

The Effect of Transformational Leadership Style, Organizational Culture, And Compensation on Employee Performance at PT. Würth Indonesia, Makassar Branch

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Abstract. *The purpose of the study is to examine the role of transformational leadership style, organizational culture, and compensation in solving the employee performance at PT Würth Indonesia Makassar branch. A quantitative approach in the process of conducting this research was applied where 40 employees were involved as a sample. The questionnaire is used to collect the data that is subsequently analysed with the assistance of SPSS (Statistical Product and Service Solution) program version 22. It has been found that: (1) Transformational leadership styles significantly influence positively the performance of the employees with t count 2,086 greater than t table 1,688, and significant at p -value of less than 0.05. (2) It also has a positive substantial impact on the organizational culture and the t count 2,270 > t table 1,688 and the p -value is less than 0.05. (3) The positive and significant effect of compensation on employee performance is indicated with t count 3,237 is more than t table 1,688 and p -value less than 0.05. (4) All three variables have a positive and significant contribution to the employee performance, with F count 9,793 > F table 2,866 and p -value < 0.05, and a determination coefficient of 0.449 showing that all three variables make a contribution to the improvement of employee performance by 44.9. Such findings provide an insight to the management whereby; employee performance can be enhanced by developing leadership styles and good organizational culture and application of a fair system of compensation. It is also a recommendation of this research that further research be conducted using mixed methods (mixed methods) in order to have a more holistic picture.*

Keywords: Transformational Leadership Style, Organizational Culture, Compensation, Employee Performance, PT WürthIndonesia

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INTRODUCTION

A company is an organization that is created to manufacture goods or services so as to fulfill the needs and demands by consumers (Seppa, 2025; Wahjono, 2021; Prasetyo et al., 2022). A company needs various production factors to support its goals and objectives including capital, raw materials, machinery, and human resources (Šebestová & Popescu, 2022; Santos, 2000; Hernita et al., 2021). A company should consider its human resource as its most valuable resource. Two aspects, which rely on one another and complement each other, are organizations

and employees. Workers can be, in most instances, capable of providing high performance and their contributions can be of significance to the organization (Purwanto et al., 2016).

All companies should be capable of creating and advancing their quality through hosting different programs aimed at improving the performance of employees (Caligiuri et al., 2013; Angrave et al., 2016). Any company relies on the individuals who would be at its helm hence the ultimate existence. The organization will need efficient human resources capable of performing their duties in order to deliver organizational objectives (Patrick & Mazhar, 2019). One of the most important things that may not be detached to any organization is human resources. Though the world is advancing fast in terms of technology and the expansive growth of information, an organization can hardly realize its goals without strong human resources. Thus, companies require good people in their areas of specialization. Such competence manifests itself in the performance of employees themselves (Ilham et al., 2023). Technology is not the only factor that determines the success of corporate goals but the people serving on its implementation are more decisive. Human resources are the precious assets of companies as they can take part in planning and be directly engaged in the numerous activities. Employees come along with thoughts, feelings, dreams, status and level of education that determine their minds and conduct during work (Klinger, 2013).

The quality of their work is a substantive input to the general requirements of the company. The style of leadership is one of the most essential in corporate management. Leadership style is a key contributing factor to the success of a company that may have direct impact on the performance of employees (Mohiuddin, 2017; Shafie et al., 2013; Idris & Mohd, 2008; NawoseIng'ollan & Roussel, 2017). Irma et al. (2022) consider that leaders play a leading role in organizational and group life to fulfill common goals, and employees should build unity under the leadership of the leader. In every organization, the differences of individuals are directed through the leadership towards realizing common goals. Development in an organization should be a group effort that is backed up. This means that reformist leaders are also important because they facilitate organizational change.

The leadership style has a significant impact on the performance of a team because the leader has to perform more than merely commanding and controlling the employees, but also must model exemplary behavior (Smith, 2015; Vigoda-Gadot, 2007; Ohemeng et al., 2018; Sulpakar et al., 2022). The direction of the organization, the establishment of regulations, and the eventual destiny of a business organization are largely dependent on the choices made by the leaders (Ocasio, 1999). Organizational culture can be described as a set of common traits and values followed by a group or an organization and it is central to the increased work effectiveness in both the short and the long term. Since employees are a group of people who interact socially, it is evident that organizational culture has a significant effect on employee performance. As argued by Ilham et al. (2023), the organizational culture directly or indirectly influences the performance of employees because it takes into account not only the daily processes, but also the result of the organizational work. Organizational culture may encourage or hinder the performance of employees in most cases.

