punishment, and Physical Work Environment towards Employee Performance through Employee Work Motivation of the RGD, Corp. This type of research is associative with a quantitative approach. The amount of samples in this study is 100 respondents. The data analysis technique used a structural equation model (SEM). Transformational Leadership has a positive and non-significant influence on Employee Work Motivation and Employee Performance. Reward and Punishment have a positive and significant influence on Employee Work Motivation and Employee Work Motivation, while has a negative on Employee Performance. Employee Work Motivation has a negative and significant influence on Employee Performance. Each Reward and Punishment, then the Physical Work Environment has a significant influence on Employee Performance through Employee Performance. Each Reward and Punishment, then the Physical Work Environment has a significant influence on Employee Performance formance. Each Reward and Punishment, then the Physical Work Environment has a significant influence on Employee Performance formance of RGD, Corp.

Keywords: Reward and punishment, Physical work environment, employee work motivation, employee performance

#### **INTRODUCTION**

The development of the increasingly global business world has created very tight competition among existing companies to get the target market share. Companies that currently exist and are ready to compete and compete in a very strong business world must have a good level of performance quality. Improve achievement and an effort to create effective management, requires a very important main role, namely skilled, creative, and competent human resources in their fields. In a company or organization, human resources are a part that is seen from the quantity/amount and quality/quality. In a company, HR is needed to drive so that in every business investment, one thing that needs to be considered is the source of potential workforce (Roberts, 2020). According to the Schwetje and Vaseghi (2007), business planning will also be a "controlling tool", whether, in its journey later, the business being run is on the right line or not, especially so that business management is needed, including aspects of marketing, finance, production, human resources, and technology and information (Gunawan & Husain, 2024). In the era of globalization, companies are required to have reliable human resources to survive and compete with other companies. Companies can achieve their vision and mission if their leaders have a good leadership style in completing or carrying out tasks that are their responsibility. In an agency and its implementation, they are often faced with various obstacles and challenges that can have an impact on employee performance (Mulyana, 2010).

The intended obstacles are the speed of development of information, technology, and limited human resources in the agency. This shows that the role of human resources (HR) is very important because humans are the main important role in the organization. The success or failure of an organization in maintaining its existence begins with the management of human resources by empowering and maximizing the potential of existing employees to be more productive in working. The achievement of an organization is a reflection of the organization's performance. The achievement of an organization is greatly influenced by the performance achievements of each work unit and each individual in the organization. As the smallest element in an organization, each individual is required to have good performance, so that collectively it will produce good organizational performance. An employee's performance can be influenced by

many factors. Factors that influence performance can arise from within the employee himself or from the environment, both the work environment and other environments (Azis, 2019). That performance can be interpreted as the work results achieved by a person by the provisions in force in a particular work group or organization. Employee performance is something that affects how much they contribute to the organization. Improving performance for both individuals and groups is the focus of attention in efforts to improve the organization. Employee performance is defined as "a person's success in carrying out work, which is obtained by a person from his actions (Mathis & Jackson, 2017). Employee performance is a term derived from the word job performance or actual performance (work performance or actual achievement achieved by someone). The definition of employee performance is the work results in terms of quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him (Aprilia, 2022). In general, performance can be viewed from two perspectives: employee performance and organizational performance. Employee performance is the performance of individuals within а company, while organizational performance is the work results achieved by the company. Satisfactory performance alone is not enough, because to ensure that employees can carry out their duties properly, it is necessary to evaluate the work results carried out by them (Sugiono, Nurwulandari, & Dining, 2022).

The performance of the processing industry remains a mainstay of national economic growth. The sector's contribution reached 19.28 percent throughout the first quarter of 2024 compared to the same period in 2023 which only reached 18.57 percent year on year (Hidranto, 2024). PT Restu Graha Dana (hereinafter abbreviated as 'RGD Corp.'), is one of the industries engaged in palm oil mill services and product providers in the fields of agriculture and plantations. This company has a good reputation for providing high-quality services and products to its customers and business partners. However, in recent times, the company has experienced a decline in the quality of employee work and accuracy in carrying out work, which has had a negative impact on the company's performance and reputation. In early 2022, RGD Corp. experienced quite significant changes so that the company brought a different approach and policy, which was expected to increase the company's efficiency and profitability. New policies include emphasizing cost savings, team restructuring, and changes in operational procedures. However, these changes were not followed by adequate communication and training for employees, resulting in uncertainty and resistance among employees. Declining Employee Morale and Motivation The policy changes that were implemented had a negative impact on employee morale and motivation. Reductions in employee benefits, incentives, and other employee benefits left them feeling underappreciated and unmotivated. Lack of support from management during this transition period also left employees dissatisfied with their work environment. This decline in morale had a direct impact on productivity and the quality of work produced. High Absenteeism and Turnover Rates Along with the decline in employee morale, absenteeism rates sharply. Many employees increased were frequently absent from work, either for health reasons or because they were dissatisfied with their working conditions. In addition, turnover rates also increased, with many employees choosing to leave the company and look for work elsewhere. Vacancies left by employees who left were difficult to fill quickly by new, less experienced employees, resulting in decreased productivity and the quality of service provided.

Delays in Project Completion Decreased motivation and high employee absenteeism rates have caused many projects to fail to be completed on time. In the palm oil milling industry and agricultural and plantation product providers, crucial. Lack of effective punctuality is coordination and communication between project teams has led to delays in the completion of work. These delays have led to dissatisfaction from clients and business partners, which has negatively impacted the company's reputation in the eyes of customers. Criticism and Dissatisfaction from Clients Since the beginning of 2023, RGD Corp. has begun to receive a lot of criticism from clients regarding the decline in service quality and noncompliance with deadlines. Clients are dissatisfied with the results of the work provided, and several large clients have even decided to stop working company. This criticism with the and dissatisfaction from clients indicate that there are serious problems in the company's management and operations that need to be addressed immediately.

Based on several definitions of employee performance that have been put forward, it can be concluded that performance is the result achieved by an employee during a certain period based on each job that has been determined by the company. An employee who has high performance can support the goals and objectives that have been set by the company. The performance of an employee varies from one another. This is because each employee has a different level of ability in carrying out their work tasks. Employee performance depends on the abilities and expertise they have. To produce high performance, an employee in completing the work that is his responsibility must be supported by expertise and skills that are appropriate to his job.

