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HUMAN RESOURCE MANAGEMENT | RESEARCH ARTICLE

Strengthening Employee Performance Through Leadership Style and Work Environment Support at Drinking Water Companies

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Abstract: This study seeks to analyze and explain the significant impact of transformational leadership style, transactional leadership style, and the work environment on employee performance at the Makassar City Regional Drinking Water Company. Employee discomfort in the workplace can result in delays, disrupting the smooth execution of tasks and indicating a lack of motivation among employees, which ultimately leads to suboptimal performance. The core issue addressed in this research is whether transformational leadership style, transactional leadership style, and work environment significantly affect the performance of the company's employees. This quantitative research employs questionnaires for data collection. The analysis involved 86 participants and applied descriptive statistics, tests of validity and reliability, classical assumption tests, multiple linear regression analysis, and hypothesis testing. The results reveal that transformational leadership style has a significant positive effect on employee performance: the stronger the transformational leadership, the better the employee performance. In contrast, the transactional leadership style has a minimal effect, suggesting that a higher perception of this leadership style correlates with lower employee performance. Additionally, the work environment has a significant positive impact, indicating that the more favorable the work environment, the better the performance of employees at the Makassar City Regional Drinking Water Company.

Keywords: Employee Performance, Transformational Leadership, Transactional Leadership, Work Environment, Drinking Water Company.

JEL Classification Code: M12, M54, L32, J53

1. INTRODUCTION

The problem of developing human resources is a challenge for management because if it can run effectively, the Company will continue to run effectively; in other words, a company's continuity is determined by its employees' performance. According to Mangkunegara (2009), employee performance results from carrying out their duties and obligations quantitatively and qualitatively. Every Company or organization will strive to improve employee performance to achieve organizational goals. The issue of employee performance is an issue that needs to be paid Attention to by the organization because employee performance will affect the quality and quantity of the organization when facing competition as time goes by. Therefore, having quality human resources (employees) is necessary to achieve organizational goals and improve employee performance (Utami, 2023).

This research aims to analyze and explain the significant influence of transformational leadership style, transactional leadership style, and work environment on the Makassar City Regional Drinking Water Company employees. Based on the results of interviews with employees of the Regional Public Company for Drinking Water in Makassar City regarding leadership style and work environment issues, employees felt that the Company did not meet their needs in work, namely uncomfortable workspace layouts and the lack of work facilities provided by the Company, the presence of damaged

work equipment or not. They are repaired directly by the Company, resulting in employee discomfort at work and late work. This disrupts the smooth implementation of the work of the Makassar City Regional Drinking Water Company employees and indicates why employees need more enthusiasm for work, which makes employee performance unoptimal. A comfortable work environment created by the Company will encourage its effectiveness. In carrying out its activities, a company always deals with humans as dynamic human resources that can continue to develop. The problem in this research is whether the transformational leadership style, transactional leadership style, and work environment significantly influence the employee performance of the Makassar City Regional Drinking Water Company.

The location of this research is directly related to the human resources science field of study to ensure the relevance of the research findings. The regional public water company in Makassar City allows research to explore and understand transformational leadership practices, transactional Leadership, and the work environment in the context of this industry. The work environment studied is the place and means of production and the atmosphere of social relations between organizational personnel. Environment Work is whole means And infrastructure Workaround employees. The work environment also positively affects employee performance in the Company. The work environment is the central part that can improve the quality of work productivity. The work environment is an agency's social, physical, and psychological life that can influence employee performance. The work environment is one of the critical factors in creating good or bad employee performance. This research location with a diverse population can increase the validity and generalisability of research findings. Makassar City is a metropolitan city with diverse types of work and culture, which can provide rich variations in transformational Leadership and work environments observed.