In addition to the leadership style and organizational culture, compensation is another critical factor that determines the performance of employees. The job satisfaction with regard to compensation refers to the wages, benefits, and other forms of rewards that are given by the employer. Compensation is a form of remuneration of labor or services delivered. Fair and reasonable compensation leads to improvement in the quality of workforce, matching the goal of the company with the interests of employees as well as efficient use of budget. In addition, adequate payment increases the strength of a company in the most competitive business environments, as it has a direct effect on the performance of employees (Idris, 2020; Zaeni et al., 2022). Its headquarters are in Künzelsau, Baden-Württemberg, and is based in Germany as it is a multinational conglomerate, which started in 1945 and is led by Adolf Würth. The company is a major supplier of products and services to the industry, especially in the supply and distribution

of tools, equipments and building materials, with its operation in over 80 countries worldwide where it has over 400 subsidiaries.

PT Wurth Indonesia entered the market in 1994 with a focus on automotive aftermarket products that were of high quality like lights, wipers, and engine care. The company has developed collaboration with well-known car repair shops and sells a variety of goods to meet the customer demands. Being part of the Wurth Group, PT Wurth Indonesia maintains high branding, product strategy and service quality standards. The company has a motto of Quality Beats Price that guides them to provide high-quality products and services. As of now, PT Wurth Indonesia boasts of six branch offices, one of which is situated in Makassar, over 60 sales representatives, and over 4,000 customers throughout the country, thus making it more active and proactive in communicating with the clients.

In particular, the leadership model introduced in PT Wurth Indonesia is worth special consideration. The ability to combine the management structure that is efficient and efficient in Germany with the warmth and spirit of community that is prevalent in the Indonesian culture helps the firm to balance structured and outcome-focused work cultures and intensely held social and familial values. Among the values anticipated by the organization are trust, gratitude, simplicity and social responsibility, thus impacting on decision-making processes and interpersonal relationships in workplace. Instead of embracing the German norms in their entirety, PT Wurth Indonesia contextualizes and adapts them to suit the cultural features of Indonesia, which are the emphasis on communal interests, personal contact, and concord. This fit in turn cultivates a greater sense of employee loyalty and a sense of loyalty to the corporate expectations worldwide with the local cultural realities. Decentralized decision-making, field-based leadership, and a strong culture of appreciation and recognition are operational concepts that the organization envision in its operations.

This transformational, humanistic and inclusive paradigm also differentiates PTW Urbina Indonesia among many foreign companies that continue with authoritarian and bureaucratic management styles. This innovative model of governance is also effective as evidenced by the organizational climate that was healthy because of a healthful work culture, increased loyalty, and optimized performance. In leadership appointments, PT Würth Indonesia assigns expatriates with international experience to director positions, providing global perspectives, while local leaders serve as commissioners, offering deep insights into local markets and culture. This balance strengthens the company's adaptability to market changes. The company often blends global strategies with local adjustments, showing a collaborative leadership approach that enhances business effectiveness. Its human resource policies reflect inclusivity, encouraging contributions from both local and international leaders.

Previous studies confirm the significant influence of transformational leadership, organizational culture, and compensation on employee performance. For example, research by Gama & Firmansyah (2022) titled "*The Influence of Transformational Leadership, Compensation, and Organizational Culture on Employee Performance at BMT NU Jombang*" found that these factors collectively influenced employee performance by 63%. Leadership plays a critical role in motivating employees, compensation must align with employee contributions, and strong organizational culture enhances performance. Similarly, Hairudinor et al. (2020) in their study "*The Effect of Transformational Leadership and Organizational Culture on Employee Performance at PT PLN (Persero) Rayun Puruk Cahu*" reported a strong 81.1% influence of transformational leadership on employee performance.

Therefore, the main goal of the current research is to take a critical look at the impact of transformational leadership, organizational culture and compensation on the performance of employees in PT Wurth Indonesia, Makassar branch. With the clarification of the interrelationship between these three variables, the firm can come up with more effective ways of improving employee performance hence having a positive influence on the overall

organizational performance. The expected value of this study to the development of the human resource management theory and establishment of best practices in organizations is immense.

In the particular case under analysis of PT Würth Indonesia, which is the top German company, or among companies considering expansion, the paper is a useful empirical source of information on how to set up new branches or subsidiaries in strategically interesting areas in Indonesia. Furthermore, the foreign businesses looking to venture into Indonesia can utilize such findings as a relevant tool in the process of deciding on the set up and running of business operations. Overall, this study provides profound information that may have a valuable contribution to all stakeholders interested in finding their way and surviving in the modern industrial environment that is becoming increasingly competitive.