Category	Target	Realization			
(based from)	(in percentage)	2021	2022	2023	
Number of Jobs	100	87	87	88	
Quality of Work	100	87	84	80	
Timeliness	100	86	83	80	
Presence	100	87	86	85	

Table 1 Employee	Performance	e in terms of	Targets and	l Realization

Source: Processed data in (2024)

In table 1, it can be seen that in the period 2021 to 2023, employee performance at RGD, Corp. has decreased. Employee performance assessments in the last three years have generally experienced a very significant decline in employee work targets. If employee performance continues to decline, it will have an impact on the company because the desired goals are not running well. This is based on the researcher's initial interview with the Head of Public Relations in RGD, Corp. Mr. Lexsi Suarez (2024). This company needs to make efforts to optimize performance so that the targets set can be appropriate. Employee commitment can be seen as a condition in which an employee or individual sides with a particular organization and its goals, and intends to maintain membership in the organization (Amanda, Machasin, & Chainisyah, 2020).

These needs or desires of workers are called work motivation. Factors that influence motivation can be caused by internal and external factors. Decreased motivation can be caused by internal factors such as self-perception, selfesteem, personal expectations, needs, desires, job satisfaction and work performance. On the other hand, external factors, such as the type and nature of work, the work group in which a person is located and the organization in which he works, can be the cause of decreased motivation (Sugiono, Nurwulandari, & Dining, 2022). The first variable that affects Employee Work Motivation is Transformational Leadership. Transformational leadership is an approach to management that emphasizes employee behavior and innovation as the main resource in achieving company excellence. The first study conducted by (Martha, Rahardjo, & Prasetya, 2020), found that one of the most dominant factors in increasing employee work motivation is the style of a leader in leading his subordinates, which later this motivational factor has an impact on employee performance, The second study conducted (Ramadhani & Indawati, 2021) found that transformational leadership has a negative effect on employee work motivation. This study found that transformational leadership has a negative effect on employee motivation. This shows that leaders who apply a transformational leadership style are known that this phenomenon is due to employee satisfaction with their work not being met, if employee job satisfaction such as creating good communication and strengthening relations between leaders and employees, guiding and giving directions, is not met then employee performance will decrease.

Leadership is the most important role in organizations and businesses because leadership affects the success of an organization or business in achieving its goals. The success of an organization as a whole, or in part, depends greatly on the quality of leadership itself because a leader has the power to organize his collaborators to act to achieve the company's goals. Therefore, companies need leaders who can inspire, motivate, and move members of the organization to achieve the company's goals effectively and efficiently (Anshori & Nurwulandari, 2021). The second variable that affects Employee Work Motivation is Reward and Punishment (Iqbal, 2021), the results of this study found that rewards and punishments simultaneously have a positive effect on Employee Work Motivation. This shows that giving appropriate consistent rewards and and implementing fair and transparent punishments can employees encourage to improve their performance. The second study is (Nurhayati, Harun, & Bahrun, 2018), This study found that rewards and punishments have a negative effect on employee motivation. This shows that giving excessive rewards and punishments can trigger a sense of coercion and reduce employees' intrinsic motivation to work. The third variable that affects employee work motivation is the physical work environment (Agustin, 2020), this study found that a positive physical work environment has a positive effect on employee work motivation. This shows that employees who work in a clean, bright, and well-ventilated work environment tend to feel more comfortable and motivated to work well. The second study is (Ramadhani S. , 2013), this study found that a negative physical work environment, such as inadequate work equipment, nonergonomic workspace layout, and poor workspace cleanliness, have a negative effect on employee work motivation. This shows that unsupportive work environment conditions can make employees feel uncomfortable and unsafe, thereby reducing their motivation to work.

Researchers will only focus on Transformational Leadership researchers will examine the extent to which the role of Transformational Leadership on employee performance This refers to a leadership style in which leaders focus on tasks to be completed and use incentives, supervision, and enforcement of rules to encourage employee performance. Examples of this approach include providing rewards and Punishment based on target achievement, setting clear rules, and ensuring work is done according to standards. Reward and Punishment: This factor involves the use of positive incentives (rewards) and negative sanctions (Punishment) as tools to direct and motivate employees. Examples include providing bonuses, recognition, or promotions as rewards for good performance, while sanctions such as reprimands or decreased bonuses can be used to motivate improved performance. Physical Work Environment This refers to the physical conditions of the workplace that can affect employee comfort and productivity. Examples of physical work environment factors include lighting, air temperature, work facilities, cleanliness, and security. Employee Work Motivation is an internal factor that encourages someone to act or work toward a particular goal. To continue to survive and drive operations and services, the company has made efforts to adapt positively, which is manifested in the implementation of new health protocols and the development of technologybased innovations to improve company efficiency. However, with the increasing demands of business, companies require good performance from quality workers as the central point of productivity. Therefore, the company must always strive for employees to have good performance, so that the company can continue to maintain its quality. This study aims to find out the influences of determine consist of Transformational Leadership, Reward and Punishment, and Physical Work Environment on the Employee Work Motivation of the RGD, Corp. Then, to find out the influences of Transformational Leadership, Reward and Punishment, Physical Work Environment, and Employee Work Motivation on the Employee Performance of the of the RGD, Corp. Finally, this research is analyze the influence each of Transformational Leadership, Reward and Punishment, Physical Work Environment towards Employee Performance through Employee Work Motivation of the RGD, Corp.

## LITERATURE REVIEW AND RESEARCH MODEL

# Concept and Measurement of Employee Work Motivation

Motivation is a form of feeling that grows from within an individual who is led to explore, understand, and follow his own ideas, with the aim of advancing himself and contributing to society through innovation, discovery, and creative work (Bland, Center, Finstad, Risbey, & Staples, 2005). Motivation measurement can be done with 3 (three) theories, namely Classical Test Theory (CTT), Item Response Theory (IRT), and Generalizability Theory (G-Theory), which can be used to develop items in research questionnaires. The CCT method is most often used to explore the form of individual motivation but IRT and G-Theory are increasingly being used because these methods can produce stronger results based on psychometric assumptions, but this does not mean that both theories outperform the classical theory (CCT), the classical theory is assumed to be suitable when assessing individual characteristics such as attitudes, beliefs, and moods (Glynn, Brickman, Armstrong, & Taasoobshirazi, 2011). Defining motivation is a state within a person that encourages the individual's desire to carry out certain activities in order to achieve a goal (Musyawwir, Ansari, & Parawu, 2021).

