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The Role Of Transformational Leadership In Motivating And Improving Employee Performance At PT. SEM Institut

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Abstract

This study aims to analyze the role of transformational leadership in providing motivation and improving employee performance at PT. SEM Institut. The study employs a descriptive qualitative approach to obtain an understanding of leadership practices and their relationship with employee motivation and performance. Data were collected through interviews, observations, and documentation involving the President Director, Director of Operations, Senior Manager, and employees. Data analysis was conducted through data collection, editing and coding, data reduction, data display, verification, and conclusion drawing. The findings show that transformational leadership has been implemented through four dimensions: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. Leaders are perceived as role models, provide direction and encouragement, stimulate innovation, and support employees' development. Employee motivation is relatively good, particularly in physiological, safety, and social needs, although esteem and self-actualization require further strengthening through formal rewards and structured career development. Employee performance is generally good, reflected in work quality, achievement of targets, timeliness, effective resource utilization, supervision, and harmonious relationships. The findings indicate that transformational leadership contributes positively to employee motivation and performance, with motivation strengthening the relationship between leadership and performance. Key challenges include limited human resources, an underdeveloped reward system, variations in SOP understanding, and the absence of an integrated performance measurement system. The study recommends strengthening reward policies, competency development, career

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pathways, resource allocation, and integrated performance monitoring to support sustainable organizational performance.

Keywords: Transformational Leadership, Employee Motivation, Employee Performance, Human Resource Development, Organizational Performance.

INTRODUCTION

The rapid development of the times brings both positive and negative impacts on individuals within organizations. Employees are required to adapt to rapid changes at the international level, although not everyone is equally prepared to face such developments. Therefore, individuals need effective self-management to achieve both personal and professional goals, while organizational leaders are responsible for managing and directing their employees toward organizational objectives.

Management is not a simple task because it requires patience, dedication, and the ability to understand individual differences. Managers need to continuously adjust their approaches and decision-making processes to address various challenges in the workplace. Their responsibility is to overcome obstacles and optimize available resources so that organizational goals can be achieved effectively (Hartinah, 2023).

Leadership is an important aspect of management and plays a significant role in organizational success. In response to changing demands, employees need adequate capabilities to achieve optimal performance. Thoha (2019) defines a leader as an individual who has the ability to influence the behavior of others through authority, while leadership refers to activities aimed at influencing organizational personnel so that they cooperate responsibly to achieve predetermined objectives.

Effective leadership requires the ability to influence, guide, and direct employees in carrying out their responsibilities. Good cooperation between leaders and employees is necessary to ensure that organizational activities are performed effectively and efficiently. Therefore, leadership has an important relationship with employee performance because leaders determine how employees are directed, supported, and encouraged to accomplish organizational objectives.

Employee performance can be viewed through several dimensions, namely quality, quantity, working time, and cooperation. According to Sutrisno, as cited by Butarbutar et al. (2021), quality relates to the accuracy of work, quantity refers to the amount of products or services produced, working time includes attendance, tenure, and punctuality, while cooperation concerns employees' ability to support one another.

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Employees are therefore important organizational assets, and appropriate human resource management is necessary to ensure that employees are placed and developed according to their capabilities (Butarbutar et al., 2021).

Leadership is also closely associated with employee trust and behavior. Leadership involves human interaction in which followers place confidence in a leader's ability and willingness to meet their needs (Tamarindang et al., 2017). In business organizations, leadership influences employee attitudes and behavior through the leader's ability to direct, motivate, and manage subordinates. A participative leadership approach emphasizes communication, decentralized authority, and supportive relationships between leaders and employees, making interpersonal communication an important element of effective leadership (Setiawan, 2017).

Leaders are expected to empower employees by developing positive relationships and involving them appropriately in organizational decision-making. Leadership effectiveness can also be reflected in the ability to motivate employees. Motivation functions as a driving force that encourages employees to utilize their skills, energy, and time in carrying out their responsibilities and contributing to the achievement of organizational goals (Rofif, 2022).

