

The Influence of Transformational Leadership and Work Environment on Employee Performance at the PPTK Division of the Department of Industry and Manpower of Surabaya City

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Abstract

This study aims to analyze the effects of transformational leadership and the work environment on employee performance in the Training and Job Placement Division (PPTK) of the Department of Industry and Manpower of Surabaya City, both simultaneously and partially. A quantitative approach with a causal research design was employed. The study involved all 36 employees of the PPTK Division using a saturated sampling technique. Primary data were collected through a structured questionnaire using a five-point Likert scale, while secondary data were obtained from organizational documents and relevant literature. The data were analyzed using multiple linear regression with the assistance of SPSS software after passing validity, reliability, and classical assumption tests. The results indicate that transformational leadership and the work environment simultaneously have a positive and significant effect on employee performance ($F = 14.158$, $Sig. = 0.000$). Partially, transformational leadership has a positive and significant effect on employee performance ($t = 3.967$, $Sig. = 0.000$), and the work environment also has a positive and significant effect on employee performance ($t = 4.114$, $Sig. = 0.000$). The coefficient of determination shows that the two independent variables explain 42.9% of the variation in employee performance. These findings imply that strengthening transformational leadership practices and creating a supportive work environment can improve employee performance in public sector organizations, particularly within the PPTK Division of the Department of Industry and Manpower of Surabaya City. Future studies are recommended to include additional variables that may influence employee performance to provide a more comprehensive explanation of employee performance in government institutions.

INTRODUCTION

Human resources play a fundamental role in determining the sustainability and effectiveness of an organization. Effective human resource management is essential to optimize employees potential and support the achievement of organizational objectives. According to (Purwanto et al., 2024), human resource management is a strategic process that includes workforce planning, recruitment, training, career development, and the implementation of employment regulations to improve organizational capacity. Consequently, organizations are expected to develop competent human resources capable of achieving optimal performance. Employee performance reflects the extent to which employees accomplish their duties and responsibilities within a specified period (Widyatmojo & Winarno, 2023). Therefore, maintaining and improving employee performance has become an important concern for every organization, including public institutions.

Employee performance is influenced by various organizational factors, among which transformational leadership and the work environment are considered important determinants.

Hui, as cited in (Yulianti, 2022), explained that leadership style is a pattern of leadership behavior developed through experience and continuously applied by leaders. One leadership approach that has attracted considerable attention is transformational leadership, which emphasizes motivating, inspiring, and empowering employees to achieve organizational goals. According to (Panggabean et al., 2024), transformational leadership encourages collaboration between leaders and employees in realizing the organization's vision and mission. In addition, employees require a supportive work environment to perform their responsibilities effectively. (Arinawati and Suryadi, 2021) stated that the work environment is designed to create a conducive atmosphere that supports the achievement of organizational goals by increasing employee motivation, comfort, and productivity.

This study was conducted in the Training and Job Placement Division (PPTK) of the Department of Industry and Manpower of Surabaya City. The division is responsible for implementing job training, job placement services, and employment information dissemination. According to (Badan Pusat Statistik Kota Surabaya, 2025), the labor force in Surabaya reached 1.64 million people in August 2025, an increase of 16.6 thousand people compared with the previous year, while the Labor Force Participation Rate increased to 70.59%. The increasing number of workers indicates a growing demand for effective employment services, making employee performance an important factor in supporting the quality of public services delivered by the PPTK Division.

Several previous studies have investigated the influence of transformational leadership and the work environment on employee performance. (Dewi and Kusumasari, 2024) found that the work environment and compensation had a positive and significant effect on employee performance, whereas work stress did not significantly affect performance. (Sari and Mayasari, 2025) reported that transformational leadership and the work environment positively and significantly influenced employee performance, both partially and simultaneously. Likewise, (Lempoy et al., 2025) concluded that transformational leadership and the work environment significantly affected employee performance at PT Bank Tabungan Negara Manado Branch.