Stating that all humans have basic needs. He shows it in 5 levels in the form of a pyramid, people start their drive from the lowest level. The five levels of needs are known as Maslow's Hierarchy of Needs, starting from basic biological needs to more complex psychological motives that will only be important after their basic desires are met. The cognitive theory of motivation explains why someone cannot do something they believe in, they cannot do it, even though the results of explaining why someone will not do something they believe in or those who cannot do it Employee Work Motivation is something important and is often mentioned by organizational leaders, both openly and covertly (Samudra, 2021). Employee Work Motivation Indicators are used to determine the level of Employee Work Motivation in employees according to Maslow as quoted by

Kusuma, namely: 1) Physical needs, indicated by salary, bonus, transportation money, meal money, housing facilities, and so on. 2) The need for security and safety is indicated by work safety and security facilities, including social security for workers, health benefits, pension funds, work safety equipment, and accident insurance. 3) Social needs, are indicated by interacting with others, including the need to be accepted in a group, and the need to love and be loved. 4) The need for indicated bv appreciation. recognition or appreciation based on abilities, the need to be respected and appreciated by other employees and leaders for their work achievements (Gunawan, Sopandi, Malsabila, Pangestu, & Assifah, 2023).

#### Concept and Measurement of Employee Performance

Performance is a form of determining a behavior that is differentiated based on results because it can be integrated by system factors (Armstrong & Taylor, 2020, hal. 31). According to Anwar Prabu Mangkunegara (Mangkunegara, 2021, hal. 67), performance is the work results in terms of quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him. The achievement of an organization is a reflection of the organization's performance. The achievement of an organization is greatly influenced by the performance achievements of each work unit and each individual in the organization. As the smallest element in an organization, each individual is required to have good performance, so that collectively it will produce good organizational performance. An employee's performance can be influenced by many factors. Factors that influence performance can arise from within the employee themselves or from the environment, whether the work environment or other environments (Azis, 2019). Performance can also be seen as the achievement of organizational goals, which can be in the form of results that can be measured quantitatively or qualitatively, such as creativity, flexibility, reliability, and other aspects desired by the organization. The emphasis on performance can be short-term or long-term and can be applied at the individual, group, or organizational level.

To facilitate employee performance assessment, work standards must be measurable and clearly understood. There are four indicators of employee performance, including: 1) Quality of work. Each employee must meet the specified requirements to be able to produce work according to the quality required for a particular job. 2) Punctuality. Each employee has different characteristics, for certain types of work must be completed on time because they are dependent on other jobs. 3) Presence. Each employee is required to be present in carrying out the responsibilities given according to the specified time. 4) Ability to Cooperate (Adhisty, et al., 2023).

## **Transformational Leadership**

Leadership style is a pattern of behavior that has been designed by a leader to influence his subordinates so that they can optimize their performance and can motivate employees so that they are productive in their work (Hidavat & Kohar, 2018). Leadership style refers to the ability possessed by a person to be able to direct, influence, encourage, and control others to be able to carry out a job consciously and voluntarily. With good leadership, subordinates will be motivated to carry out all tasks given. Leaders are also expected to be able to help their subordinates in doing their jobs so that they can achieve company goals. For most leaders, leadership is often interpreted as a formal position, which mostly obtains facilities and services. Although many leaders or officials who are sworn in say that the organization or agency is a mandate, in reality very few are said that the leader seriously implements leadership with heart and is willing to be a leader who is not served but serves (Nendah, Mulyatini, & Yustini, 2020).

Transformational leadership is the ability individual of to inspire employees, an accommodate their interests, and in such a way as to have a strong, fundamental influence on the hearts of other employees (Lin, Xian, Li, & Huang, 2020). Transformational leadership is a leadership style used by a manager when he wants a group to expand its boundaries and have performance beyond the status quo or achieve a completely new set of organizational goals. Transformational leadership in principle motivates subordinates to do better than what can be done, in other words, it can increase the trust or self-confidence of subordinates which will affect the improvement of performance (Diuraidi Laily. & 2020). Transformational Leadership is based on bureaucratic authority and legitimacy within the organization. Transformational leaders essentially emphasize that a leader needs to determine what his subordinates need to do to achieve organizational goals. In addition, Transformational leaders tend to focus on completing organizational tasks.

There are several indicators of transformational leadership style consist of: 1) Innovator; innovative leaders are always looking for new and better ways to do things. They are not satisfied with the status quo and are always trying

to improve the organization. Innovative leaders dare to take risks and try new ideas, even if they are unpopular. 2) Setting an Example; leaders who set an example demonstrate the behavior they want to see in their followers. They walk their talk and always demonstrate a high work ethic and commitment. Leaders who set an example are role models for their followers and inspire them to give their best. 3) Acting on a Value System; leaders who act on a value system make decisions and take actions that are in line with the organization's core values. They have a strong moral compass and always strive to do the right thing. Leaders who act on a value system create an ethical and responsible organizational culture. 4) Able to Deal with Complex Situations; leaders who can deal with complex situations remain calm and focused under pressure. They can analyze situations quickly and make the right decisions. Leaders who can deal with complex situations are a source of strength and stability for their followers in difficult times (Danim & Suparno, 2009).

#### **Reward and Punishment**

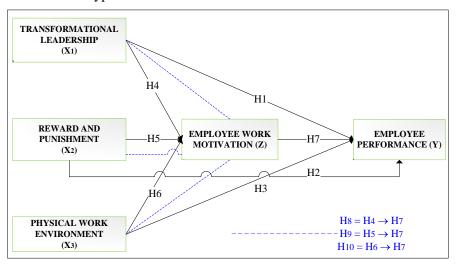
According to Siagian (2013, hal. 253), reward is a motivation for employees in doing their work. A good reward system is a system that is able to guarantee the satisfaction of the company's employees which in turn allows the company to obtain, maintain, and employ a number of people who with various positive attitudes and behaviors work productively for the benefit of the company. Rewards are divided into two types, namely extrinsic rewards and intrinsic rewards. Extrinsic rewards are rewards that come from outside the person (Saputra, Nurlina, & Hasan, 2017). Reward is a reward, prize, award or compensation that aims to make someone more active in their efforts to improve or enhance the performance that has been achieved (Hanifa & Arwiyah, 2020). Rewarding employees reflects the company's goals and is related to multidimensional measures that will encourage better employee performance and the organization as a whole. How far someone contributes to achieving the company's goals is in accordance with the measure. The organization's vision and mission are the basis for determining a person's reward system. According to the Purwanto (2006, hal. 186), punishment is suffering that is given or caused intentionally by someone after a violation, crime or mistake has occurred. In the corporate context, punishment will be given to employees who are negligent or make mistakes that are detrimental to the company.Employees who receive sanctions or punishments usually do not get bonuses in the related month. Or even cannot get a chance for a promotion if the mistake made is quite serious. The purpose of applying punishment to employees is to create an unpleasant feeling in someone so that the person does not do something bad (Saputra, Nurlina, & Hasan, 2017).