PT. SEM Institut, as the locus of this research, is a research, consulting, and training institution specializing in strategic policy, marketing, and business. The institution is committed to becoming a trusted partner for organizations, companies, and government institutions through strategic planning, improved management, and quality services. Since its establishment in 2005, PT. SEM Institut has maintained a relatively stable workforce and has completed 97 research projects, 33 consulting services, and 47 training activities for various prominent institutions throughout Indonesia, including Bank Indonesia, hospitals, BAZIS, BPM, and government agencies. This organizational development provides a relevant context for examining the role of leadership in motivating employees and improving their performance.

LITERATURE REVIEW

Transformational Leadership

Transformational leadership is a leadership paradigm that emphasizes motivation, inspiration, personal development, and organizational change. Unlike transactional leadership, which focuses primarily on exchanges, rewards, performance, and compliance, transformational leadership encourages employees to embrace new ideas, organizational goals, and continuous improvement. Transformational leaders

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influence followers by building trust, respect, loyalty, and commitment while encouraging them to contribute beyond their individual interests for the achievement of shared organizational objectives (Bass & Riggio, 2008; Mualldin, 2016).

According to Bass and Riggio (2008), transformational leadership enables leaders to motivate followers to achieve performance beyond their initial expectations. Leaders act as agents of change by increasing employees' awareness of organizational goals and encouraging them to develop their capabilities. This leadership model consists of four main dimensions: idealized influence, in which leaders serve as ethical and trusted role models; inspirational motivation, through which leaders communicate an inspiring vision and encourage commitment; intellectual stimulation, which promotes creativity, innovation, and new approaches to problem-solving; and individualized consideration, whereby leaders act as mentors and provide individual support for employee development.

In organizational practice, transformational leadership is also reflected in leaders' ability to build attention, communication, trust, respect, and responsible risk-taking. Effective transformational leaders demonstrate credibility through consistency and commitment, create opportunities for employees to improve their knowledge and skills, show concern for their employees, and maintain effective communication. Furthermore, transformational leadership is supported by three important aspects: vision, or the ability to communicate and realize a desired future; power, referring to the capacity to influence and mobilize others; and self-confidence, referring to the confidence required to make decisions and take action. Through these characteristics, transformational leadership can encourage employee motivation, empowerment, innovation, and improved performance (Bass & Riggio, 2008; Burns, 2016; Mualldin, 2016).

Motivation Theory

Motivation is a process that begins with physiological or psychological deficiencies or needs, which activate behavior or drives directed toward the achievement of particular goals or incentives. Motivation is therefore an important factor in shaping individual behavior and encouraging employees to direct their efforts toward organizational objectives. In the workplace, motivation plays an essential role in improving productivity, particularly when employees understand the relationship between motivation, job satisfaction, and reward systems. Understanding these factors can serve as a fundamental basis for improving the effectiveness and efficiency of work systems (Andjarwati, 2015; Kaswan, 2017).

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According to Maslow, motivation is constant, dynamic, fluctuating, and complex, reflecting the universal characteristics of human behavior. Maslow's Hierarchy of Needs explains that human needs are arranged progressively, beginning with basic biological needs and developing toward higher-level needs and individual growth. These needs consist of physiological needs, safety needs, social or belongingness needs, esteem needs, and self-actualization needs. Individuals are motivated by unmet needs, and after a particular level of need is sufficiently fulfilled, they tend to pursue higher-level needs (Maslow, 2018). In organizational settings, this theory helps leaders understand employee needs and create conditions that encourage motivation and personal development.

The five levels of needs provide a practical framework for managing employee motivation. Physiological needs include food, drink, housing, and other basic necessities; safety needs involve protection from threats, accidents, and workplace hazards; social needs involve acceptance, affiliation, and positive relationships; esteem needs concern recognition, respect, and appreciation; and self-actualization needs involve the development and utilization of employees' abilities, skills, potential, ideas, and creativity. Organizations can support these needs through adequate compensation, safe working conditions, supportive relationships, recognition or rewards, career development, training, and challenging assignments. Thus, fulfilling employees' needs progressively can contribute to stronger motivation and improved performance (Hasibuan, 2017; Maslow, 2018).

Employee Performance Theory

Employee performance refers to the work results achieved by individuals or groups within an organization in accordance with their respective responsibilities and in support of organizational objectives. Performance needs to be measured by organizational leaders to determine the extent to which employees and the organization are progressing toward established goals. Thus, employee performance serves as an important indicator of the effectiveness of human resource management within an organization (Wahyudi et al., 2020).