Strengthening human resource management is critical in contributing to organizational goals and using several functions and activities to ensure that human resources are used effectively and fairly for the benefit of individuals, organizations, and society (Schuler, 2016). Strengthening human resources is essential in a company or organization. Human resource management can be interpreted as the science and art of managing the relationships and roles of the workforce so that they are practical and efficient in using human abilities to achieve goals in each Company (Mathis & Jackson, 2012). Human resources can help an organization achieve organizational goals and are a necessity and a choice if an organization wants to develop. Organizations with good human resources can provide capital to compete with other, more developed organizations. According to Sumarsono (2003), human resources are businesses or services that can show the quality of the goods or services produced during production. Resources related to humans when carrying out activities to produce services and goods to meet needs (Waworundeng, 2021). According to Dessler (2015), human resource management must acquire, train, assess, and compensate employees to manage labor relations, health and safety, and justice-related matters. Human resource management is policies, training, and systems influencing employee behavior, attitudes, and performance (Noe et al., 2012).

The practice of a low leadership style and work environment causes conflict, social gaps, lack of dynamics in work, injustice, and conditions where one party wants to be superior or dominate another party, where this desire causes potential conflict between one and the other. One thing that influences employee performance in a company is the leader's leadership style, supported by research by Iqbal and Haider (2015), which states that effective employee performance depends on the leader's ability to lead his employees. Leaders must lead with a style that best suits the situation to stimulate employee performance and maintain their quality at work. Leadership style manifests a leader's behavior regarding competency and ability to lead. Leadership style is a pattern of behavior designed to integrate various organizational goals with individual goals to achieve specific goals (Jessica, 2020). Every leader has different attitudes and behaviors.

Low leadership style practices and a work environment that does not support employee work will be detrimental due to not achieving previously planned goals (Chaeruri & Budiarti, 2022). Khajeh (2018) states that Leadership is one of the main determinants related to the success or failure of a company. Leadership style is how a leader directs and motivates employees to achieve organizational goals. Leadership motivation needs to be in the form of leadership style to achieve employee performance. One practice is through a transformational leadership style that focuses on inspiring,

motivating, and changing subordinates or team members to achieve extraordinary performance and increase their overall potential. This leadership style creates significant change, innovation, and positive organizational development. This transformational leadership style is often considered a style of Leadership that is effective for facing fast and complex change in a corporate environment or organization. Transformational leaders encourage their members to exceed expectations and create positive changes to advance the organization to higher levels. A transformational leadership style is a leader who can transform or change something into a different form. Transformational leaders are agents of change because they are closely related to the transformation that occurs in an organization. The primary function is acting as a catalyst for change, not as a change controller. Transformational Leadership greatly influences employee performance.

Strengthening performance also requires a transactional leadership style. Leadership behavior focuses on the outcomes of suitable tasks and relationships from employees in exchange for desired rewards. Transactional Leadership encourages leaders to adapt their styles and behaviors to understand follower expectations (Thomas & Velthouse, 2003). According to Yukl (2010), transactional leadership style is Leadership that carries out transactions to motivate subordinates to carry out responsibilities. Transactional leaders rely heavily on giving rewards and punishments to their subordinates. Transactional Leadership motivates employees so that employees feel motivated to work better. Transactional Leadership is motivated by people's subordinates by calling out their interests. Leadership that rewards effort rewards better performance and recognizes achievement. Even transactional Leadership will effectively achieve organizational goals (Afolabi et al. 2013). According to Bass (1990), transactional leadership provides assessments, rewards, recognition, salary increases, career advancement for good performers, and punishment for performers.

Employee performance problems are a classic problem in organizations or corporations. In general, performance is the entire individual work process whose results are used to determine whether the individual's work is good or otherwise (Roziqin, 2010). According to Robin (2011), performance results from work in terms of quality and quantity achieved by an employee in carrying out his duties by the responsibilities given to him. Performance is related to achieving organizational goals or missions or the products and services resulting from these behaviors (Hughes et al., 2012). One of the factors that influences the level of success of an organization is employee performance. Employee performance is an employee's actions in carrying out the work given by the Company. Based on Simamora (2010), employee performance always expects its employees to have achievements because having excellent employees will provide optimal contributions to the Company. Apart from that, having employees who excel can improve company performance. Because companies often need help with human resources (Utami, 2023).

