

**THE ROLE OF WORK MOTIVATION AND TRANSFORMATIONAL
LEADERSHIP ON ENHANCING EMPLOYEE ENGAGEMENT**

**PERAN MOTIVASI KERJA DAN KEPEMIMPINAN TRANSFORMASIONAL
DALAM MENINGKATKAN KETERLIBATAN KARYAWAN**

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ABSTRACT

This study aims to examine the role of Work Motivation and Transformational Leadership in enhancing employee engagement in private companies. Using a quantitative research approach, data were collected from 100 employees through a purposive sampling technique. The data were analyzed using partial least squares (PLS) regression, assisted by SmartPLS version 3.29. The results reveal that work motivation has a significant positive effect on employee engagement, indicating that employees who experience a better work environment and balance tend to be more engaged in their work. In contrast, Transformational Leadership do not have a significant impact on employee engagement. These findings suggest that private companies seeking to increase employee engagement should not rely solely on leadership factors, but should also focus on developing strong organizational motivation that strengthens engagement at all levels of the organization.

Keyword: Enhancing Employee Engagement, Transformational Leadership, Private Companies

ABSTRAK

Penelitian ini bertujuan untuk mengkaji peran Motivasi Kerja dan Kepemimpinan Transformasional dalam meningkatkan keterlibatan karyawan di perusahaan swasta. Dengan menggunakan pendekatan penelitian kuantitatif, data dikumpulkan dari 100 karyawan melalui teknik sampling purposif. Data dianalisis menggunakan regresi least squares parsial (PLS), dibantu oleh perangkat lunak SmartPLS versi 3.29. Hasil penelitian menunjukkan bahwa motivasi kerja memiliki pengaruh positif yang signifikan terhadap keterlibatan karyawan, artinya karyawan yang mengalami lingkungan kerja yang lebih baik dan keseimbangan cenderung lebih terlibat dalam pekerjaan mereka. Di sisi lain, Kepemimpinan Transformasional tidak memiliki pengaruh yang signifikan terhadap keterlibatan karyawan. Temuan ini menyarankan bahwa perusahaan swasta yang ingin meningkatkan keterlibatan karyawan tidak boleh mengandalkan faktor kepemimpinan saja, tetapi juga harus fokus pada pengembangan motivasi organisasi yang kuat yang memperkuat keterlibatan di semua tingkatan organisasi.

Kata kunci: Meningkatkan Keterlibatan Karyawan, Kepemimpinan Transformasional, Perusahaan Swasta.

INTRODUCTION

In the modern business world, which continues to evolve and is characterized by increasingly intense competition, employee performance has become a crucial factor for the sustainability and success of organizations. Companies are now focusing on recruiting individuals with high levels of competence who can demonstrate optimal performance in the

workplace. Over the past few years, researchers have increasingly shown interest in employee engagement. One of the pioneers who introduced this concept explained that employee engagement is a state in which individuals express themselves emotionally, physically, and cognitively while performing their work roles (Mughal, 2020). Furthermore, he emphasized that when an employee is truly engaged with the organization, they

have a clear understanding of their duties, responsibilities, and business objectives, and they actively motivate their colleagues to work together to achieve the organization's success. Employee engagement is a vital strategy for companies to retain and develop their employees. Additionally, employee engagement and continuous improvement are mutually beneficial solutions for both employees and the company. A high level of employee engagement ensures optimal employee performance for your organization in the future (Kornelakis, 2018). Low engagement can be caused by various factors, including the work motivation and transformational leadership within the company.

Work motivation is a key psychological determinant that influences the extent to which employees are cognitively, emotionally, and behaviorally engaged in their work. Employee engagement is defined as a positive psychological state characterized by vigor, dedication, and absorption in carrying out work tasks (Schaufeli et al., 2002). Work motivation acts as an internal and external driver that activates employees' energy, direction, and persistence to contribute optimally to organizational goals. Based on Self-Determination Theory (SDT), work motivation is divided into intrinsic and extrinsic motivation, where intrinsic motivation—which stems from personal interest, meaning, and satisfaction with work—has a stronger and more sustained influence on employee engagement (Deci & Ryan, 2000). When employees' basic psychological needs, namely autonomy, competence, and social connectedness, are met, individuals tend to demonstrate higher levels of work engagement because work is perceived as a meaningful and valuable activity (Ryan & Deci, 2017).

Furthermore, the Job Demands–Resources (JD-R) Model explains that work motivation serves as a primary mechanism in the motivational process leading to employee engagement. Job resources such as supervisor support, development opportunities, and fair rewards can enhance work motivation, which in turn significantly boosts employee engagement (Bakker & Demerouti, 2008). Motivated employees demonstrate high work energy, emotional commitment to the organization, and active involvement in task completion and innovation. Various studies have shown that work motivation has a positive and significant relationship with employee engagement. Gagne et al. (2015) found that autonomous motivation consistently predicted higher levels of engagement than controlled motivation. Similar findings were presented by Albrecht et al. (2015), who stated that work motivation serves as an important mediator between human resource management practices and employee engagement.