Reward indicators can include salary, bonuses and incentives, allowances, welfare, career development, psychological and social awards. The purpose of providing rewards to employees or compensation for services (Sunarto, Rusilowati, & Ciptaningsih, 2017). There are several indicators of the Punishment, namely: 1) Light punishment, with the types being verbal warnings to the employee concerned and written warnings. 2) Severe punishment, with the types being dismissal from office and dismissal/termination of employment (Wijaya, 2021).

#### **Physical Work Environment**

According to Afandi (Afandi, 2016, hal. 51), the work environment is something that exists in the workers' environment that can influence them in carrying out their tasks, such as temperature, humidity, ventilation, lighting, noise, cleanliness of the workplace, and the adequacy of work equipment. The work environment is something that exists around employees that influences a person to feel safe, comfortable, and satisfied in carrying out and completing the work given by their superiors (Anam, 2018, hal. 48). According to Sedarmayanti (2018, hal. 29), the physical work environment is all conditions that are physical in the work area so that they affect employees directly or indirectly and consist of two types, namely: (i) the direct work environment related to employees, namely chairs, tables, work centers and so on; and the general or intermediary environment can also affect human conditions, namely temperature, humidity, air circulation, lighting, noise, unpleasant odors and so on. The non-physical work environment is a good working relationship with colleagues and superiors along with the atmosphere that occurs. The indicators of the work environment include air temperature in an employee's workspace, sufficient lighting levels that will create pleasant working conditions, noise that refers to the level of employee hearing sensitivity that affects their work activities, the use of appropriate colors in the room and work safety that supports the creation of a safe working atmosphere in the form of materials and nonmaterials. There are 4 indicators of the physical work environment reflecting the problems in the research object, namely: 1) Cleanliness of the workplace. 2) Level of lighting in the workplace. 3) Air circulation in the workplace. 4) Color scheme in the workplace (Norianggono, 2014). **Research Model** 

The model in a research as thought a lines necessitates several parameters, which are built in a form meaning, content, and structure with assured boundaries (Husain, 2019). The framework of thought is poured into the model which is then formulated into an alternative hypothesis statement to answer the research objectives empirically (Sugiyono, 2021). The framework of thought is poured into the model which is then formulated into an alternative hypothesis statement to answer the research objectives with Figure 1 as follows:



#### Figure 1. Research Proposed (2024)

Prior research that has been conducted on transformational leadership, reward and punishment, and physical work environment on employee performance through employee work motivation has provided a diverse understanding of the relationship between these variables. However, there are still inconsistencies in the results of previous studies that need to be considered and filled in further research. First, in testing employee work motivation and employee performance, research findings from PT Gersindo Minang Plantation-Palm Oil Mill (GMP-POM) (Martha, Rahardjo, & Prasetva, 2020); at CV SKM Indonesia by (Ramadhani & Indawati, 2021) concluded that transformational leadership has a positive and significant effect, but insignificant effect studies on Motivation and Employee Performance at Anwar Medika Hospital. While transformational leadership has a negative and significant effect towards employee performance PT BTN Branch Office, Solo during the Covid-19 Pandemic (Negoro & Rachmawati K., 2023). Therefore, the alternative hypothesis statement is formulated as follows:

H<sub>1</sub>: The influence of Transformational Leadership on Employee Performance

H<sub>4</sub>: The influence of Transformational Leadership on Employee Work Motivation

Second, in testing employee work motivation and employee performance, research findings from Regional Office of the Ministry of Law and Human Rights, North Maluku (Iqbal, 2021) concluded that reward and punishment has a positive and significant effect on employee performance, but insignificant from (Ismah, Hadi, & Dewi, 2023) studies about the punishment on Employee Work Motivation in Aron State Elementary School Pidie Aceh Indonesia. While, reward and punishment have a significant effect towards employee performance Parepare City Regional Secretariat (Arifin, 2022). Therefore, the alternative hypothesis statement is formulated as follows:

H<sub>2</sub>: The influence of Reward and Punishment on Employee Performance

H<sub>5</sub>: The influence of Reward and Punishment on Employee Work Motivation

Third, in testing employee work motivation and employee performance, research findings from MSME sector (Agustin, 2020) concluded that physical work environment has a positive and significant effect, then (Ramadhani S., 2013) studies at PT. Lembah Karet Padang on Employee Performance and Spirit of Work with no significant effect. While, physical work environment have a significant effect towards employee performance (Rianda & Winarno, 2022) at PT Rajasaland Bandung studied. Therefore, the alternative hypothesis statement is formulated as follows:

H<sub>3</sub>: The influence of Physical Work Environment on Employee Performance

H<sub>6</sub>: The influence of Physical Work Environment on Employee Work Motivation

Fourth, in testing employee work motivation and employee performance, research findings (Manurung & Siagian, 2023) concluded that employee work motivation has a positive and significant effect but insignificant from (Wang, Wang, Li, & Yang, 2020) studies on Employee Performance at PT Alcotraindo Batam and local resident destination in Xidi and Hongcun of Southern Anhui. Therefore, the alternative hypothesis statement is formulated as follows:

H<sub>7</sub>: The influence of Employee Work Motivation on Employee Performance

Finally, in testing each of Transformational Leadership, Reward and Punishment, and Physical Work Environment towards Employee Performance, by mediation of Employee Work Motivation in this studies, therefore, the alternative hypothesis statement is formulated as follows:

- H<sub>8</sub>: The influence of Transformational Leadership towards Employee Performance through Employee Work Motivation
- H<sub>9</sub>: The influence of Reward and Punishment towards Employee Performance through Employee Work Motivation
- H<sub>10</sub>: The influence of Physical Work Environment towards Employee Performance through Employee Work Motivation

## **RESEARCH METHODS**

This type of research is associative with a quantitative approach. According to Sugiyono (Sugivono, 2021, hal. 44). Associative research aims to determine the influence or relationship between two or more variables. Quantitative approach (hal. 8), namely a research method based on the philosophy of positivism, used to research a certain population or sample, data collection using research instruments, and data analysis is quantitative or statistical, with the aim of testing the established hypothesis. The population in this study was all employees of RGD, Corp. in the West Jakarta area, totaling 127 employees. Hair et al. (2019, hal. 176) explained the sample size in SEM (Structural Equation Model) analysis, if there are more than 20 indicators, the sample size is between 100-200. So it can be concluded that the amount of samples in this study is 100 respondents.