The environment at the regional drinking water company in Makassar City supports administrative and field tasks. The work environment is one of the factors that can influence employee work productivity and effectiveness. According to Mangkunegara (2017), the work environment is all the tools and materials used in the environment where a person works, work methods, and work arrangements individually and in groups. This aligns with Wursanto (2009), who defines the work environment as involving physical and psychological aspects that directly or indirectly influence employee performance. Working environment conditions are said to be excellent or adequate if employees can do their work optimally, healthily, safely, and comfortably.

2. LITERATURE REVIEW

Research by Amy Nurhuda, Sigit Sardjono, and Wulan Purnamasari (2019) shows that transformational Leadership has no significant effect on employee motivation and performance. The work discipline variable does not affect motivation. However, it does affect employee performance, while the work environment variable significantly affects motivation and has no effect on employee performance. Motivation has a significant effect on employee performance. Research by Jufrizen, Afni Sasqia, and Putri Lubis (2020) shows that directly transformational Leadership, transactional Leadership, and Locus of Control have a significant effect on employee performance, and indirectly, Locus of Control does not moderate the influence of transformational Leadership and Leadership on employee performance. Research by Guntur Adi Negoro and Ida Ayu Kade Rachmawati K. (2023)

shows that the relationship between transformational Leadership and employee performance has a negative effect, the work environment has a positive effect, and readiness to change has no significant effect on employee performance. Research by Rafie Zaidan Prayuda (2022) shows that transactional and transformational are both significantly positively related to the performance of employees, but transactional Leadership is more significant than transformational. Another important finding was that there was no mediating role of job satisfaction between transactional Leadership. However, it mediates with transformational Leadership and employee performance.

Research by Tommy Waworundeng, William A. Areros, and Wehelmina Rumawas (2021) shows that leadership style has a positive and significant effect on employee performance, leadership style has a positive and significant effect on job satisfaction, the work environment has a positive and significant effect on job satisfaction, the work environment has a positive effect and significant on employee performance, and job satisfaction has a positive and significant effect on employee performance. Research by Marthen Yacob Lakahing and Sri Widodo (2020) states that transformational leadership style partially has a positive and significant effect on performance; Transactional leadership style partially has a positive and significant effect on performance; Transformational leadership style and Transactional leadership style simultaneously has a positive and significant effect on performance. A study by Uswatun Qasanah (2020) found a positive and significant influence of transactional leadership style on employee performance, a positive and significant influence of loyalty on employee performance, and an influence of transactional leadership style and loyalty on employee performance.

Research by Ninda Nur Utami, Widya Parimita, and Suherdi (2023) shows that transformational Leadership and the work environment affect employee job satisfaction—research by Muh. Harun, Muhammad Idris, and Sylvia Sjarlis (2022) found that there is no partial and simultaneous positive and significant influence between transformational leadership style, motivation, and work environment on employee performance. Research by Eko Yudhi Setiawan (2019) shows that the transactional leadership style has a significant influence compared to the transformational leadership style on the performance of employees with low education, although it is not significant. Research by Octamaya Tenri Awaru and Ernawati (2019) shows that there is a positive and significant influence of transactional leadership style on teacher performance, there is a positive and significant influence of transformational leadership style on teacher performance, and there is a positive and significant influence between transactional and transformational leadership styles together on teacher performance. Research by Rikson Kurniawan Tandelilin and I Gede Agus Widyadana (2023) shows that transformational Leadership has a positive and significant effect on employee motivation.

Meanwhile, transactional leadership style negatively and significantly affects employee work motivation. In transformational Leadership, the higher the perception of the superior's leadership style, the higher the employee's work motivation. Meanwhile, regarding the transactional leadership style, we came to a different conclusion: the higher the perception of the transactional leadership style, the lower the employee's work motivation.