According to Armstrong and Baron, as cited in Wibowo (2016), performance is the result of work that has a strong relationship with organizational strategic objectives, customer satisfaction, and economic contribution. Employee performance refers to the results achieved by individuals or groups within an organization according to their authority and responsibilities, while complying with applicable laws, moral values, and

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ethical principles. In human resource management, employees are regarded as essential organizational assets whose capabilities need to be managed and developed to achieve organizational objectives effectively (Wibowo, 2016).

Kasmir (2017) identifies 13 factors that influence employee performance, namely ability and expertise, knowledge, job design, personality, work motivation, leadership, leadership style, organizational culture, job satisfaction, work environment, loyalty, commitment, and work discipline. These factors demonstrate that employee performance is influenced not only by individual capabilities but also by motivation, leadership, organizational conditions, workplace relationships, and employees' commitment to their responsibilities. Effective management of these factors can therefore support employees in achieving optimal performance.

Employee performance can be measured through several indicators, including quality, quantity, timeliness, effectiveness, supervision, and interpersonal relationships. Quality refers to the standard of work produced, while quantity concerns the amount of work or targets achieved. Timeliness reflects the employee's ability to complete tasks according to established schedules, and effectiveness concerns the optimal utilization of available resources. Supervision represents the extent to which monitoring supports the achievement of good performance, while interpersonal relationships reflect the ability of employees to establish supportive cooperation and a comfortable working environment. These indicators provide a comprehensive basis for evaluating employee performance within an organization (Kasmir, 2017).

Conceptual Framework



Source : Processed by Researcher, 2026

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RESEARCH METHODOLOGY

This study employs a qualitative research approach to provide an accurate and contextual understanding of the actual conditions observed in the field. The primary data sources are individuals in leadership positions at PT. SEM Institut. A qualitative approach is considered appropriate because the research problem is dynamic and may develop according to changes in situations and conditions in the field. It enables the researcher to obtain in-depth information and explore the social realities underlying the research subject.

Qualitative research produces descriptive data in the form of written or spoken words obtained from individuals and observed behaviors. In this study, the researcher seeks to collect comprehensive descriptive data, which are subsequently presented in the form of systematic reports and explanations. Nasution (2016) states that qualitative research is a research procedure that produces descriptive data from people's words and observable behavior. Similarly, Arikunto (2016) explains that descriptive research is appropriate when researchers seek to understand the status or condition of a particular phenomenon, as it describes events, situations, and existing circumstances.

This qualitative study uses primary and secondary data sources. Primary data are obtained directly from the field through observation and interviews with relevant parties, particularly to obtain in-depth information regarding the role of leadership in employee performance at PT. SEM Institut (Sugiyono, 2018, p. 62). Secondary data are obtained from relevant documents and literature, including journals, newspapers, internet sources, and institutional records. In this study, secondary data include the institution's profile, history and background, vision and mission, organizational regulations, and human resources and personnel data, which are used to complement and support the findings from primary data (Sugiyono, 2018).

Data Source Table

Data	Data Source	Technical
The Role of Transformational Leadership in Motivating and Improving Employee Performance of PT. SEM Institute	1. President Director 2. Director of Operations 3. Senior Manager 4. Employees	1. Interview 2. Observations 3. Documentation

Source : Processed by Researcher, 2026

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Data analysis is the process of selecting, organizing, classifying, and interpreting data to identify themes and determine the extent to which the data support those themes (Sugiyono, 2018). In this qualitative study, data analysis is conducted simultaneously with data collection through systematic stages, beginning with data collecting, followed by data editing/coding, data reduction, data display, data verification, and data conclusion. Data collecting involves gathering relevant information from selected informants, while editing and coding involve checking the data and assigning labels or categories to raw information (Junaid, 2016).

The subsequent process involves reducing the data by summarizing, selecting essential information, and focusing on relevant themes to provide a clearer representation of the research findings (Sugiyono, 2018). The reduced data are then displayed descriptively and classified according to relevant categories to facilitate interpretation and conclusion development. Verification is conducted by repeatedly comparing information obtained from interviews and other sources to ensure consistency and credibility. Finally, conclusions are formulated based on the analyzed findings. Initial conclusions remain tentative and may change when further evidence is obtained; however, conclusions supported by valid and consistent evidence can be considered credible (Sugiyono, 2018).