METHODS

This study employs a quantitative research design, as the data are presented and analyzed in numerical form. Quantitative methods are characterized by systematic, planned, and well-structured procedures from the outset. According to Candra et al. (2025), quantitative research emphasizes the collection and analysis of numerical data, which allows researchers to measure relationships between variables and to understand phenomena through statistical analysis. In this research, questionnaires are used as the main instrument to collect data regarding transformational leadership style, organizational culture, compensation, and employee performance. By applying this approach, the researcher can conduct statistical analysis that provides a clear depiction of the relationships among these variables.

Research Location and Time

The study was conducted at PT Würth Indonesia, Makassar branch, located at Komplek Ruko Citraland Celebes Blok J No. 16, Makassar, South Sulawesi. The research is scheduled to take place in July 2025. This location was chosen because it provides direct access to the employees who serve as the primary respondents of the study.

Population and Sample

The population in this study consists of all employees of PT Würth Indonesia, Makassar branch, totaling 40 employees, including the branch manager, finance administrator, logistics administrator, delivery staff, sales personnel, technicians, and product sales promotion staff (SPG). Since the total population is relatively small, the study employs a saturated sampling technique, in which the entire population is used as the sample. This approach ensures that all members of the population are represented in the study and eliminates the risk of sampling bias.

Data Collection Instrument

An instrument is a methodological device that is developed to accumulate reliable, valid and scientifically vindicable data. These tools are used to obtain the quantitative data about the variables of interest in a systematic manner, hence providing the empirical background needed in testing the hypothesis. The main data-gathering instrument in the current study is a questionnaire that consists of a sequence of structured questions designed in a way that would allow extracting information out of the respondents. In line with Philip (2024), the checklists and rating scales are often included in the questionnaires, which makes it easy to quantify behaviors and attitudes. Based on this, the questionnaire was filled in directly to the employees at the Makassar branch of PT Würth Indonesia. The answers were based on the experience and perception of respondents with reference to the targeted variables. The items of the questionnaire were structured according to relevant parameters of every variable and answers were measured using a Likert scale. The Likert construct represents one of the most commonly utilized tools in the social science research to define attitudes, perceptions and perceptions. The Likert scale was used in the present study, with five response options, as they are outlined below.

Data Analysis

Once the data were collected, the next step was to conduct data analysis to answer the research questions and test the hypotheses. Data analysis makes it possible to identify patterns and relationships among variables, thereby offering a deeper understanding of the research problem. In this study, the data were processed using SPSS version 22 (Statistical Product and Service Solutions). The stages of data analysis are as follows:

Validity and Reliability Tests

Validity testing determines whether the questionnaire items accurately measure the intended variables. A questionnaire is considered valid if its items reflect the construct being studied (Janna & Herianto, 2021). The validity test is conducted by correlating each item score with the total construct score using a significance level of 0.05. Reliability refers to the consistency of an instrument in producing stable results over repeated measurements. Reliability was tested using Cronbach's Alpha. An instrument is considered reliable if Cronbach's Alpha is greater than 0.70, indicating strong internal consistency.

Classical Assumption Tests

Classical assumption tests ensure that the regression model is accurate and valid. Before conducting multiple regression analysis, the following assumption tests were carried out (Sholihah et al., 2023). Normality was tested using the Kolmogorov-Smirnov test and visual inspection with Q-Q plots. Data are normally distributed if the significance value is greater than 0.05 and the Q-Q plot points align with the diagonal line. This test determines whether independent variables are highly correlated with one another. A model is free from multicollinearity if the tolerance value is greater than 0.10 and the Variance Inflation Factor (VIF) is less than 10. This test examines whether the variance of residuals is constant across observations. Two methods were used: (a) scatterplot analysis, where residuals should appear randomly distributed, and (b) the Glejser test, where no significant relationship between independent variables and residuals indicates homoscedasticity.

Multiple Linear Regression Analysis

Multiple linear regression was used to measure the effect of transformational leadership style, organizational culture, and compensation on employee performance. The F-test determines whether all independent variables together significantly affect the dependent variable. If $F\text{-count} > F\text{-table}$, the variables simultaneously influence employee performance. The coefficient of determination (Adjusted R^2) was used to measure the proportion of variance in employee performance explained by transformational leadership style, organizational culture, and compensation collectively.

RESULTS AND DISCUSSION

Data Analysis Results

Table 1. Results of Validity Test for Transformational Leadership Style (X1)

Item	r-count	Sig. (2-tailed)	Remarks
X1.1	0.653	0.000	Valid
X1.2	0.642	0.000	Valid
X1.3	0.647	0.000	Valid
X1.4	0.717	0.000	Valid
X1.5	0.741	0.000	Valid
X1.6	0.748	0.000	Valid
X1.7	0.573	0.000	Valid
X1.8	0.781	0.000	Valid

The validity test results for the transformational leadership style variable (X1) show that all eight items have r-count values between 0.573 and 0.781, which are higher than the r-table value of 0.3120. Additionally, all significance values are 0.000 ($p < 0.05$). These findings indicate that every item used to measure transformational leadership style is valid and capable of accurately representing the construct.