Thus, it can be concluded that work motivation plays a role not only as an individual factor but also as a strategic organizational mechanism in building sustainable employee engagement. Organizations that are able to create work systems that motivate—both intrinsically and extrinsically—will be more effective in increasing engagement, which ultimately has a positive impact on performance, job satisfaction, and organizational sustainability.

Employee engagement and transformational leadership were studied in depth within the context of the private company work environment. The company aims to have engaged employees and spends considerable resources to measure and improve

employee engagement. Theoretically, transformational leadership is a key antecedent of engagement. Private companies with transformational leadership have appeal, energy, and commitment. There is a growing awareness of the importance of transformational leadership from line managers in shaping human resource functions, including employee development (Singh, 2019). Additionally, transformational leadership is the most dominant contextual factor that stimulates employees' creative self-efficacy and triggers creative engagement in the workplace. Transformational leadership refers to a leadership approach where a leader influences their followers by expanding and enhancing their goals and giving them the confidence to perform beyond the expectations set in implicit or explicit exchange agreements (Azim et al., 2019). Transformational leaders frame work experiences and reinforce employees' perceptions of the significance and meaning they attach to their work. Additionally, transformational leaders enhance their followers' perception of the importance of their work. Employees whose managers engage in transformational behaviors perceive their jobs as more significant and challenging. When leaders emphasize the relevance of employee contributions to the organization and its mission, and connect them to broader goals, the perception of task significance will increase (Vila-Vázquez et al., 2018).

Based on the background description, this study aims to analyze the influence of work motivation and transformational leadership on increasing employee engagement in private companies. Theoretical integration allows for a deeper understanding of how internal cultural

mechanisms interact with external environmental pressures. Therefore, researchers are interested in further investigating the factors that influence employee engagement. Therefore, this research is expected not only to contribute to the theoretical development of the literature on engagement but also to provide a practical basis for leaders aiming to maintain performance and work motivation during periods of significant change.

LITERATURE REVIEW

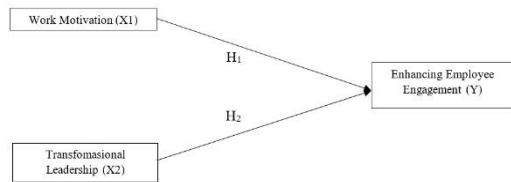
Work motivation is an internal and external drive that influences the direction, intensity, and persistence of individual behavior in carrying out work to achieve organizational goals. Work motivation determines the extent to which employees are willing to exert effort, maintain commitment, and demonstrate consistent performance in carrying out their duties and responsibilities (Robbins & Judge, 2022). Theoretically, work motivation is understood as a psychological process that explains why someone acts a certain way in a work context. Luthans (2018) states that work motivation is closely related to an individual's needs, expectations, and perceptions of rewards. Therefore, motivated employees tend to exhibit higher work enthusiasm, initiative, and engagement. From a human resource management perspective, work motivation serves as a primary driving factor influencing employee performance, job satisfaction, and loyalty. Herzberg (1959), through his two-factor theory, asserted that work motivation is influenced by intrinsic factors such as achievement, recognition, and self-development, as well as extrinsic factors such as pay, working conditions, and organizational policies. The combination of these two factors determines the level of employee

work motivation within an organization. Thus, work motivation can be concluded as a strategic element that encourages employees to work optimally and sustainably, thereby contributing directly to the achievement of organizational goals and success. Although most literature suggests that work motivation has a positive effect on employee engagement, existing empirical findings show inconsistent results. Several studies report a positive and significant relationship between work motivation and employee engagement, while others find a weak, indirect, or even insignificant effect, depending on the context, type of motivation, and mediating variables used. Some studies have found that work motivation has a positive and significant effect on employee engagement. Gagne et al. (2015) showed that autonomous motivation consistently increases employee vigor, dedication, and absorption. Similar findings were reported by Albrecht et al. (2015), Bakker & Demerouti (2008), who confirmed that work motivation plays a key psychological role in the motivational process leading to employee engagement. A cross-sector study by Saks (2006) also demonstrated that employees with high levels of motivation demonstrate stronger work engagement, both affectively and behaviorally. H1 : Work Motivation has effect on enhancing employee engagement.