RESULT

The data analysis in this study aims to examine the relationship between the role of transformational leadership and employee motivation, as well as its implications for improving employee performance at PT. SEM Institut. The data obtained through interviews, observations, and documentation are processed and analyzed in relation to the theories discussed. The analysis focuses on three main aspects: transformational leadership, employee motivation, and employee performance.

Analysis of Transformational Leadership

The analysis of transformational leadership at PT. SEM Institut is based on four main dimensions proposed by Bass: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. In terms of idealized influence, field data indicate that the leader is perceived by employees as a role model who demonstrates optimism and determination when facing challenges. This is consistent with Bass's view that transformational leaders serve as role models who strengthen employees' trust, commitment, and loyalty. Meanwhile, inspirational motivation is

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demonstrated through regular meetings, consistent communication of the organizational vision, appreciation, and encouragement, which contribute to employees' enthusiasm and alignment with the institution's goals.

The intellectual stimulation dimension is reflected in training, upgrading activities, and opportunities for employees to develop innovative solutions to workplace problems. Bass and Riggio emphasize that intellectual stimulation encourages followers to think creatively and explore new approaches to problem-solving. However, the implementation at PT. SEM Institut remains limited to certain areas, indicating opportunities for further development. The individualized consideration dimension is demonstrated through attention to employees' individual development, mentoring, and support for career growth. This practice is consistent with Robbins and Judge (2017), who explain that individualized consideration strengthens personal relationships between leaders and employees and can contribute to job satisfaction and employee engagement.

Overall, the four dimensions of transformational leadership at PT. SEM Institut have been implemented relatively well. The leader functions simultaneously as a role model, motivator, facilitator of innovation, and personal mentor. These practices demonstrate the application of transformational leadership through trust-building, vision communication, employee development, innovation, and individual support. The findings are consistent with Bass's transformational leadership framework, which emphasizes the leader's role in encouraging employees to exceed ordinary expectations and supporting the development of their motivation and performance (Bass, 2018).

Employee Motivation Analysis

Employee motivation at PT. SEM Institut is analyzed using Maslow's Hierarchy of Needs, which consists of five levels: physiological, safety, social, esteem, and self-actualization needs. The findings indicate that employees' physiological needs are generally fulfilled through adequate salaries and workplace facilities. According to Maslow, satisfying basic needs provides a foundation for individuals to progress toward higher-level needs. Meanwhile, safety needs are supported by work procedures and standard operating procedures (SOPs), which provide employees with a sense of security and certainty in carrying out their responsibilities.

The social needs of employees are supported by harmonious relationships and a collaborative work environment. This condition encourages affiliation and positive interpersonal relationships, which are also consistent with Herzberg's view that good

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interpersonal relations can help prevent job dissatisfaction. In terms of esteem needs, leaders provide verbal appreciation, although the formal reward system remains limited. Since Maslow emphasizes recognition, status, and achievement as important components of esteem, PT. SEM Institut still has opportunities to strengthen its reward and recognition system to enhance employee motivation.

The self-actualization needs of employees are supported through training and opportunities for professional development; however, formal career pathways and opportunities for innovation still need to be enhanced. Maslow considers self-actualization the highest level of motivation, where individuals seek to maximize their potential. Overall, employee motivation at PT. SEM Institut is relatively well supported, particularly at the basic and social levels, while esteem and self-actualization require further development to sustain long-term motivation and employee retention. These findings are consistent with the view that transformational leadership is closely associated with the fulfillment of higher-level motivational needs.

Employee Performance Analysis

Employee performance at PT. SEM Institut is analyzed using the performance indicators proposed by Mangkunegara and Miftahuddin (2016), namely work quality, work quantity, timeliness, effectiveness, supervision intensity, and interpersonal relationships. The findings indicate that the quality of employees' work generally meets established organizational standards, while work targets are largely achieved. This reflects a positive relationship between employee motivation and productivity. Timely completion of tasks also demonstrates employee discipline and effective coordination within the organization. These findings are consistent with Robbins and Judge (2017), who views performance as work results that can be measured against organizational standards.