Table 2. Results of Validity Test for Organizational Culture (X2)

Item	r-count	Sig. (2-tailed)	Remarks
X2.1	0.643	0.000	Valid
X2.2	0.549	0.000	Valid
X2.3	0.664	0.000	Valid
X2.4	0.744	0.000	Valid
X2.5	0.639	0.000	Valid
X2.6	0.556	0.000	Valid
X2.7	0.800	0.000	Valid
X2.8	0.659	0.000	Valid

The results for the organizational culture variable (X2) demonstrate r-count values ranging from 0.549 to 0.800, which all exceed the r-table value of 0.3120. The significance levels are consistently 0.000 ($p < 0.05$). Therefore, it can be concluded that all items in the organizational culture questionnaire are valid and appropriately measure the variable.

Table 3. Results of Validity Test for Compensation (X3)

Item	r-count	Sig. (2-tailed)	Remarks
X3.1	0.491	0.001	Valid
X3.2	0.739	0.000	Valid
X3.3	0.718	0.000	Valid
X3.4	0.549	0.000	Valid
X3.5	0.428	0.006	Valid
X3.6	0.443	0.004	Valid
X3.7	0.720	0.000	Valid
X3.8	0.616	0.000	Valid

The compensation variable (X3) yielded r-count values between 0.428 and 0.739, which are greater than the r-table threshold of 0.3120. The corresponding significance values range from 0.000 to 0.006, all of which are below 0.05. Thus, all items included to measure compensation are valid, ensuring that the instrument accurately reflects the intended construct.

Table 4. Results of Validity Test for Employee Performance (Y)

Item	r-count	Sig. (2-tailed)	Remarks
Y1	0.412	0.008	Valid
Y2	0.361	0.023	Valid
Y3	0.759	0.000	Valid
Y4	0.697	0.000	Valid
Y5	0.543	0.006	Valid
Y6	0.402	0.010	Valid
Y7	0.613	0.000	Valid
Y8	0.728	0.000	Valid
Y9	0.500	0.001	Valid

For the employee performance variable (Y), the validity test results show r-count values between 0.361 and 0.759, all above the r-table value of 0.3120. The significance levels range from

0.000 to 0.023, which are below the 0.05 threshold. These results confirm that all questionnaire items for employee performance are valid and can be used to assess the variable effectively.

Table 5. Results of Reliability Test

Variable	Number of Items	Cronbach's Alpha	Remarks
Transformational Leadership (X1)	8	0.838	Reliable
Organizational Culture (X2)	8	0.813	Reliable
Compensation (X3)	8	0.732	Reliable
Employee Performance (Y)	9	0.719	Reliable

The results of the reliability analysis using Cronbach's Alpha indicate that the transformational leadership style variable (X1) has a coefficient of 0.838, the organizational culture variable (X2) has a coefficient of 0.813, the compensation variable (X3) has a coefficient of 0.732, and the employee performance variable (Y) has a coefficient of 0.719. Since all of these values are above the commonly accepted threshold of 0.70, it can be concluded that the instruments used in this study have good internal consistency. This means that the items within each variable consistently measure the same construct, ensuring stability and dependability in the responses. Therefore, the research instrument is considered reliable and appropriate to be used in further hypothesis testing, as it produces data that can be trusted for analytical purposes.

Classical Assumption Test

The normality test was conducted to determine whether the data obtained from respondents was normally distributed. This study used the Kolmogorov-Smirnov test and the graph test as the normality test methods.

Table 6. Normality Test Results

One-Sample Kolmogorov-Smirnov Test	Unstandardized Residual
N	40
Normal Parameters^{a, b}	
Mean	0.0000000
Std. Deviation	2.49067692
Most Extreme Differences	
Absolute	0.105
Positive	0.105
Negative	-0.104
Test Statistic	0.105
Asymp. Sig. (2-tailed)	0.200 ^{c, d}

From the normality test results above, we can see that the significance value obtained is 0.200, which means it is greater than 0.05 (sig value > 0.05). Therefore, it can be concluded that the data is normally distributed.