Table 2	Research	Instrument	Reca	pitulation
	Research	moutument	rocu	pitulution

	Indicators	Item Numbers	Symbol
Transformational Leadership	Reformer	1,2,3,4,5	KPT
(X <sub>1</sub> )	Setting an Example	6,7,8,9,10	
(Danim & Suparno, 2009)	Acting Value System	11,12,13,14,15	
	Able to Deal with Complex Situations	16,17,18,19,20	
Reward and Punishment (X <sub>2</sub> )	Salary, Bonus and Incentives	1,2,3,4,5	RP
(Sunarto, Rusilowati, &	Career Development	6,7,8,9,10	
Ciptaningsih, 2017; Wijaya,	Verbal/Written Warning	11,12,13,14,15	
2021)	Termination of Employment	16,17,18,19,20	
	Cleanliness of the Workplace	1,2,3,4,5	LKF
Physical Work Environment	Level of Lighting in the Workplace	6,7,8,9,10	
( <b>X</b> <sub>3</sub> ) (Norianggono, 2014)	Air Circulation in the Workplace	11,12,13,14,15	
	Color Scheme in the Workplace	16,17,18,19,20	
Employee Work Environment	Physical Needs	1,2,3,4,5	MKK
( <b>Z</b> )	Needs for Safety and Security	6,7,8,9,10	
(Gunawan, Sopandi, Malsabila,	Social Needs	11,12,13,14,15	
Pangestu, & Assifah, 2023)	Esteem Needs	16,17,18,19,20	
	Quantity of Works	1,2,3,4,5	KK
Employee Performance (Y)	Quality of Works	6,7,8,9,10	
(Adhisty, et al., 2023)	Punctuality	11,12,13,14,15	
	Presence	16,17,18,19,20	

#### *Source*: Proposed study in (2024)

The type of data comes from primary sources and observations. The questionnaire is used as a tool or instrument distributed to respondents, the measurement scale uses an ordinal category - 'Likert' using 4 (four) score ranges of answers to statements provided through tools from Scale '1' Strongly Disagree (STS) to Scale '4' Strongly Agree (SS) (Sugiyono, 2021, hal. 94). The data method in the study used structural equation model (SEM) analysis. The processing of this research data used the SmartPLS application or software. SmartPLS 4. 0 is divided into two models, namely the Outer Model and the Inner Model, the Outer Model consists of a reliability test and a validity test while the inner model consists of a determination coefficient and a hypothesis test (Ghozali & Latan, 2015). The technique used in this study is path analysis. Aims to determine the causal relationship, to explain the direct or indirect influence between exogenous

variables and endogenous variables. Path analysis is part of a regression model that can be used to analyze the causal relationship between one variable and another. Sugiyono (2021, hal. 70), path analysis is used by using correlation, regression and paths so that it can be known to arrive at the intervening variable. Hypothesis testing is carried out through total effect, direct effect and indirect effect through the following regression equations:

 $MKK \quad = a + \beta_1 \ KPT + \beta_2 \ RP + \beta_3 \ LKF + e_1$  $+ \beta_{\epsilon} LKF + e_2$ DD

**KK** = 
$$a + \beta_4$$
 **KPI** +  $\beta_5$  **RP** +  $\beta_6$  **LKF** +

$$\mathbf{K}\mathbf{K} = \mathbf{a} + \mathbf{\beta}_7 \, \mathbf{M}\mathbf{K}\mathbf{K} + \mathbf{e}_3$$

#### **RESULTS AND DISCUSSION Results**

RP

Questionnaires obtained from 100 employees were handed out via Google Form from RGD, Corp. The proceeds were aged among 31-40 years of 80 percent, with majority of Bachelor degree of 55 percent from total respondent. The majority of 62 percent of the total respondent has a working period of 1-5 years and 6-10 years. The cross loading value requires that the indicators in the questionnaire distributed to respondents have a value above 0.70. The loading factor in the research are presented in the following table 3:

Table 3 Lo	bading F	actor (fi	om Out	put Smar
	KK	KPT	LKF	MKK
KK_1	0.597			
KK_2	0.759			
KK_3	0.640			
KK_4	0.727			
KK_5	0.701			
KK_6	0.877			
KK_7	0.781			
KK_8	0.719			
KK_9	0.881			
KK_10	0.762			
KK_11	0.667			
KK_12	0.776			
KK_13	0.821			
KK_14	0.420			
KK_15	0.434			
KK_16	0.508			
KK_17	0.519			
KK_18	0.598			
KK_19	0.424			
KK_20	0.553			
KPT_1		0.776		
KPT_2		0.822		
KPT_3		0.746		
KPT_4		0.650		
KPT_5		0.797		
KPT_6		0.613		
KPT_7		0.533		
KPT_8		0.752		
KPT_9		0.795		
KPT_10		0.733		
KPT_11		0.766		
KPT_12		0.753		
KPT_13		0.820		
KPT_14		0.668		
KPT_15		0.693		
KPT_16		0.646		
KPT_17		0.783		
KPT_18		0.777		
KPT_19		0.706		
KPT_20		0.703		

**Table 3** Loading Factor (from Output Smart-PLS)

	KK	КРТ	LKF	MKK	RP
LKF_1			0.617		
LKF_2			0.720		
LKF_3			0.698		
LKF_4			0.868		
LKF_5			0.761		
LKF_6			0.703		
LKF_7			0.863		
LKF_8			0.746		
LKF_9			0.672		
LKF_10			0.763		
LKF_11			0.809		
LKF <sup>12</sup>			0.447		
LKF <sup>13</sup>			0.473		
LKF_14			0.537		
LKF_15			0.554		
LKF_16			0.623		
LKI _10 LKF_17			0.456		
$LKF_{18}$			0.450		
LKF_18 LKF_19			0.627		
LKF $_{20}$			0.027		
$\frac{1}{MKK} 1$			0.438	0 677	
MKK_1 MKK_2				0.677 0.666	
MKK_3				0.625	
MKK_4				0.760	
MKK_5				0.782	
MKK_6				0.627	
MKK_7				0.811	
MKK_8				0.689	
MKK_9				0.666	
MKK_10				0.740	
MKK_11				0.633	
MKK_12				0.756	
MKK_13				0.786	
MKK_14 MKK_15				0.798	
MKK_15				0.706	
MKK_16				0.670	
MKK_17				0.824	
MKK_18				0.715	
MKK_19				0.732	
MKK_20				0.796	
RP_1					0.587
RP_2					0.741
RP 3					0.760
RP_4					0.594
RP_5					0.781
RP_6					0.668
RP_0 RP_7					0.686
RP_8					0.080
RP_8 RP_9					0.750
RP_9 RP_10					
					0.766
RP_11					0.804
RP_12					0.823
RP_13					0.718
RP_14					0.683
RP_15					0.828