In terms of resource utilization and supervision, employees are able to optimize available resources despite limitations in human resources. This reflects the effectiveness of achieving organizational objectives while making efficient use of available resources (Mangkunegara & Miftahuddin, 2016). Supervision is conducted proportionally, providing sufficient control to maintain accountability without restricting employees' autonomy. Such an approach is consistent with participative supervision, which can strengthen employees' sense of belonging and responsibility toward the organization. Furthermore, harmonious and collaborative relationships among

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employees support productivity and reduce destructive workplace conflict (Robbins & Judge, 2017).

Overall, employee performance at PT. SEM Institut can be characterized as good across most performance indicators. The main supporting factors are the implementation of transformational leadership and relatively high employee motivation, which encourage employees to achieve organizational targets and maintain positive working relationships. However, challenges remain, particularly regarding limited human resources and the formal reward system, which has not yet been fully optimized. Strengthening these aspects may further support sustainable employee performance and organizational effectiveness.

Relationships Between Variables

The analysis indicates a positive relationship between transformational leadership and employee motivation. Leaders who serve as role models, provide inspiration, stimulate employees intellectually, and offer individual attention can support the fulfillment of employees' motivational needs, particularly social, esteem, and self-actualization needs. Furthermore, employee motivation contributes to employee performance, as the fulfillment of motivational needs encourages greater enthusiasm and is reflected in improved work quality, quantity, and timeliness.

There is also a direct relationship between transformational leadership and employee performance through employee development, participative supervision, and strengthened workplace relationships. These findings are consistent with Bass's theory, which emphasizes the contribution of transformational leadership to employee motivation and performance. They also support Robbins and Judge (2017), who explains that higher employee motivation can encourage the achievement of optimal work performance.

DISCUSSION

Transformational Leadership at PT. SEM Institut

The research findings indicate that the leadership of PT. SEM Institut has implemented transformational leadership through four main dimensions: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. The leader is perceived as a role model, communicates the organizational vision effectively, provides opportunities for innovation, and pays attention to employees' individual needs.

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These findings are consistent with Northouse (2018), who states that transformational leadership can foster employee commitment and engagement through idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. In addition, Alqatawenah (2018) found that transformational leadership has a significant influence on organizational commitment and employee job satisfaction.

At PT. SEM Institut, transformational leadership has emerged as an important factor in strengthening the relationship between leaders and employees. Employees perceive the leader not only as a supervisor but also as a mentor. This reinforces the perspective of Bass and Riggio (2016) that transformational leadership emphasizes empowerment and individual development rather than merely providing instructions.

Employee Motivation at PT. SEM Institut

The field findings indicate that employee motivation at PT. SEM Institut is relatively good, particularly in relation to physiological, safety, and social needs. However, esteem and self-actualization needs have not yet been fully optimized due to limitations in the formal reward system and the absence of a well-structured career development pathway.

These findings support Ryan and Deci (2017) Self-Determination Theory (SDT), which emphasizes the importance of psychological needs for autonomy, competence, and relatedness in strengthening work motivation. At PT. SEM Institut, basic and social needs are generally fulfilled, while opportunities to develop autonomy and competence through career development need further strengthening.

Similarly, Gagné and Parker (2022) emphasize that intrinsic motivation arising from self-development and recognition can contribute more sustainably to long-term performance than extrinsic motivation alone. Therefore, PT. SEM Institut could strengthen employee motivation by developing a reward system that incorporates not only financial incentives but also recognition of employee achievements, contributions, and innovations.

Employee Performance at PT. SEM Institut

Employee performance at PT. SEM Institut can be categorized as good, as reflected in the achievement of targets, timely completion of tasks, quality of work, and harmonious workplace relationships. However, the limited number of human resources remains a challenge for maintaining long-term work effectiveness.

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According to Armstrong and Taylor (2020), employee performance is influenced by a combination of internal factors, such as motivation and competence, and external factors, such as leadership style and the work environment. This perspective is consistent with the conditions at PT. SEM Institut, where transformational leadership and intrinsic motivation appear to be important factors supporting employee performance.

Furthermore, these findings reinforce the research by Susanty et al. (2019), which indicates that transformational leadership has a significant influence on employee performance through increased work motivation. In other words, motivation functions as a mediating variable between leadership and employee performance.