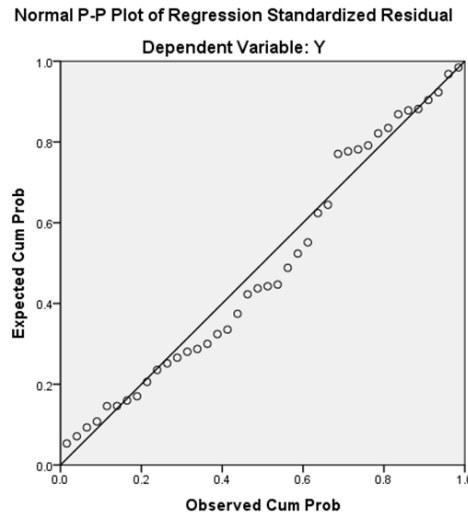


Figure 1. Normal P-P Plot

The normal probability plot above shows that the points are evenly distributed, following or close to the diagonal line, so it can be concluded that the data is normally distributed.

Multicollinearity Test

The multicollinearity test was conducted to identify whether there is a strong linear relationship among the independent variables in the regression model. High multicollinearity may affect the estimation of regression coefficients and reduce the accuracy of the analysis results. This test was carried out using the Variance Inflation Factor (VIF) and Tolerance values. Data is considered valid when no multicollinearity occurs.

Table 7. Results of the Multicollinearity Test

Variable	Tolerance Value	VIF Value	Description
Transformational Leadership Style (X1)	0.847	1.181	Valid
Organizational Culture (X2)	0.723	1.383	Valid
Compensation (X3)	0.656	1.525	Valid

From the table above, it can be observed that the tolerance values for each variable are as follows: X1 = 0.847, X2 = 0.723, and X3 = 0.656. All of these tolerance values are greater than 0.10 (Tolerance > 0.10). Meanwhile, the Variance Inflation Factor (VIF) values obtained are X1 = 1.181, X2 = 1.383, and X3 = 1.525, all of which are less than 10 (VIF < 10). These results indicate that multicollinearity does not occur. Hence, it can be concluded that there is no strong linear relationship among the independent variables in the regression model. Therefore, the regression model used in this study is valid and reliable for analyzing the influence of transformational leadership style, organizational culture, and compensation on employee performance at PT Würth Indonesia, Makassar Branch.

Heteroskedasticity Test

This test was carried out to determine whether there is non-constant variability in the residuals of the regression model. Heteroskedasticity may affect the validity of regression coefficient estimations and reduce the reliability of the analysis results. The expected regression model is one in which the residuals across observations are constant (homoskedasticity), or in other words, no heteroskedasticity occurs. In this study, the Glejser method and scatterplot analysis were used.

Table 7. Results of the Heteroskedasticity Test

Variable	Significance Value	Description
Transformational Leadership Style (X1)	0.764	No Heteroskedasticity
Organizational Culture (X2)	0.711	No Heteroskedasticity
Compensation (X3)	0.578	No Heteroskedasticity

Based on the results presented in the table above, the significance values for each variable are as follows: X1 = 0.764, X2 = 0.711, and X3 = 0.578. These values are all greater than 0.05 (Sig. > 0.05). This indicates that heteroskedasticity does not occur in the regression model. Consequently, the regression model is considered appropriate and feasible to be used in further hypothesis testing.

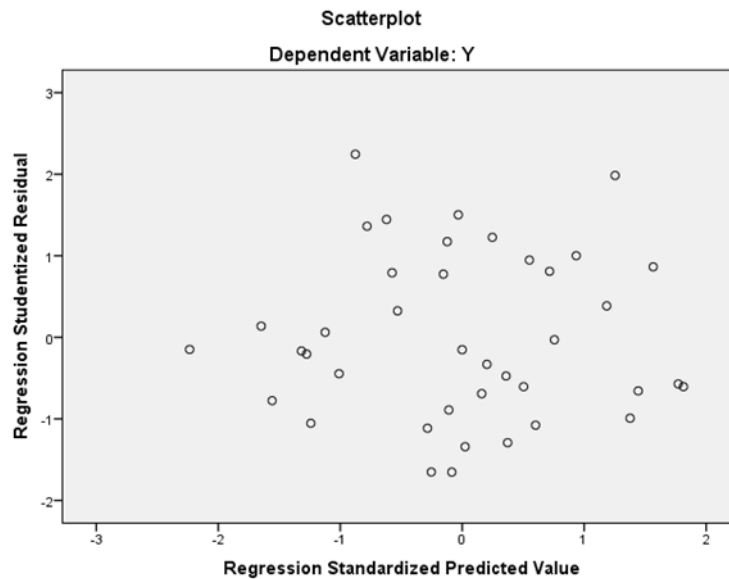


Figure 2. Scatterplot Graph

From the scatterplot graph above, it can be seen that the points in the image are evenly distributed both above and below the number 0 on the Y-axis. Therefore, it can be concluded that there is no heteroscedasticity in the data. The results of the heteroscedasticity test above indicate that there are no significant heteroscedasticity issues in the regression model. Therefore, the assumption of homoscedasticity has been met, and the regression model used can be considered valid for analyzing the influence of transformational leadership style, organizational culture, and compensation on employee performance at PT Würth Indonesia, Makassar Branch.