According to Mardiana (2019), transformational leadership style is to influence other people, subordinates, or groups, the ability to coordinate the way subordinates or groups behave, having unique capacities or abilities in areas desired by the group, to achieve authoritative or group goals. Transformational Leadership is built from two words, namely Leadership and transformational. Leadership is any action by someone to coordinate, direct, and influence others and achieve predetermined goals. The term transformation comes from the word "to transform," which means transforming or changing something into a different form (Juniarti & Putri, 2021). A transformational leadership style is one in which a leader inspires his followers to put aside their interests and take ownership of extraordinary influencing ability—the main aspects of leadership. A transformational leadership style is when a leader moves his followers directly beyond personal interests through the influence of ideals (charisma), inspiration, intellectual stimulation, or individual consideration. Then, increase the level of maturity and ideality of followers and Attention to achievement, self-actualization, and the welfare of other people, organizations, and society (Waworundeng et al., 2021).

Parashakti (2019) suggests four factors that influence the transformational leadership style, namely charismatic, providing a vision and mission, generating a sense of pride; gaining respect and trust;

Inspiration, communicating high expectations, using symbols to focus efforts, expressing important goals; Intellectual simulations can demonstrate intelligence, rationality, careful problem solving; and Pay Attention to individual staff, be able to show personal Attention, treat employees individually, train, advise. The indicators of transformational leadership style, according to Septyan (2017), are Charismatic, as a leader's behavior that makes his followers admire, respect, and at the same time trust him; Inspiring motivation (inspirational motivation) depicts a leader who is capable of articulating hope Which clear performance subordinate, demonstrate commitment to all objective organization, And capable evocative sprite team in organization through growing enthusiasm and optimism; Intellectual stimulation, as a leader's behavior that can foster new ideas, provide creative solutions to problems faced by subordinates, and provide motivation to subordinates to look for new approaches in carrying out organizational tasks; and Attention in a way Individually, as a leader who is willing to listen attentively to subordinates' input and is particularly willing to pay Attention to subordinates' needs for career development.

According to Bass (2011), the transactional leadership style is where a leader encourages employees or subordinates to work together, providing resources and rewards for motivation, productivity, and effective task accomplishment. Transactional leadership, too, was explained by Yukl (2010), namely that transactional leadership can involve values. However, these values are relevant to exchange processes such as honesty, responsibility, and reciprocity, in contrast to Siagian (2007), who Explains that the leadership style is transactional, namely leaders who provide exchange through rewards to gain compliance with what they have done. Meanwhile, according to Yukl (2010), Leadership has factors that indicate an inner leader motivates subordinates. Efforts to motivate subordinates to be effective are carried out by influencing subordinates to act according to time and cooperate to achieve goals.

The factors that influence the transactional leadership style proposed by Astuti (2015) are personality, which is a person's characteristics that cause consistency in feelings, thoughts, and behaviors (Pervin & Cervone, 2010); The expectations and behavior of superiors; the leadership style approved by a manager's superiors are fundamental in determining the orientation that a manager will choose. For example, a superior's apparent preference for a task-oriented style may cause the manager to choose that leadership style. A boss who prefers an employee-oriented style will choose that style in his duties. This is important for managers to do. Because of their power to issue rewards, such as bonuses and promotions, superiors will influence the behavior of lower-level managers. Characteristics and characteristics of subordinates influence the manager's leadership style in several ways. First, the skills and training of subordinates influence the manager's style choice. Second, the attitude of subordinates is also an influential factor. Certain employees (such as military police) may prefer an authoritarian leader.

In contrast, other employees (such as scientists and researchers) may prefer to be given full responsibility for their work. Task requirements and the nature of subordinates' job responsibilities also influence the leadership style a manager will use. Predetermined organizational policies also influence a manager's leadership style. For example, managers usually supervise and control subordinates closely in organizations where the climate and policies encourage strict responsibility for expenditures and results. Behavioral expectations of colleagues, coworkers, and managers are an essential reference group. The indicator of transactional leadership style, according to Bass (2011), namely Contingent Reward, is that subordinates receive direction from the leader regarding procedures for carrying out tasks and targets that must be achieved. Active exception management (active management by exception) is the behavior of a leader who always carries out directive supervision of his subordinates. Passive exception management (passive management by exception) is a transactional leader who will provide warnings.