Relationships Between Variables

Based on the analysis, transformational leadership at PT. SEM Institut has a positive impact on employee motivation. Strong employee motivation, in turn, contributes to improved individual and team performance. This finding is consistent with the conceptual model proposed by Bass and Riggio (2008), which explains that transformational leadership encourages the fulfillment of higher-level motivational needs, thereby supporting optimal performance.

Furthermore, research by Breevaart and Bakker (2018) indicates that transformational leadership can enhance work engagement, which subsequently contributes to improved employee performance. This is consistent with the conditions at PT. SEM Institut, where employee engagement is relatively high due to the leader's individual attention and support. Therefore, transformational leadership not only has a direct relationship with employee performance but also contributes to performance improvement through enhanced employee motivation.

THEORETICAL AND PRACTICAL IMPLICATIONS

Theoretical Implications

1. This study strengthens the relevance of transformational leadership theory (Bass & Riggio, 2008) in the context of consulting and training organizations.
2. The findings also support modern motivation theories, such as Self-Determination Theory (Ryan & Deci, 2017), which emphasizes the importance of intrinsic needs in improving employee performance.

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Practical Implications

1. PT. SEM Institut needs to strengthen its formal reward system so that employees' esteem and self-actualization needs can be fulfilled more optimally.
2. Leaders should continue to encourage innovation through training, mentoring, and providing employees with greater autonomy.
3. The organization should consider increasing the number of employees or reorganizing task distribution to ensure a more balanced workload and improve overall work effectiveness.

CONCLUSION

Based on the research findings regarding the role of transformational leadership in providing motivation and improving employee performance at PT. SEM Institut, several conclusions can be drawn as follows:

1. *Transformational Leadership at PT. SEM Institut* has been implemented through its four dimensions: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. The leader serves as a role model, provides inspiration, encourages innovation, and gives individual attention to employees. This is consistent with Bass's theory, which emphasizes transformational leadership as a driver of cultural change and performance improvement.
2. *Employee Motivation* has increased through the implementation of transformational leadership. Basic needs, including physiological and safety needs, as well as social needs, are relatively fulfilled. However, esteem and self-actualization needs remain less than optimal because the formal reward system and career pathways have not yet been well structured.
3. *Employee Performance* is reflected positively in terms of work quality, quantity, and timeliness. Motivation functions as a mediating factor that strengthens the relationship between transformational leadership and employee performance. In other words, effective leadership can enhance employee motivation, which subsequently contributes to improved performance.
4. *Implementation Challenges remain*, including limited human resources, an underdeveloped reward system, variations in employees' understanding of SOPs, and the absence of an integrated performance measurement system. These challenges need to be addressed to maximize the impact of transformational leadership.

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Overall, this study indicates that transformational leadership contributes significantly to employee motivation and performance at PT. SEM Institut. However, its effectiveness can be further enhanced by addressing existing structural and managerial weaknesses.

RECOMMENDATION

Based on these conclusions, the researcher provides several practical recommendations for PT. SEM Institut, as well as academic recommendations for future research:

1. PT. SEM Institut is recommended to strengthen its reward system and career pathways by establishing structured financial and non-financial incentives and clear competency- and performance-based career development. The organization should also enhance human resource competency through annual training targets, microlearning, and project-based learning, while optimizing employee allocation through workload analysis, recruitment for critical positions, and task redistribution. In addition, SOPs should be simplified and effectively communicated through quick guides, video tutorials, and cross-unit discussions. An integrated performance monitoring system, including a real-time KPI dashboard and quarterly evaluations, should be developed to ensure alignment between organizational vision and implementation. Finally, PT. SEM Institut should sustain its transformational leadership approach by implementing 360° feedback and leadership development programs for middle-level managers.
2. Future research is recommended to expand the sample size and research locations by involving more respondents or similar organizations to improve the generalizability of the findings. A longitudinal approach could also be applied to examine the long-term effects of transformational leadership. In addition, researchers should incorporate objective performance data, such as productivity reports and financial indicators, to complement perceptual data. Further studies may also employ advanced mediation and moderation analyses, using quantitative methods such as Structural Equation Modeling (SEM), to examine the relationships among variables more comprehensively.

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