Transformational leadership is a style that focuses on inspiring and motivating employees while helping them grow to reach their full potential and contribute effectively to the organization's goals. Leaders who practice this style can create a clear vision, set a positive example, and encourage innovation and creativity in

the workplace. This approach has a strong impact on employee engagement. Leaders who pay attention to individual needs, motivate their teams, and challenge employees to think critically often increase enthusiasm for work and strengthen loyalty to the organization (Jiatong et al., 2022). The link between transformational leadership and employee engagement becomes even stronger when leaders have high emotional intelligence. Being able to understand, manage, and respond to emotions helps leaders build strong relationships and connect with their employees on a deeper level (Milhem et al., 2019). In this way, transformational leaders create a work environment that is both meaningful and motivating. By inspiring their teams, offering emotional support, and providing growth opportunities, they not only increase engagement but also foster long-term loyalty and productivity. Thus, the third hypothesis in this study is as follows: H2: Transformational leadership has effect on enhancing employee engagement.

Based on the description of the background, objectives, problem formulation, and hypothesis development, the research model proposed by the author is as follows:



METHOD

This study adopted a quantitative research approach to explore the relationships and effects among several key variables using regression analysis. The data used in this research were primary data, collected directly from employees of several private companies. A total of 100 respondents participated,

selected through a purposive sampling method, which allowed the researcher to focus on participants who met the specific characteristics required for the study. In this study, Enhancing Employee Engagement (Y) serves as the dependent variable, while Work Motivation (X1), Transformational Leadership (X2) act as the independent variables. All statistical analyses were performed using the Partial Least Squares (PLS) approach with SmartPLS version 3.29 software. This analytical method was chosen because of its

effectiveness in evaluating complex models, handling smaller sample sizes, and simultaneously testing measurement and structural relationships.

RESULT AND DISCUSSION

Validity Test (Convergent Validity)

Validity testing, assessed by the loading factor values on latent variables, is used to test the validity of each item, which is called convergent validity. The expected value should exceed 0.7 (> 0.7).

Table 1. Result of Outer Loadings

Variable	Indikator	Outer Loadings	Keterangan
Work Motivation (X1)	WM.1	0.785	Valid
	WM.2	0.720	Valid
	WM.3	0.922	Valid
	WM.4	0.911	Valid
	WM.5	0.920	Valid
Transfomational Leadership (X2)	TL.1	0.759	Valid
	TL.2	0.878	Valid
	TL.3	0.918	Valid
	TL.4	0.914	Valid
	TL.5	0.798	Valid
	TL.6	0.829	Valid
	TL.7	0.904	Valid
Enhancing Employee Engagement (Y)	EEE.1	0.830	Valid
	EEE.2	0.781	Valid
	EEE.3	0.829	Valid
	EEE.4	0.847	Valid
	EEE.5	0.815	Valid
	EEE.6	0.897	Valid

Source: Data Processed with SmartPLS 3

Referring to the analysis results in Table 1, the outer loadings or the values of each variable and indicator are > 0.70 , so all indicators for the

variable are declared valid. Next, the Average Variance Extracted (AVE) test was performed on Table 2 below.

Table 2. AVE Results

Average Variance Extracted	Description	(AVE)
Work Motivation (X1)	0.732	Valid
Transformational Leadership (X2)	0.738	Valid
Enhancing Employee Engagement (Y)	0.815	Valid

Source: Data Processed with SmartPLS 3

Table 2 shows that the Average Variance Extracted (AVE) has a result above 0.5, indicating that AVE has no convergent validity issues in the tested model. Therefore, this study has good validity.

Composite Reliability and Cronbach's

Table 3. Composite Reliability and Cronbach's Alpha Results

Variable	Cronbach's Alpha	Composite Reliability	Description
Work Motivation (X1)	0.905	0.931	Reliable
Transformational Leadership (X2)	0.940	0.951	Reliable
Enhancing Employee Engagement (Y)	0.813	0.830	Reliable

Source: Data Processed with SmartPLS 3

Based on the analysis results in Table 3, the composite reliability and Cronbach's Alpha values for each variable are greater than 0.70. Therefore, it can be concluded that all of these variables are reliable.

Alpha Test

The next test is the reliability test using composite reliability and Cronbach's alpha. A variable can be considered reliable if each variable has a composite reliability and a Cronbach's alpha value > 0.70 .

Table 4. Result The hypothesis

Hypothesis	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ($ O/STDEV $)	P-Values
$X1 \rightarrow Y$	-0.055	-0.055	0.032	1.615	0.083
$X2 \rightarrow Y$	0.033	0.034	0.038	0.861	0.390

Source: Data Processed with SmartPLS 3

Based on the image and Table 4, the direct influence work motivation (X1) variable on enhancing employee engagement (Y) obtained a t-statistic value of $1.615 < 1.65$ and a p-value of $0.083 > 0.05$. Therefore, it can be concluded that income level does not have a significant effect on enhancing employee engagement, so H1 is rejected. The influence of transformational leadership (X2) on enhancing employee engagement (Y) obtained a t-statistic value of $0.861 < 1.65$ and a p-value of $0.390 > 0.05$. This means that transformational leadership does not

The hypothesis Test

The hypothesis is said to be accepted when the t-statistic is greater than the t-table value or when the p-value is less than 0.05.