Multiple Linear Regression Analysis

The purpose of multiple regression analysis in this study was to determine the simultaneous influence of several independent variables on a single dependent variable. This allows us to determine the extent to which each variable influences the measured outcome.

Table 8. Results of Multiple Linear Regression Analysis

Model	Variable	B	Std. Error	Beta	t	Sig.
1	(Constant)	1.328	7.352	—	0.181	0.858
1	X1	0.216	0.103	0.280	2.086	0.044
1	X2	0.312	0.137	0.330	2.270	0.029
1	X3	0.557	0.172	0.494	3.237	0.003

The regression results show that the constant value is 1.328, meaning employee performance is estimated at this baseline when all independent variables are held constant.

Transformational leadership style (X1) has a positive and significant effect on employee performance, with a coefficient of 0.216 ($p < 0.05$). Organizational culture (X2) also shows a positive and significant effect, with a coefficient of 0.312 ($p < 0.05$). Compensation (X3) has the strongest positive and significant influence, with a coefficient of 0.557 ($p < 0.05$). These findings indicate that all three variables significantly enhance employee performance, with compensation being the most influential factor.

Significance Test

t-Test

The results of the t-test in the multiple linear regression analysis are used to examine the significance of each independent variable namely transformational leadership style, organizational culture, and compensation on the dependent variable, which is employee performance. The purpose of the t-test is to determine whether the regression coefficients produced by the regression model differ significantly from zero.

Table 9. t-Test Results

Variable	t-value	Sig. value
Transformational Leadership Style (X1)	2.086	0.044
Organizational Culture (X2)	2.270	0.029
Compensation (X3)	3.237	0.003

From the figure above, it can be observed that the calculated t-values for each variable are as follows: X1 = 2.086, X2 = 2.270, and X3 = 3.237. These results show that the calculated t-values are greater than the critical t-value ($t_{\text{calculated}} > t_{\text{table}}$), where the t-table value is 1.688 (as shown in Appendix 3). In addition, the significance values for all variables are smaller than 0.05 ($\text{sig.} < 0.05$). Thus, it can be concluded that transformational leadership style, organizational culture, and compensation each have a significant influence on employee performance at PT Würth Indonesia, Makassar branch.

F-Test

The F-test in multiple linear regression analysis is used to determine whether the overall model is statistically significant. The purpose of the F-test is to assess whether the independent variables collectively exert a significant influence on the dependent variable, which in this case is employee performance. In other words, the F-test examines the hypothesis that all regression coefficients of the independent variables are simultaneously equal to zero.

Table 10. Results of the F-Test

Model	Source	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	197.440	3	65.813	9.793	0.000 ^b
1	Residual	241.935	36	6.720	—	—
1	Total	439.375	39	—	—	—

From the table above, it can be seen that the calculated F-value is 9.793. This indicates that the F-calculated value is greater than the critical F-value ($F_{\text{calculated}} > F_{\text{table}}$), where the F-table value is 2.866 (as presented in Appendix 3). Furthermore, the significance value is smaller than 0.05 ($\text{sig.} < 0.05$). Thus, it can be concluded that transformational leadership style, organizational culture, and compensation collectively have a significant influence on employee performance at PT Würth Indonesia, Makassar branch.

Table 10. Coefficient of Determination (R^2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.670	0.449	0.403	2.59238

The coefficient of determination (R^2) is a statistical measure used to determine how well the multiple linear regression model explains the variation in the dependent variable (employee performance) based on the independent variables (transformational leadership style, organizational culture, and compensation).

The Influence of Transformational Leadership Style (X1) on Employee Performance (Y)

Transformational leadership is characterized by the ability of the leader to inspire and motivate employees using a clear vision, emotional encouragement as well as personal development. Such a leadership style implementation is linked to an increase in employee motivation and engagement, resulting in a better quality of productivity and the quality of work. In the current research, transformational leadership style (X1) has a positive and statistically significant impact on the performance of employees (Y) at PT Wuerth Indonesia, Makassar branch. The result of the data analysis using SPSS version 22 indicates that transformational leadership style has a positive regression coefficient which reflects that it is directly related with the augmentation and improvement in the performance of the employees. The t -test is used to show that the calculated t -value (2.086) is greater than the critical t -value (1.688) and the p -value is smaller than the pre-defined level of significance (0.05). As a result, the null hypothesis that transformational leadership style does not have a positive impact on employee performance is rejected, which proves the presence of statistically significant positive relationship. These results suggest that the introduction of transformational leadership style is linked with incremental enhancement of the performance of employees.