Other empirical findings also support the relationship between transformational leadership, the work environment, and employee performance. (Setiadi et al., 2022) demonstrated that transformational leadership, the physical work environment, and work discipline positively and significantly influenced employee performance. Meanwhile, (Silpia et al., 2022) found that transformational leadership significantly affected employee performance, whereas the work environment did not have a significant partial effect. However, both variables simultaneously had a significant influence on employee performance. These studies indicate that transformational leadership consistently contributes to employee performance, while the influence of the work environment may vary across research settings.

Although previous studies have examined transformational leadership and the work environment in relation to employee performance, they were conducted in different organizational settings, including banking institutions, hospitality businesses, restaurants, and non-profit organizations. This study differs from previous research because it focuses on employees of the Training and Job Placement Division (PPTK) of the Department of Industry and Manpower of Surabaya City. Therefore, this study extends previous empirical evidence by examining the relationship between transformational leadership, the work environment, and employee performance within a local government institution.

Based on the research background and previous studies, this study addresses whether transformational leadership and the work environment significantly influence employee

performance, either simultaneously or partially, among employees of the Training and Job Placement Division (PPTK) of the Department of Industry and Manpower of Surabaya City. Accordingly, this study aims to analyze the simultaneous and partial effects of transformational leadership and the work environment on employee performance in the PPTK Division. The novelty of this study lies in its research setting, which focuses on the PPTK Division of the Department of Industry and Manpower of Surabaya City, an organizational context that has not been examined in the previous studies reviewed in this research.

METHODS

This study employed a quantitative approach with a causal research design to examine the effect of transformational leadership and the work environment on employee performance. A quantitative approach was selected because the study aimed to measure the relationships among variables using numerical data analyzed through statistical methods. The causal design was applied to examine the cause-and-effect relationship between the independent variables, namely transformational leadership and the work environment, and the dependent variable, employee performance.

The research was conducted at the Training and Job Placement Division (PPTK) of the Department of Industry and Manpower of Surabaya City, located at Jl. Penjaringan Asri No. 36, Penjaringan Sari, Rungkut, Surabaya. The study population consisted of all employees working in the PPTK Division, totaling 36 employees. Because the population was relatively small, this study applied a non-probability sampling technique using saturated sampling (census), in which all members of the population were included as research respondents. Thus, the sample comprised all 36 employees of the PPTK Division.

The study collected both primary and secondary data. Primary data were obtained through a structured questionnaire distributed to all respondents to measure transformational leadership, the work environment, and employee performance. The questionnaire employed a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Transformational leadership was measured using four indicators: charisma, inspirational motivation, individual consideration, and intellectual stimulation. The work environment variable consisted of physical and non-physical work environment indicators, while employee performance was measured using the indicators of work quality, work quantity, and timeliness. Secondary data were collected through organizational documents, institutional archives, official reports, books, scientific journals, official websites, and other relevant literature to support the research.

Data analysis was performed using SPSS software. Before hypothesis testing, the research instrument was evaluated through validity and reliability tests. Furthermore, classical assumption tests consisting of the Kolmogorov–Smirnov normality test, multicollinearity test using Tolerance

and Variance Inflation Factor (VIF) values, and the Glejser heteroscedasticity test were conducted to ensure that the regression model met the required assumptions. The research hypotheses were then tested using multiple linear regression analysis. The coefficient of determination (R^2) was used to measure the explanatory power of the model, while the F-test examined the simultaneous effects of the independent variables on employee performance and the t-test evaluated the partial effect of each independent variable. Statistical significance was determined at the 5% significance level (0.05).

RESULTS AND DISCUSSION

RESULT

This study involved 36 employees of the Training and Job Placement Division (PPTK) of the Department of Industry and Manpower of Surabaya City as respondents. Before testing the research hypotheses, the questionnaire instrument was evaluated through validity and reliability tests, followed by classical assumption tests to ensure that the regression model met the required assumptions. Subsequently, multiple linear regression analysis, the coefficient of determination, the F-test, and the t-test were performed to examine the proposed hypotheses.