A conducive work environment can be an effort to improve employee performance and vice versa, according to Nitisemito (2009), as everything around workers can influence them in carrying out their assigned tasks. Then Supardi (2003) defines the work environment as "the conditions around the workplace both physically and non-physically which can give the impression of being pleasant, safe, reassuring and the impression of being at home working and so on." The definition of the work environment is also put forward by Munandar (2004). Physical and social work environments include physical conditions, space, place, work equipment, type of work, superiors, colleagues, subordinates,

people outside the Company, company culture, company policies, and regulations. Furthermore, Mangkunegara (2017) defines the work environment as "all physical aspects of work, work psychology, and work regulations that can influence job satisfaction and productivity achievements.

According to Sedarmayanti (2011), the work environment is the workplace or physical work environment and the work atmosphere or non-physical environment. Furthermore, Wursanto (2009) states that the work environment is divided into work environment conditions, which involve physical aspects, and work environment conditions, which involve psychological aspects. From the opinion above, two types of work environments can influence employee productivity: physical work environment and non-physical or psychological work environment. The physical work environment can be one of the trigger factors for decreasing and increasing employee work productivity. If it is not arranged in such a way as to create a comfortable atmosphere at work, it can certainly impact employee work productivity.

According to Sedarmayanti (2011), the physical work environment is all physical conditions found around the workplace that can directly or indirectly influence employees. Furthermore, according to Sedarmayanti (2011), the physical work environment can be divided into 2 (two) categories, namely the environment that is directly related to employees, for example, the work center, tables, chairs, and so on; The intermediate environment or general environment is also called the work environment which influences human conditions, for example, temperature, humidity, air circulation, lighting, color, etc. According to Sarwono (2005): "The physical work environment is where employees carry out their activities." The physical work environment influences the work enthusiasm and emotions of employees, and these physical factors include lighting, air temperature, air circulation, size, and workspace.

According to the physical work environment Genardy (2013), every aspect of physical and socio-cultural symptoms that surround or affect individuals". Then, Genardy's (2013) physical work environment can affect his carrying out burdened tasks, such as lighting, air temperature, movement space, security, cleanliness, music, etc. Noriangongo (2014) states that the physical work environment is "a group of physical factors and is a physical atmosphere in a workplace. The non-physical work environment is the environment of the employee's workplace in the form of a harmonious work atmosphere with a relationship or communication between subordinates and superiors (vertical relationships) and relationships between fellow employees (horizontal relationships) with a harmonious work atmosphere and communication. Employees will feel at home in the workplace, which increases the productivity of the employee's work because the work can be done well, efficiently, and effectively. According to Sedarmayanti (2011), the non-physical work environment is "all situations that occur related to work relationships, both with superiors and relationships with colleagues, or with subordinates. Furthermore, Wursanto (2009) called it a psychic work environment that relates to the human mind and soul) from the work environment.

Physical environmental indicators such as color can influence employees to carry out their work, but many organizations pay little Attention to color issues. When painting the walls of the workspace, soft colors should be used. Lighting and illumination in employee workspaces play a vital role in increasing employee morale so that they can demonstrate work results that are very helpful in the success of the organization's operational activities. Air, sufficient air, where there is sufficient air exchange, will cause the physical freshness of the employee. Air temperatures that are too hot will reduce employee morale when carrying out work; noise and noise can disturb employees at work. This noise can damage employee work concentration, so employee performance may not be optimal. Space: Employees may be unable to work optimally in peace if the available space cannot provide comfort. Therefore, an organization should continue to strive to create and maintain a safe condition and atmosphere so that employees feel happy and comfortable at work; and Cleanliness; a clean work environment will create healthy conditions around it. Therefore, every organization should always maintain a thriving work environment. With a clean environment, employees will feel happy, and performance will increase. According to Wangi (2020), indicators of the physical work environment are a Workplace Building, a building or workplace that is attractive and ensures the work safety of employees. This includes a comfortable workspace that can provide sufficient space for employees to carry out their duties, as well as arranging good ventilation so that employees feel at home working; Adequate work equipment, adequate work equipment according to the type of work of each