Table 5. R-Square Result

	R-Square(R^2)	R-Square Adjusted
Enhancing Employee Engagement (Y)	0.894	0.873

Source: Data Processed with SmartPLS 3

The R-Square test results in Table

have a significant effect on enhancing employee engagement, so H2 is rejected.

R Square (R^2) Test

Test the coefficient of determination (R^2) and the path coefficient test. R-squared is used to test the extent to which the independent variable influences the dependent variable. The R^2 value indicates the level of determination of the exogenous variable compared to its endogenous variable. A higher R^2 value indicates a higher level of determination.

5 show that the R^2 value for the

dependent variable, Enhancing Employee Engagement (Y), is 0.894. This means that the Enhancing Employee Engagement (Y) is influenced work motivation (X1), transformational leadership (X2) 89.4%. The remaining 10.6% is influenced by other factors outside this study. This indicates a very strong influence and a significant impact on Enhancing Employee Engagement.

Discussion

The Effect of Work Motivation on Enhancing Employee Engagement

Based on the data analysis results, the influence of work motivation on Enhancing Employee Engagement yielded a probability value of $0.083 > 0.05$, thus it can be concluded that work motivation hasn't a significant impact on enhancing employee engagement. These research findings support Kuvaas (2006), who found that extrinsic motivation based on financial incentives does not always increase employee engagement and, in some cases, actually weakens engagement due to decreased intrinsic motivation. Furthermore, Van den Broeck et al. (2013) reported that controlled motivation has no significant effect on employee engagement, especially when the work environment does not support the fulfillment of basic psychological needs. Furthermore, Christian et al. (2011) concluded through a meta-analysis that the relationship between work motivation and employee engagement becomes indirect when contextual factors such as job characteristics and organizational support are not taken into account. Another study by Andrew & Sofian (2012) in the service sector showed that work motivation does not have a direct effect on employee engagement, but is instead mediated by job satisfaction and organizational commitment. However, these results contradict Gagné et al.

(2015), who showed that autonomous motivation consistently increases employee vigor, dedication, and absorption. Similar findings were reported by Albrecht et al. (2015), Bakker & Demerouti (2008) emphasized that work motivation plays a key psychological role in the motivational process leading to employee engagement. A cross-sector study by Saks (2006) also demonstrated that employees with high levels of motivation exhibited stronger work engagement, both affectively and behaviorally.

The Effect of Transformational Leadership on Enhancing Employee Engagement

Based on the data analysis results, the influence of transformational leadership on enhancing employee engagement yielded a probability value of $0.390 > 0.05$; thus, it can be concluded that transformational leadership does not significantly impact enhancing employee engagement. Research conducted by Buil et al. (2019) found that there was no significant influence of transformational leadership and improving employee engagement. One reason for this weaker effect may be that transformational leadership does not automatically translate into engagement unless other mediating resources or conditions are present, for instance, psychological empowerment, trust, job resources, or a supportive environment. This means that while transformational leaders may set a vision and inspire followers, without tangible resources and supportive workplace conditions, the inspiration alone may not trigger the deeper levels of engagement seen in some contexts. In short, then, the findings imply that transformational leadership may be a necessary but not sufficient condition for enhancing

employee engagement (Muslimah & Tjahjono, 2023). Organizations relying solely on transformational leadership may not see engagement rise unless they also pay attention to enabling conditions such as empowerment, clarity, autonomy, and resource availability that help employees respond and commit emotionally and cognitively to their work.

CONCLUSION

The findings of this study reveal several important insights regarding the factors that influence employee engagement within the organization. The results indicate that Work Motivation hasn't a significant effect on enhancing employee engagement. Transformational Leadership were found not to have a significant direct impact on employee engagement. This suggests that while these factors may contribute to employees' overall attitudes, they do not necessarily translate into higher engagement levels without the presence of other supporting factors such as organizational culture. Although this study provides meaningful findings, some limitations need to be acknowledged. The research was conducted with a limited sample size of employees from a single private company, which may limit the generalizability of the results to other organizational or industry settings. Additionally, the cross-sectional design limits the ability to determine cause-and-effect relationships over time. Future research can address these limitations by using larger and more diverse samples, adopting longitudinal methods, and incorporating qualitative approaches to gain deeper to employee engagement.

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