Instrument Testing

The validity test was conducted to determine whether each questionnaire item was capable of measuring the intended research variable. The decision was based on the comparison between the calculated correlation coefficient (r_{count}) and the critical value of r_{table} . With 36 respondents, the r_{table} value was 0.3291 at a significance level of 0.05. The results showed that all questionnaire items measuring transformational leadership, work environment, and employee performance had r_{count} values greater than r_{table} . Therefore, all measurement items were declared valid and suitable for further analysis.

Table 1. Validity Test Results

Variabel/Indikator		Korelasi	r Tabel	sig	Keterangan
Kepemimpinan Transformasional (X1)	X1.1	0.843	0.3291	0.000	Valid
	X1.2	0.733	0.3291	0.000	Valid
	X1.3	0.794	0.3291	0.000	Valid
	X1.4	0.589	0.3291	0.000	Valid
	X1.5	0.729	0.3291	0.000	Valid
	X1.6	0.536	0.3291	0.001	Valid
	X1.7	0.706	0.3291	0.000	Valid
	X1.8	0.613	0.3291	0.000	Valid
	X1.9	0.644	0.3291	0.000	Valid
	X1.10	0.726	0.3291	0.000	Valid

	X1.11	0.704	0.3291	0.000	Valid
	X1.12	0.694	0.3291	0.000	Valid
Lingkungan Kerja	X2.1	0.629	0.3291	0.000	Valid
	X2.2	0.477	0.3291	0.003	Valid
	X2.3	0.479	0.3291	0.003	Valid
	X2.4	0.511	0.3291	0.001	Valid
	X2.5	0.548	0.3291	0.001	Valid
	X2.6	0.417	0.3291	0.011	Valid
	X2.7	0.754	0.3291	0.000	Valid
	X2.8	0.805	0.3291	0.000	Valid
	X2.9	0.538	0.3291	0.001	Valid
	X2.10	0.717	0.3291	0.000	Valid
	X2.11	0.607	0.3291	0.000	Valid
	X2.12	0.646	0.3291	0.000	Valid
	X2.13	0.746	0.3291	0.000	Valid
	X2.14	0.546	0.3291	0.001	Valid
	X2.15	0.591	0.3291	0.000	Valid
	X2.16	0.699	0.3291	0.000	Valid
	X2.17	0.594	0.3291	0.000	Valid
	X2.18	0.658	0.3291	0.000	Valid
	X2.19	0.598	0.3291	0.000	Valid
	X2.20	0.686	0.3291	0.000	Valid
	X2.21	0.547	0.3291	0.001	Valid
	X2.22	0.670	0.3291	0.000	Valid
	X2.23	0.620	0.3291	0.000	Valid
	X2.24	0.811	0.3291	0.000	Valid
Kinerja Pegawai (Y)	Y1.1	0.428	0.3291	0.009	Valid
	Y1.2	0.457	0.3291	0.005	Valid

	Y1.3	0.598	0.3291	0.000	Valid
	Y1.4	0.660	0.3291	0.000	Valid
	Y1.5	0.668	0.3291	0.000	Valid
	Y1.6	0.601	0.3291	0.000	Valid
	Y1.7	0.600	0.3291	0.000	Valid
	Y1.8	0.604	0.3291	0.000	Valid
	Y1.9	0.567	0.3291	0.000	Valid

The reliability test was subsequently performed using Cronbach's Alpha to evaluate the internal consistency of the research instrument. The results indicated that the transformational leadership variable obtained a Cronbach's Alpha value of 0.901, the work environment variable obtained 0.927, and the employee performance variable obtained 0.741. Since all values exceeded the minimum reliability criterion of 0.60, all research variables were considered reliable and appropriate for data analysis.

Table 2. Reliability Test Results

Variabel	Cronbach's Alpha Hitung	Cronbach's Alpha Minimum	Keterangan
Kepemimpinan Transformasional (X1)	0.901	0.6	Reliabel
Lingkungan Kerja (X2)	0.927	0.6	Reliabel
Kinerja Pegawai (Y)	0.741	0.6	Reliabel

Classical Assumption Tests

The normality test was conducted using the Kolmogorov–Smirnov method. The analysis produced an Asymp. Sig. (2-tailed) value of 0.200, which exceeded the significance level of 0.05. These findings indicate that the residuals were normally distributed and that the normality assumption required for multiple linear regression analysis was satisfied.