employee; Work facilities, namely the availability of recreation areas, rest areas, sports venues, and their equipment, canteens or cafeterias, places of worship, meeting places and so on; and the availability of transportation facilities, namely the availability of special transportation facilities to pick up and pick up employees.

Indicator environment Work non According to Mangkunegara (2017), the non-physical work environment includes the social environment, such as family background, namely family status, family size, level of welfare, and so on. Social Status Factor: The higher a person's position, the higher the authority and freedom in making decisions; Working relationships within the Company, namely working relationships between employees and employees and between employees and superiors; Information Systems, working relationships will run well if there is good communication between company members. With communication in the company environment, company members will interact with each other, understand each other, and eliminate disputes, misunderstandings, and psychological conditions of the work environment, which include Boredom; work boredom can be caused by feelings of discomfort, lack of happiness, lack of rest and feelings of tiredness, fatigue at work, work fatigue consists of two types, namely psychological work fatigue and psychological fatigue which can cause increased absenteeism, turnover, and accidents. According to Wursanto (2009), non-physical work environment indicators are supervision, continuously using a strict supervision system; Work atmosphere, which can provide encouragement and high work morale; Attractive reward system (both salary and other incentives); Treatment with kindness, humaneness, not being equated with robots or machines, the opportunity to develop a career as fully as possible according to the limits of each member's abilities; There is a sense of security, from the members, both inside and outside the service; The relationship is harmonious, more informal, full of family; and Members receive fair and objective treatment.

Employee According to Fahmi (2016), performance is the result obtained from an organization. According to Kasmir (2016), performance is the result of work and work behavior achieved in completing the tasks and responsibilities given in a certain period. According to Mangkunegara (2017), it is the quality and quantity of work results achieved by an employee or employee in carrying out their duties according to their responsibilities. Priansa (2018) that certain job functions or activities produce results over a certain period. The results of this work are the result of skills, abilities, and desires achieved. (Juniarti & Putri, 2021). Based on the definition of performance from the experts above, the author comes to the understanding that performance can be interpreted as a result that has been carried out to achieve organizational goals that are carried out legally, do not violate the law, and are by the morals and responsibilities assigned to them. According to Kasmir (2016), factors that influence employee performance, both results and work behavior, are ability and expertise, Knowledge, Work plan, Personality, Work motivation, Work motivation, Leadership, Leadership style, Organizational culture, Job satisfaction, and the surrounding work environment. According to Afandi (2018), employee performance indicators are the quantity and quality of work results; Quality of work results, Efficiency in carrying out tasks, Work discipline, obeying applicable laws and regulations, Initiative, Accuracy, et al., and Mental processes involving the generation of ideas or involving the emergence of ideas Utami (2023).

3. RESEARCH METHOD AND MATERIALS

This research is explanatory in nature, focusing on variables and testing hypotheses related to causality, specifically examining the influence of one or more independent variables on one or more dependent variables. The independent variables in this study are transformational leadership style and work environment, while the dependent variable is employee performance (Jessica, 2020). The research is conducted at the Regional Public Company for Drinking Water in Makassar City, located at Jl. Dr. Ratulangi, Mangkura, Ujung Pandang District. The study population consists of all permanent employees of the company, totaling 605 individuals. From this population, a sample of 86 employees was selected using the Slovin formula to determine the appropriate sample size.