	KK	KPT	LKF	MKK	RP
RP_16					0.736
RP_17					0.736
RP_18					0.813
RP_19					0.741
RP_20					0.741
		0		(0.00.1)	

loading factors g indicators with (invalid). A small Table

MKK\_12

MKK\_13

*Source*: output data from programs (2024) From Table 3, there are 58 indicators with contribution, so the indicator needs to be evised. After are modeling

		1. 1)	1 40	1	10 4101	
greater that		,				and the data needs to be rev
loading f						n in stage 2, the results are
ll loading fa						w in Table 4 as follows:
e 4 Loading						utput Smart-PLS) – Stage 2
	KK	КРТ	LKF	MKK	RP	Final Conclusion
KK_2	0.801					valid
KK_4	0.731					valid
KK_5	0.772					valid
KK_6						valid
KK_7	0.738					valid
KK_8	0.771					valid
KK_9	0.915					valid
KK_10	0.827					valid
KK_12	0.794					valid
KK_13	0.851					valid
KPT_1		0.770				valid
KPT_2		0.834				valid
KPT_3		0.752				valid
KPT_5		0.789				valid
KPT_8		0.762				valid
KPT_9		0.811				valid
KPT_10	)	0.714				valid
KPT_11	1	0.740				valid
KPT_12	2	0.732				valid
KPT_13	3	0.815				valid
KPT_17	7	0.773				valid
KPT_18	3	0.776				valid
KPT_19	)	0.723				valid
KPT_20	)	0.724				valid
LKF_2			0.736			valid
LKF_4			0.924			valid
LKF_5			0.833			valid
LKF_6			0.783			valid
LKF_7			0.921			valid
LKF_8			0.830			valid
			0.814			valid
LKF_11			0.848			valid
MKK_4				0.733		valid
MKK_5				0.756		valid
MKK_7				0.782		valid
MKK_1				0.733		valid
	-			0		

0.788

0.820

valid

valid

KKKPTLKFMKKRPFinal ConMKK_140.825valiMKK_150.742valiMKK_170.846valiMKK_180.749valiMKK_190.750valiMKK_200.808valiRP_30.740valiRP_50.753valiRP_100.781vali	19914
MKK_15       0.742       vali         MKK_17       0.846       vali         MKK_18       0.749       vali         MKK_19       0.750       vali         MKK_20       0.808       vali         RP_2       0.717       vali         RP_3       0.740       vali         RP_5       0.754       vali         RP_8       0.723       vali	clusion
MKK_170.846valiMKK_180.749valiMKK_190.750valiMKK_200.808valiRP_20.717valiRP_30.740valiRP_50.754valiRP_80.723vali	d
MKK_180.749valiMKK_190.750valiMKK_200.808valiRP_20.717valiRP_30.740valiRP_50.754valiRP_80.723vali	d
MKK_190.750valiMKK_200.808valiRP_20.717valiRP_30.740valiRP_50.754valiRP_80.723vali	d
MKK_200.808valiRP_20.717valiRP_30.740valiRP_50.754valiRP_80.723vali	d
RP_20.717valiRP_30.740valiRP_50.754valiRP_80.723vali	b
RP_3       0.740       vali         RP_5       0.754       vali         RP_8       0.723       vali	d
RP_5         0.754         vali           RP_8         0.723         vali	b
RP_8 0.723 vali	b
	d
<b>PP</b> 10 0 781 vali	b
KI_10 0.701 Val	b
RP_11 0.819 vali	b
RP_12 0.834 vali	b
RP_13 0.738 vali	b
RP_15 0.842 vali	b
RP_16 0.756 vali	b
RP_17 0.749 vali	b
RP_18 0.820 vali	đ
RP_19 0.754 vali	đ
RP_20 0.765 vali	b

Source: output data from programs (2024)

From Table 4 above, it can be seen that all Avera indicators have loading factor values above 0.70. latent So, the test can be continued to the next phase. indicat Beside that, it also shows the results of the

Average Variance Extracted (AVE) score on each latent variable has a value > 0.5. Therefore, all indicators used can represent the variables 'valid'.

Table 5 Reliability Test							
Instrument Constructed	Cronbach's Alpha	rho_A	Composite Reliability	AVE			
Employee Performance	0.947	0.950	0.955	0.680			
Transformational Leadership	0.947	0.964	0.952	0.588			
Physical Work Environment	0.934	0.942	0.949	0.702			
Employee Work Motivation	0.941	0.943	0.948	0.606			
Reward and Punishment	0.948	0.949	0.954	0.596			

Source: Data was processed using Smart-PLS Ver4.0 (2024)

From the output of data processing using Smart-PLS *Ver*4.0 (Table 5), it was obtained that all, cronbach alpha, rho\_A & composite reliability values for all variables were above 0.7, then AVE score were above 0,5. This can be said that all questionnaire statement items in all variables are reliable.

Table 5 Fornell Larcker Criterion								
	Employee Performanc e	Transformationa l Leadership	Physical Work Environmen t	Employee Work Motivatio n	Reward and Punishmen t			
Employee Performance	0.824				-			
Transformational Leadership	0.340	0.767						
Physical Work Environment	0.995	0.341	0.838					
Employee Work Motivation	0.674	0.404	0.655	0.778				

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					IIIE . 2013-9/14	
	Employee Performanc e	Transformationa l Leadership	Physical Work Environmen t	Employee Work Motivatio n	Reward and Punishmen t	
Reward and Punishment	0.712	0.404	0.691	0.995	0.772	
Source: Data was processed using Smart-PLS Ver4.0 (2024)						

Table 6 is the proceeds of the Fornell-Larcker Criterion value which shows that the correlation value obtained between the construct and the construct itself is not smaller than the correlation value of the construct with other constructs. This means that there are differences between the constructs used in the study, so it can be said that the test results have good validity discriminant values.