Table 3. Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		36
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	2.16762220
Most Extreme Differences	Absolute	.098
	Positive	.081
	Negative	-.098
Test Statistic		.098

Asymp. Sig. (2-tailed)	.200 ^{c,d}
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The multicollinearity test was evaluated using the Tolerance and Variance Inflation Factor (VIF) values. Both independent variables showed a Tolerance value of 0.976 and a VIF value of 1.024. These results satisfy the required criteria, indicating that no multicollinearity existed between the independent variables. Accordingly, the regression model fulfilled the multicollinearity assumption.

Table 4. Multicollinearity Test Results

Coefficients ^a			
Collinearity Statistics			
Model		Tolerance	VIF
1	X1	.976	1.024
	X2	.976	1.024

The heteroscedasticity test was conducted using the Glejser method. The significance values for all independent variables exceeded the significance threshold of 0.05, indicating that the regression model did not exhibit heteroscedasticity. Therefore, the assumption of homoscedasticity was fulfilled, and the regression model was considered appropriate for hypothesis testing.

Table 5. Heteroscedasticity Test Results

Coefficients ^a					
Model		Unstandardized Coefficients		Standardized Coefficients	
		B	Std. Error	Beta	
1	(Constant)	-.965	3.051		-.316
	X1	.007	.039	.030	.174
	X2	.025	.021	.206	1.196
					.754
					.863
					.240

Multiple Linear Regression Analysis

Multiple linear regression analysis was employed to examine the effects of transformational leadership and the work environment on employee performance. The estimated regression equation was as follows:

$$Y = -2.569 + 0.298X_1 + 0.168X_2$$

The regression coefficients indicate that transformational leadership (X_1) and the work environment (X_2) have positive coefficients, suggesting that improvements in either variable are associated with higher employee performance, assuming the other variable remains constant.

Table 6. Multiple Linear Regression Results

Coefficients ^a				
Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.

	B	Std. Error	Beta		
1	(Constant)	-2.569	5.924	-.434	.667
	X1	.298	.075	.513	.000
	X2	.168	.041	.532	.000

Coefficient of Determination

The coefficient of determination analysis showed that the regression model explained 42.9% of the variation in employee performance, while the remaining 57.1% was explained by other variables outside the scope of this study. These findings indicate that transformational leadership and the work environment jointly provide a moderate contribution to explaining employee performance in the PPTK Division.

Table 7. Coefficient of Determination Results

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.680 ^a	.462	.429	2.232

Hypothesis Testing

The simultaneous effect of transformational leadership and the work environment on employee performance was examined using the F-test. The analysis produced an $F = 14.158$ with a significance value of 0.000. Since the significance value was below 0.05, the first hypothesis was accepted, indicating that transformational leadership and the work environment simultaneously had a significant effect on employee performance.

Table 8. F-test Results

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	141.105	2	70.553	14.158	.000 ^b
	Residual	164.451	33	4.983		
	Total	305.556	35			

The partial effects of each independent variable were examined using the t-test. The results showed that Transformational Leadership (X_1) obtained a significance value of 0.000 (Sig. < 0.05), indicating a positive and significant effect on Employee Performance. Similarly, the Work Environment (X_2) obtained a significance value of 0.000 (Sig. < 0.05), demonstrating a positive and significant effect on Employee Performance. Therefore, both the second hypothesis (H2) and the third hypothesis (H3) were supported. Furthermore, the dominant variable analysis was conducted by comparing the standardized beta coefficients of the independent variables. The results revealed that the Work Environment (X_2) had the highest standardized beta coefficient (0.532), followed by Transformational Leadership (X_1) (0.513). This indicates that the Work Environment is the most dominant variable influencing Employee Performance.