One of the salient features of transformational leadership is that the leader is able to express a clear vision. This vision helps the employees to understand the organization goals and they understand how their personal input helps achieve the goals. Employees usually develop commitment and enthusiasm in carrying out their duties when they feel that they are working towards the vision of the organization. Leaders should also provide emotional support which plays a crucial role in nurturing a good working environment since when leaders take interest in the welfare of the employees they would build close interpersonal relationships. The obtained results at PT Wurth Indonesia, Makassar branch support the existence of the positive and statistically significant effect of transformational leadership on employee performance. These results also demonstrate that emotional support provided by leaders to employees increases their perception of being valued hence driving them to perform at an exemplary level.

The personal growth is a key element of transformational leadership. Leaders who present themselves with relentless dedication towards developing the competencies and the untapped potential of the employees create a workplace where employees feel that they are being valued and thus they are willing to explore further development. Formal training programs, formal mentoring associations, and the possibility to take up new responsibilities are some of the mechanisms by which leaders can promote individual growth. As a result, the workers are able to have an improved self-efficacy and an increased involvement in their work activities. Empirical data show that employees that have been provided with support in terms of their development portrays better performance results. The observations support the theoretical perspective that Bass & Avolio (1994) have developed whereby transformational leaders enhance employee motivation and performance in four major dimensions including idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. All these dimensions create a positive working environment that supports enhanced performance.

The application of transformational leadership at the Makassar branch of PT Wyrth Indonesia is reflected through the commitment of the management to ensure that it offers

systematic training, encourages free flow of communication and official rewarding of employee performance. These will always increase employee involvement and, at the same time, reduce absenteeism and turnover rates, and eventually improve productivity and quality of services. The following enhanced employee performance has a beneficial effect on the overall organizational goals, and as such, it gives a competitive edge to PT Wurerth Indonesia in the market and allows serving the customer needs more efficiently. The transformational leadership approach not only brings value to the staff but also strengthens the organization in general. The increased motivation and involvement will help the organization to set the short-term goals and create a strong base of growth in the long term. Transformational leadership is also an effective approach to enhancing competitiveness within a broader organizational setting. To this end, the empirical evidence indicates that transformational leadership has a significant and positive influence on the performance of employees within Makassar branch of PT Wurth Indonesia.

The Influence of Organizational Culture (X2) on Employee Performance (Y)

The organizational culture consists of values, norms and practices that shape the employee behavior and performance in an organization. With this type of culture encouraging teamwork, creativity and open communication, then a positive working environment is created and the employees are able to deliver their best input. It is empirically shown that organizational culture (X2) has a positive and significant effect on the performance of the employees (Y) at PT Wurth Indonesia, Makassar branch. The SPSS 22 analysis showed that the organizational culture has a positive regression coefficient, thus, assuring the existence of a direct relationship between a strong organizational culture and high employee performance. Furthermore, the calculated t -value of 2.270 was higher than the critical t -value of 1.688; the p -value was smaller than 0.05. In turn, the hypothesis of a positive relationship between organization culture and employee performance is proved.

One of the major factors that determine the performance of employees is the organizational culture. It represents the values, norms, and practices embraced by the members of an organization, which together form the way the interpersonal interactions and the working practices. The investigation at PT Wurth Indonesia, Makassar branch indicates that the culture that supports innovations is linked with the improvement of employee performance. Innovative employees are more proactive in their problem solving and improving processes and are therefore more productive. Open communication is also another critical element of a good organizational culture. The open and cooperative environment is created when the staff members feel that they can express ideas, problems, and feedback without any restrictions. Such open communication in the setting of PT Wuerth Indonesia, Makassar branch, would help in sharing of experience and recommendations, thus helping the management in decision-making. The findings suggest that employees that feel listened and regarded are more engaged and committed. Such results support the fact that the organizational culture is a glue that holds members of an organization together towards a common goal. An effective culture will lead to better motivation, loyalty and commitment which in turn raises the performance. In this regard, organizational culture has been empirically identified to positively impact on employee performance at PT Wurth Indonesia, Makassar branch in a significant positive way.

The Influence of Compensation (X3) on Employee Performance (Y)

Payments include both financial and non-financial rewards that are given to employees to appreciate their efforts. When the employees are paid fair wages, and they feel that they are appreciated, then they have increased desire to perform their duties efficiently and achieve the goals of the organization. The results of the empirical research show that compensation (X3) positively and statistically significantly affects employee performance (Y) in the Makassar branch of PT Wurth Indonesia. The SPSS version 22 analysis indicates that the regression coefficient of compensation is positive hence showing direct relationship between increased remuneration and high performance of employees. This result is supported by the corresponding t -test values, as

the calculated t-value (3.237) is more than the critical t-value (1.688) and the level of significance (p-value) is less than 0.05. As a result, the null hypothesis stating that there is no relationship between compensation and performance is rejected confirming the assumption that there is a positive relationship between compensation and worker performance.