This research employs a quantitative approach, with data measured on a numerical scale. The data analysis technique used is multiple regression analysis, including tests for validity, reliability, normality, heteroscedasticity, and multicollinearity. The variables examined are Transformational

Leadership Style (X1), Work Environment (X2), and Employee Performance (Y). The multiple linear regression analysis is conducted using SPSS, following the general equation:

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Info:

- Y = Employee Performance,
 X1 = Transformational Leadership Style,
 X2 = Transactional Leadership Style,
 X3 = Work Environment,
 a = The constant,
 e = The standard error, and
 $\beta_1, \beta_2, \beta_3$ = the regression coefficients for the respective variables.

4. RESULTS AND DISCUSSION

4.1. Result

For the validity test conducted with 86 respondents, the r-values ranged from 0.382 to 0.830. Since all calculated r-values exceeded the r-table value of 0.196, it was concluded that all items in the questionnaire are valid. The reliability test also showed that the instrument is reliable, with a Cronbach's alpha value of 0.634, which is greater than the acceptable threshold of 0.60. The normality test indicated that the data is normally distributed, as the significance value was 0.200, which is greater than the 0.05 threshold. For the multicollinearity test, the Variance Inflation Factor (VIF) values for all variables were below 10.00, with Transformational Leadership Style having a VIF of 1.042, Transactional Leadership Style 1.017, and Work Environment 1.024. This indicates that there are no symptoms of multicollinearity, as a VIF value greater than 10.00 or a tolerance value less than 0.10 would suggest the presence of multicollinearity. The heteroscedasticity test was performed using the scatter plot method. Based on the distribution of points in Figure 1, which appear to be spread randomly, it was concluded that there are no symptoms of heteroscedasticity in the model.

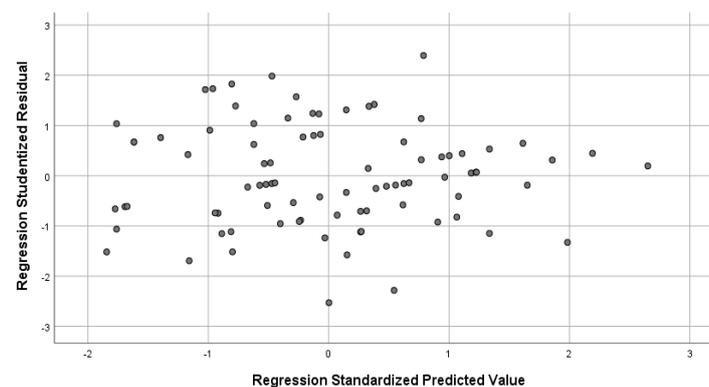


Figure 1. Graph of heteroscedasticity test results

The regression results are presented in Table 1, and the resulting equation is as follows: $(Y = 31.348 + 0.188X_1 - 0.1228X_2 + 0.171X_3 + e)$. This multiple linear regression equation suggests that transformational leadership style, transactional leadership style, and work environment all have an impact on employee performance. The correlation coefficient is 0.782, indicating a strong positive relationship between the independent variables (X1, X2, and X3) and the dependent variable (Y).

The t-test was conducted to evaluate the individual effects of each independent variable on the dependent variable. The analysis results are shown in Table 4.13. For transformational leadership style (X1), the t-value is 7.434, compared to a critical t-table value of 1.663. Since $7.434 > 1.663$, it can be concluded that transformational leadership style has a significant positive influence on

employee performance. For transactional leadership style (X2), the t-value is -6.729, which is less than the t-table value of 1.663, indicating that transactional leadership style does not significantly affect employee performance. The work environment (X3) has a t-value of 7.293, which is greater than the t-table value of 1.663, showing that the work environment significantly influences employee performance.

The coefficient of determination (R^2) is 0.611, meaning that 61.1% of the variance in employee performance can be explained by the independent variables. The remaining 38.9% is attributable to other factors not included in the model.