Table 7	' R-Square	

	R-Square Score	<i>Adj.</i> R <i>-Square</i> Score
Employee Performance	0.983	0.983
Employee Work		
Motivation	0.992	0.992

Table 7 is the proceeds of the R-Square using Smart-PLS Ver4.0, the R-square score of the Employee Work Motivation variable is 0.992, meaning that the dependent variable (Z) can explain 99.2 percent of its independent variables (Transformational Leadership, Reward and Punishment, and Physical Work Environment). While other variables exlude the model and error elucidate the remaining 0.8 percent. 2) The R-

\_

square score of the Employee Performance variable is 0.983, meaning that the dependent variable (Y) can explain 98.3 percent of its variables (Transformational independent Leadership, Reward and Punishment, and Physical Work Environment). While other variables exlude the model and error elucidate the remaining 1.7 percent.

<b>Table 8</b> <i>Predictive Relevance</i> $(Q^2)$				
	SSO	SSE	$Q^2$ (=1-SSE/SSO)	
Employee Performance	1100	413.868	0.624	
Transformational	1400	1400		
Leadership	1400	1400		
Physical Work	900	900		
Environment	900			
Employee Work Motivation	1100	462.572	0.579	
Reward and Punishment	1400	1400		

Source: Data was processed using Smart-PLS Ver4.0 (2024)

The outcome of the  $Q^2$  test (Table 8) shows that overall it has a value of more than 0. The Employee Performance variable has a  $Q^2$  score of 0.624 and the Employee Work Motivation variable is 0.579, which means that the model can elucidate the information in the data or has a good observation value.

Table 9 Goodness of Fit				
	<b>R</b> -Sqaure	$Q^2$ (=1-SSE/SSO)		
Employee Performance	0.992	0.578		
Transformational		0.520		
Leadership		0.320		
Physical Work		0.594		
Environment		0.394		
Employee Work	0.983	0.538		
Motivation	0.985	0.338		
Reward and Punishment		0.532		
Source: Data was processed using Smart-PLS Ver4.0 (2024)				

The GoF score is calculated by taking the square root of the average value of the commonality index and the average R-Squared. (1) GOF score of Employee Performance variable

 $GOF = \sqrt{Com \times R^2} = \sqrt{0.992 \times 0.578} = 0.575$ (2)GOF score of Employee Work Motivation variable

 $GOF = \sqrt{Com} \times R^2 = \sqrt{0.983} \times 0.538 = 0.533$ 

The interpretation of the GOF value from the calculation results above is that it can be concluded that the Employee Performance (Y) and Employee

Work Motivation (Z) variables in this model are valid and have great performance.

Table 10 Path Coefficients Analysis Results				
Path (Sign)	Coefficient Score	Significance Probability	Inferes of Hypothesis Testing	
$KPT \rightarrow KK$	-0.004	0.682	$H_1$ Reject	
$RP \rightarrow KK$	0.222	0.009	$H_2$ Accept	
$LKF \rightarrow KK$	0.951	0.000	H <sub>3</sub> Accept	
$KPT \rightarrow MKK$	0.011	0.697	H <sub>4</sub> Reject	
$RP \rightarrow MKK$	1.038	0.000	H <sub>5</sub> Accept	
$LKF \rightarrow MKK$	-0.077	0.008	H <sub>6</sub> Accept	
$MKK \rightarrow KK$	-0.167	0.035	H <sub>7</sub> Accept	
$KPT \rightarrow MKK \rightarrow KK$	-0.003	0.519	H <sub>8</sub> Reject	
$RP \rightarrow MKK \rightarrow KK$	-0.387	0.000	H <sub>9</sub> Accept	
$LKF \rightarrow MKK \rightarrow KK$	0.024	0.016	H <sub>10</sub> Accept	
Source: Data was processed using Smart DIS Vard 0 (2024)				

Source: Data was processed using Smart-PLS Ver4.0 (2024)

## DISCUSSION

The coefficient score for Transformational Leadership (KPT) and Employee Performance (KK) was minus of 0.004 with a significance of 0.682, it means that Transformational Leadership has a negative and no significant influence on the Employee Performance. Thefore, H<sub>1</sub> is Reject. While, to the Employee Work Motivation (Y) was 0.011 score with a significance of 0.697, it means that Transformational Leadership has a negative and no significant influence on the Employee Work Motivation. Thus, H<sub>4</sub> is Reject. Company leaders need to realize that even though Transformational Leadership, companies should not focus too much on Transformational Leadership given that Transformational Leadership does not have a significant influence on employee performance. It is important to also pay attention to other factors that can have a stronger influence on employee performance. From these yields, this study is contra with previous research conducted by (Martha, Rahardjo, & Prasetya, 2020); (Ramadhani & Indawati, 2021) which transformational leadership has a significant effect on employee performance, but in line with (Nurhuda, Sardjono, & Purnamasari, 2018) stated that findings which transformational leadership style has no significant effect on employee work motivation and employee performance. This may be due to the fact that other factors, such as financial rewards, working conditions, or other leadership styles, have a greater influence on employee motivation transformational than leadership.

The coefficient score for Reward and Punishment (RP) and Employee Performance (KK) was 0.222 with a significance of 0.009, it means that Reward and Punishment has a positive and

Employee significant influence on the Performance. Thefore, H<sub>2</sub> is Accepted. Beside that, to the Employee Work Motivation (MKK) was 0.011 score with a significance of 0.000, it means that Reward and Punishent has also positive and significant influence on the Employee Work Motivation. Thus, H<sub>5</sub> is Accepted. Appropriate rewards can increase employee motivation and commitment. When employees are rewarded for good performance, they feel appreciated and recognized, which encourages them to continue working hard and maintain or even improve their performance. Punishment, when used appropriately, can help maintain discipline and ensure employees adhere to organizational rules and standards. Fair and consistent punishment can reduce negative or unproductive behavior, thereby supporting better performance. From these yields, this study is in line with previous research conducted by (Iqbal, 2021); (Arifin, 2022) which reward and punishment has a positive and significant effect on employee performance and in line with (Ismah, Hadi, & Dewi, 2023) stated that findings which reward has a significant effect on work motivation although punishment has no significant effect. Rewards provide positive reinforcement for good performance, while punishment provides control to keep performance within expected limits. The two work together to increase overall work motivation. This is consistent with motivational theories such as B.F. Skinner's Reinforcement Theory, emphasizes the importance of positive and negative consequences in influencing behavior.