Compensation is one of the core aspects of human resource management, which combines both monetary rewards, including salaries and bonuses, and non-monetary rewards, including recognition and appreciation, as well as career development. With proper compensation, such employees have increased job satisfaction, motivation, and commitment that, in response, enhance productivity and behaviors that drive innovation. These results are similar to the Two-Factor Theory proposed by Herzberg (1966) that distinguishes between hygiene factors and motivators; compensation can be regarded as hygiene factor necessary to reduce dissatisfaction and establish the conditions under which employees are satisfied with their jobs in case this remuneration is provided fairly. In addition, Robbins et al. (2017) argues that proper compensation alleviates stress and dissatisfaction thus, avoiding a decrease in productivity in case it is not properly handled. In this regard, the Makassar branch of PT Wuerth Indonesia should continuously review and modify its remuneration model to remain competitive in the industry, as well as align with the employees' expectations. Reasonable, open, and relevant payment does not only inspire employees but also develops a positive and efficient organizational environment.

The Influence of Transformational Leadership (X1), Organizational Culture (X2), and Compensation (X3) on Employee Performance (Y)

The empirical findings confirm that the positive and statistically significant impact on employee performance at PT Wurth Indonesia, Makassar branch is produced by transformational leadership, organizational culture and compensation. The SPSS version 22 analysis shows that the calculated F-value (9.793) exceeds the critical F-value (2.866), and the p-value is below 0.05, thus supporting the hypothesis that the above variables jointly increase employee performance. Moreover, the coefficient of determination (R^2) is 0.403, and this means that transformational leadership, organizational culture and compensation are responsible in explaining 40.3 percent of the variance in employee performance, and the remaining 59.7 percent of the variance can be explained by factors that have not been tested. The findings indicate that the relationships among leadership, culture, and compensation are interconnected in determining the employee performance. A combination of inspirational and supportive leaders with emotional and developmental support, a strong organizational culture, and fair compensation will create the environment that will enhance the engagement, loyalty, and productivity of employees.

Relevance of the Research Context to PT Würth Indonesia, Makassar Branch

In this paper, attention will be paid to the organizational environment of PT Wurth Indonesia, Makassar branch. As a multinational company that is involved in distributing technical products and industrial supplies, PT Wurth needs a highly productive, adjustable, and loyal workforce. The competitive nature of the workplace and high sales goals represents a factor that requires a particular type of leadership where teams have empowerment, strong organizational culture that keeps it together and a high-performance compensation system. The most important priorities are to create a productive and a loyal workforce, empower leadership and have an organizational culture that encourages collaboration, innovation, and inclusiveness. Fair and competitive pay also has a crucial role in ensuring that the employees are motivated to perform sustainably. The results of the study have practical implications: the emphasis on transformational leadership, the creation of positive organizational culture, and fair compensation are the keys to help PT Wurth Indonesia to face the challenges of the market and provide optimal operational performance. With the combination of all three, the company can improve business performance and at the same time provide employees with development and sustainability, in the long run, the company becomes competitive.

CONCLUSION

Transformational leadership is statistically significantly positively related to employee performance in Makassar branch of PT Wurth Indonesia. The implementation of this form of governance improves the performance of employees through inspiration, motivation, supporting their feelings, and individual development. As a result, high rates of motivation and involvement at the employee level will follow, which will have quantifiable effects on productivity and quality at work. Organization culture is also statistically significant in its positive influence on the performance of the employees in the Makassar branch of PT Wurth Indonesia. The continuous evolution of the organizational culture through incremental improvements is always reflected in improved performance of employees. A favorable corporate culture that encourages teamwork, creativity and effective communication builds a working environment that supports the optimum employee input. Compensation systems also affect employee performance positively and statistically significantly where the above-mentioned branch is concerned. The performance is also improved through improvements in implementing the compensation practices as employees who obtain remuneration proportional to their efforts feel important and thus express increased willingness to achieve the set goals. Transformational leadership, organizational culture, and compensation have a positive and strong impact on employee performance in Makassar branch of PT Wurth Indonesia. The participatory and collaborative leadership style creates a positive working environment, and an organizational culture that supports teamwork and diversification increases the level of engagement of employees. Additionally, a competitive compensation system will encourage the workers to increase their output in a fair manner. The combination of the three determinants allows the Makassar branch of PT Wurth Indonesia to create the work environment, which will facilitate the achievement of organizational goals and the holistic growth of workers, and thus, remain in the competitive market.

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