Table 1. Multiple Linear Regression Results

	B	S.E	Beta	t	Sig	Information
Constant	31,348	2,042		15,349	0,000	Have a significant effect
Transformational Leadership Style	0.188	0.025	0.523	7,434	0,000	
Transactional Leadership Style	-0.228	0.034	-0.468	-6,729	0,000	
Work environment	0.171	0.023	0.509	7,293	0,000	
R						0.782
R Square						0.611
Adjusted R Square						0.597
Standard Error of the Estimate						0.73434

4.2. Discussion

This discussion focuses on the decisions derived from hypothesis testing, demonstrating that transformational leadership style significantly influences employee performance. The findings suggest that a stronger transformational leadership style leads to higher employee performance at the Makassar City Regional Public Drinking Water Company. These results align with the study conducted by Waworundeng (2021), which similarly found that transformational leadership positively and significantly affects employee performance. Leaders in organizations play a critical role as role models, and their attitudes and behaviors are essential in shaping company progress. Effective leaders must be empathetic, understanding the issues, needs, and desires of their employees, as this directly impacts the organization's success. In this context, the leadership, under the direction of Beni Iskandar, serves as a prime example of successful transformational leadership. Under his leadership, the company turned a profit of IDR 21 billion, a record since the company's founding in 1976. This achievement is further evidenced by the company receiving the 4-Star Top BUMD Award in 2024 for outstanding performance. Such accomplishments highlight the vital role that transformational leadership plays in fostering organizational success. As Septyan (2017) points out, transformational leadership inspires employees to transcend their own self-interests, resulting in exceptional outcomes.

On the other hand, transactional leadership style has a minimal effect on employee performance. The study shows that as the perception of transactional leadership increases, employee performance decreases at the Makassar City Regional Public Drinking Water Company. These results are consistent with the findings of Riskon Kurniawan Tandelilin (2023), which found that transactional leadership had a negative and insignificant effect on employee performance. This suggests that while transactional leadership may prompt employees to meet specific targets or objectives, it does not enhance overall performance quality. Instead, the focus on rewards and punishments may inhibit the long-term motivation needed for sustained success.

The work environment also significantly impacts employee performance. The study indicates that the more comfortable employees feel in their work environment, the better their performance. Conversely, discomfort in the work environment results in reduced performance. These findings are consistent with Waworundeng's (2021) research, which also found that a positive work environment has a substantial effect on improving employee performance. The research site shows that the company provides adequate facilities, which enhance employee satisfaction and, in turn, boosts performance. Employees at the Makassar City Regional Public Drinking Water Company enjoy a comfortable work environment, which allows them to perform optimally. Companies aiming to

improve employee performance should consider investing in better facilities to enhance employee comfort and satisfaction. Favorable work environment motivates employees to work more effectively, completing tasks efficiently and achieving high performance. Employee performance, defined as the outcome of an employee's efforts while fulfilling their primary job duties, is a key indicator of their overall contribution. Based on the results of the performance questionnaire, it is clear that most employees at the company are working optimally, with trends pointing to high-quality output, punctuality, and collaboration, all of which are essential to overall performance improvement.

5. Conclusion

This research concludes that transformational leadership style significantly influences employee performance. The findings suggest that the stronger the transformational leadership style demonstrated by leaders, the more employee performance will improve at the Makassar City Regional Public Drinking Water Company. In contrast, the transactional leadership style has a minimal effect on employee performance, indicating that as the perception of transactional leadership increases, employee performance tends to decrease. Additionally, the work environment has a significant positive impact on employee performance, with better work environments leading to improved performance among employees. It is recommended that the leadership of the Regional Public Drinking Water Company in Makassar City adopt exemplary behavior, serving as a model for employees. Strong, effective leadership can directly enhance employee performance. Furthermore, it is advisable for the company to redesign workspaces, ensuring that they are well-organized, aesthetically appealing, and conducive to productivity. This includes improving workplace facilities and ensuring they adequately support employees in their tasks. Such efforts can foster a harmonious work environment, promoting better alignment between employees and the company, and ultimately enhancing overall company performance. For future research, it is suggested to expand on this study by exploring additional factors that may influence employee performance. Since many aspects remain unexplored, future researchers should consider incorporating new indicators that were not addressed in this study to gain a more comprehensive understanding of the variables affecting employee performance.

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