Table 9. t-test Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.569	5.924		-.434	.667
	X1	.298	.075	.513	3.967	.000
	X2	.168	.041	.532	4.114	.000

DISCUSSION

The Effect of Transformational Leadership and Work Environment on Employee Performance

The results of the F-test indicate that transformational leadership and the work environment simultaneously have a positive and significant effect on employee performance in the Training and Job Placement Division (PPTK) of the Department of Industry and Manpower of Surabaya City. The statistical analysis showed that $F_{count} = 14.158$ with $Sig. = 0.000$, indicating that the two independent variables jointly influence employee performance. These findings suggest that employee performance is affected by the combined implementation of transformational leadership and the creation of a supportive work environment. The findings of this study are consistent with those reported by (Sari and Mayasari, 2025), who concluded that transformational leadership and the work environment simultaneously have a positive and significant effect on employee performance. Similarly, (Lempoy et al., 2025) found that both variables significantly influenced employee performance simultaneously. These consistent findings indicate that effective leadership supported by a conducive work environment contributes to improving employee performance. Therefore, the first hypothesis proposed in this study is accepted.

The Effect of Transformational Leadership on Employee Performance

The t-test results demonstrate that transformational leadership has a positive and significant effect on employee performance. The statistical analysis produced $t_{count} = 3.967$, $Sig. = 0.000$. These findings indicate that improvements in transformational leadership are associated with higher employee performance in the PPTK Division. The findings support the concept proposed by (Panggabean et al., 2024), which states that transformational leadership encourages leaders to motivate, inspire, and empower employees to achieve organizational goals. Through effective communication, guidance, and attention to employees' needs, leaders are able to create a positive working atmosphere that encourages employees to perform their duties more effectively. The results are also consistent with previous empirical studies. (Setiadi et al., 2022) reported that transformational leadership positively and significantly affected employee performance. Likewise, (Silpia et al., 2022) found that transformational leadership had a significant positive effect on employee performance. Similar findings were reported by (Sari and Mayasari, 2025) and (Lempoy et al., 2025), who concluded that transformational leadership significantly improved employee performance. The consistency between the present findings and previous studies indicates that transformational leadership remains an important factor influencing employee performance across different organizational settings, including public sector institutions. Therefore, the second

hypothesis is accepted.

The Effect of Work Environment on Employee Performance

The results of the t-test indicate that the work environment has a positive and significant effect on employee performance. The analysis produced $t_{count} = 4.114$, $Sig. = 0.000$. These findings indicate that improvements in the work environment are associated with increased employee performance in the PPTK Division. According to (Arinawati and Suryadi, 2021), a conducive work environment creates comfortable working conditions that enable employees to perform their responsibilities effectively and achieve organizational objectives. A supportive work environment, including adequate facilities and harmonious interpersonal relationships, contributes to increased motivation and productivity, which ultimately enhances employee performance. The findings of this study are in line with those reported by (Dewi and Kusumasari, 2024), who found that the work environment had a positive and significant effect on employee performance. Similar results were reported by (Sari and Mayasari, 2025) and (Lempoy et al., 2025), who concluded that the work environment significantly improved employee performance. However, the present findings differ from those of (Silpia et al., 2022), who reported that the work environment did not have a significant partial effect on employee performance. These differences may be attributed to variations in research settings and organizational characteristics, as the present study was conducted within the Training and Job Placement Division (PPTK) of the Department of Industry and Manpower of Surabaya City, whereas previous studies were carried out in different organizational contexts. Therefore, the third hypothesis is accepted.

CONCLUSION

This study examined the effects of transformational leadership and the work environment on employee performance in the Training and Job Placement Division (PPTK) of the Department of Industry and Manpower of Surabaya City. Based on the results of the data analysis, transformational leadership and the work environment simultaneously have a positive and significant effect on employee performance. These findings indicate that the synergy between effective transformational leadership and a supportive work environment contributes to improving employee performance. Partially, transformational leadership was found to have a positive and significant effect on employee performance. Leaders who inspire, motivate, respond to employees' needs, and encourage competency development are able to enhance employees' effectiveness in carrying out their responsibilities. Likewise, the work environment also has a positive and significant effect on employee performance. A conducive physical and psychosocial work environment creates a safe, comfortable, and harmonious workplace that supports employees in performing their duties more productively. Therefore, all proposed research hypotheses were accepted.

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