The coefficient score for Physical Work Environment (LKF) and Employee Performance (KK) was 0.951 with a significance of 0.000, it means that Physical Work Environment has a

positive and significant influence on the Employee Performance. Thefore, H<sub>3</sub> is Accepted. Beside that, to the Employee Work Motivation (MKK) was minus of 0.077 with a significance of 0.008, it means that Physical Work Environment has negative and significant influence on the Employee Work Motivation. Thus, H<sub>6</sub> is Accepted. Company management is strongly advised to focus on the development and maintenance of facilities. This is because it will directly improve employee performance. Elements of the physical work environment such as supporting all contribute to employee performance so it is important for the company to be able to maintain and manage a positive work environment. From these yields, this study is in line with previous research conducted by (Agustin, 2020); (Rianda & Winarno, 2022) which physical work environment has a positive and significant effect on employee performance. This result can be explained that when the physical work environment is bad; such as inadequate lighting, uncomfortable temperature, excessive noise, or non-ergonomic working conditions, this can cause physical discomfort and fatigue. This discomfort can interfere with concentration and productivity, thus reducing work motivation. From these yields, this study is contra with previous research conducted by (Ramadhani S., 2013), which work environment has no significant effect to the spirit of work.

The coefficient score for Employee Work Motivation (MKK) and Employee Performance (KK) was minus of 0.167 with a significance of 0.035, it means that Employee Work Motivation has a negative and significant influence on the Employee Performance. Thefore, H<sub>7</sub> is Accepted. Typically, work motivation is considered a major factor that improves employee performance, as motivated employees tend to work harder, more and are more committed efficiently, to organizational goals. However, overly motivated employees may experience excessive stress or pressure, which can decrease their performance. They may try to do too many things at once or set unrealistic goals, which ultimately leads to exhaustion or burnout. From these yields, this study is in line with previous research conducted by (Manurung & Siagian, 2023) concluded that employee work motivation has a positive and significant effect but insignificant from (Wang, Wang, Li, & Yang, 2020) studies on Employee Performance. Motivated employees tend to work more efficiently and effectively. They are more focused, take initiative, and tend to complete tasks more quickly and with higher quality.

The coefficient score for Transformational Leadership (KPT) and Employee Performance (KK) was minus of 0.003 with a significance of 0.519 through Employee Work Motivation (MKK), which means that Transformational Leadership has a negative and no significant influence on Employee Performance through Employee Work Motivation. Thus, H<sub>8</sub> is Reject. Transformational leadership often requires change and adaptation, which can be challenging for employees who are not ready or comfortable with change. If employees feel pressured by high expectations from leaders, their motivation can decrease, which in turn hurts performance. Employees may not see transformational leadership as relevant or beneficial to them. For example, if employees value stability over innovation, their motivation may not increase when leaders push for major changes. As a result, their performance may not increase, and may even decrease. The coefficient score for Reward and Punishment (RP) and Employee Performance (KK) was minus of 0.387 with a significance of 0.000 through Employee Work Motivation (MKK), which means that Reward and Punishment has a negative and significant influence on Employee Performance through Employee Work Motivation. Thus, H<sub>9</sub> is Accepted. If the punishment system is too dominant and the rewards are inadequate, employees may work in a climate of fear or stress. This fear can reduce their intrinsic motivation, causing them to work only to avoid punishment rather than to achieve, which can lead to decreased performance. Reward and punishment systems often encourage short-term behavior. Employees may be motivated to achieve certain targets simply to receive a reward or avoid punishment, but this motivation may not be sustainable. When these incentives are lost, motivation and performance can decline. The coefficient score for Physical Work Environment (LKF) and Employee Performance (KK) was 0.024 with a significance of 0.016 through Employee Work Motivation (MKK), which means that Physical Work Environment has a positive and significant influence on Employee Performance through Employee Work Motivation. Thus,  $H_{10}$  is Accepted. If the punishment system is too dominant and the rewards are inadequate, employees may work in a climate of fear or stress. This fear can reduce their intrinsic motivation, causing them to work only to avoid punishment rather than to achieve, which can lead to decreased performance. A comfortable physical work environment, including good lighting, appropriate temperature, and ergonomic furniture, can improve

employee comfort. When employees feel comfortable, they are more likely to focus on their work and feel more motivated. The finding that work motivation serves as an effective mediator suggests that the influence of the physical work environment on performance is important in creating a good physical work environment to improve employee work motivation, which will ultimately have a positive impact on their performance. This emphasizes that efforts to improve employee performance should include improving the physical conditions of the workplace as well as strategies to motivate employees. Other factors may play a greater role in linking the work environment physical to employee performance.

## CONCLUSION

From the yields and discussion of the study above, the inference is: (1) Transformational Leadership has a positive and non-significant influence on the Employee Work Motivation and Employee Performance of RGD, Corp. (2) Reward and Punishment has a positive and significant influence on the Employee Work Motivation and Employee Performance of RGD, Corp. (3) Physical Work Environment has a positive and significant influence to the Employee Work Motivation, while has negative on the Employee Performance of RGD, Corp. (4) Employee Work Motivation has a negative and significant influence to the Employee Performance of RGD, Corp. (5) Each of Reward and Punishment, then Physical Work Environment has a significant influence on Employee Performance through Employee Work Motivation, but Transformational Leadership has a negative and non significant influence to the Employee Performance of RGD, Corp.

RGD. Corp should review whether the transformational leadership style is by the needs and expectations of employees. Perhaps employees need a more direct or structured leadership style, rather than transformational, then also consider whether the transformational leadership style is by the characteristics and needs of employees. Perhaps employees need a more structured or managerial approach than a transformational leadership style that tends to focus on change and inspiration.

For Reward and Punishment, for employees who violate the rules. The company must also be able to provide an element of job security for its employees to create employee performance. Injustice or imbalance in implementation can cause demotivation and decreased performance, so it is necessary to review whether Rewards and Punishments are given fairly and evenly and Punishments are enforced fairly, which will improve employee performance.

The company also wants to provide service and peace of mind in working to improve the quality of employee performance and also improve or enhance existing facilities, such as improving lighting, improving ventilation, adjusting the temperature, and ensuring ergonomic furniture. Finally, the motivation given must be on what is important to employees. for example, awards or incentives may not be by their preferences or expectations.

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