



THE IMPACT OF TRANSFORMATIONAL LEADERSHIP AND WORK MOTIVATION ON EMPLOYEE PERFORMANCE: EVIDENCE FROM BANK BRI IN NORTH LUWU REGENCY

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ABSTRACT

This study aims to examine the effects of transformational leadership and work motivation on employee performance at Bank BRI in North Luwu Regency. A quantitative survey approach was employed by distributing questionnaires to 112 respondents. Data were analyzed using validity and reliability tests, multiple linear regression, t-tests, F-tests, and the coefficient of determination (R^2) with IBM SPSS Statistics version 26. The results indicate that, partially, transformational leadership had a negative and insignificant effect on employee performance, whereas work motivation had a positive and significant effect. The insignificant effect of transformational leadership suggests that employee performance is influenced more by standardized work systems and employees' motivation than by leadership practices alone. Simultaneously, transformational leadership and work motivation significantly affected employee performance. The coefficient of determination ($R^2 = 0.649$) indicates that the two independent variables explained 64.9% of the variance in employee performance, while the remaining 35.1% was attributable to other factors beyond the scope of this study.

1. INTRODUCTION

Over the past two decades, the rapid advancement of digital technology has brought about profound transformations in the banking industry, characterized by the emergence of mobile banking services, increasingly integrated service systems, and the capability to process customer data in real time. This transformation has created new demands on human resources, requiring employees to adapt rapidly to technological developments while consistently maintaining optimal levels of performance. In an increasingly competitive environment, employees have become strategic assets in maintaining service quality and ensuring organizational sustainability. Therefore, transformational leadership is regarded as a crucial factor because it enables leaders to articulate a clear vision, inspire employees, and foster innovation in responding to digital transformation. This leadership style has been shown to enhance employees' trust, motivation, commitment, and readiness to embrace organizational change (Mahmud & Sopiah, 2022). These findings suggest that the success of digital transformation depends not only on the superiority of technological infrastructure but also on the quality of leadership capable of directing, inspiring, and empowering employees to adapt effectively to evolving organizational demands. Consequently, transformational leadership has become a strategic factor in improving employee performance within the banking sector amid the accelerating pace of digitalization.

In addition to leadership, work motivation represents a key determinant influencing employees' attitudes, enthusiasm, and job performance in contemporary organizations. Motivation functions not only as a psychological driving force but also as a managerial instrument that significantly affects productivity and work effectiveness. Employees' motivational drive has been found to exert a positive and significant influence on performance, both directly and indirectly through job satisfaction as an intervening variable, thereby establishing an integrated causal relationship within organizational behavior (Ikhsan & Supartha, 2020). Likewise, both intrinsic and extrinsic motivation have been demonstrated to contribute significantly to improving employee performance (Potu et al., 2021). Furthermore, the implementation of technology-

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based human resource management systems has been shown to enhance operational efficiency, transparency, and decision-making accuracy (Haratua et al., 2025). Nevertheless, the successful utilization of such technologies largely depends on leadership's ability to foster employee motivation, enabling technology to be adopted and utilized effectively. This highlights the interconnected relationship among transformational leadership, work motivation, and employee performance in the digital era.

Although numerous studies have examined the relationships between transformational leadership, work motivation, and employee performance, several important gaps remain. First, previous research has primarily focused on large organizations, state-owned enterprises, and banking institutions at the national level, while empirical evidence from regional banking offices remains limited. Second, prior studies generally report positive effects of transformational leadership on employee performance, either directly or through mediating variables such as organizational commitment, organizational culture, work motivation, and job satisfaction. However, limited attention has been given to whether these relationships remain consistent within regional banking offices operating in an increasingly digitalized work environment. As digital transformation continues to reshape banking operations, employees are required not only to adapt to technology-enabled work systems but also to maintain high performance under standardized operational procedures. These organizational characteristics may influence the extent to which transformational leadership and work motivation contribute to employee performance, particularly in regional banking institutions.

To address these gaps, this study examines the effects of transformational leadership and work motivation on employee performance at Bank BRI in North Luwu Regency through both partial and simultaneous analyses. By focusing on a regional banking office undergoing digital transformation, this study extends empirical evidence on leadership, motivation, and employee performance in an organizational context that has received limited scholarly attention. The findings are expected to enrich the human resource management literature while providing practical recommendations for banking managers to strengthen leadership effectiveness, enhance employee motivation, and improve employee performance in response to digital transformation.

2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Transformational Leadership

Transformational leadership is understood as a leadership approach that not only focuses on achieving organizational goals but also seeks to cultivate positive values, enhance employees' motivation, and stimulate constructive change among followers. This leadership style has been recognized for its ability to elevate employees' expectations and performance through visionary influence and inspirational guidance (Kolomboy, 2023). Likewise, transformational leadership emphasizes inspiration, intellectual stimulation, and employee empowerment, encouraging followers to exceed established performance standards (Akbar, 2024). Leaders play a vital role in developing individual potential, aligning personal goals with organizational objectives, and fostering commitment and creativity in responding to organizational change. In the era of globalization and rapid digital transformation, transformational leadership has become increasingly essential. Technological advancements, including digitalization and artificial intelligence (AI), require leaders who are adaptive, forward-looking, and capable of integrating innovation into organizational strategies. Furthermore, the growing complexity of business environments, cultural diversity, and economic uncertainty demands strong analytical capabilities, strategic direction, and effective decision-making skills. Under these circumstances, transformational leadership serves as a key driver of organizational change by fostering trust, promoting open communication, and encouraging employees' active participation in achieving shared organizational goals.

Effective transformational leaders establish strong relationships with employees, understand their individual needs, provide constructive feedback, and create a work environment that encourages participation, creativity, and a sense of belonging (Gofur et al., 2024). Their ability to manage conflict and facilitate employee development further strengthens work motivation and team performance. Rather than merely directing organizational activities, transformational leaders inspire organizational growth by cultivating commitment and encouraging employees to realize their full potential. Evidence from the service sector also demonstrates that the four core dimensions of transformational leadership—idealized

influence, inspirational motivation, intellectual stimulation, and individualized consideration—have a positive effect on employee performance (Alhamidi, 2022). These findings indicate that transformational leadership influences performance not only through formal authority but also by inspiring employees through exemplary behavior, intellectual encouragement, and individualized support. Such leadership practices contribute to improved service quality and higher employee performance. Within the banking industry, where employee interactions with customers are frequent and intensive, leadership that strengthens motivation, commitment, and positive work behavior is essential for maintaining service excellence and sustaining competitive advantage. Therefore, transformational leadership can be regarded as a leadership style that motivates, empowers, and optimizes employee performance through a clear vision, strong organizational values, and a commitment to constructive organizational change.

According to the transformational leadership framework developed by Bass and Avolio, as discussed by Northouse (2021), transformational leadership consists of four fundamental dimensions: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. These dimensions function as the primary mechanisms through which leaders influence followers and facilitate organizational transformation. These components represent leadership characterized by vision, inspiration, innovation, and a strong commitment to human resource development, making them highly relevant in the context of the Digital 5.0 era (Ningsih et al., 2025). Collectively, these dimensions strengthen the emotional bond between leaders and employees, reinforce organizational commitment, enhance job satisfaction, and improve employee performance. Idealized influence reflects leaders who demonstrate integrity, ethical behavior, and consistency, thereby earning employees' trust and motivating them to emulate these values. Inspirational motivation refers to leaders' ability to communicate a compelling and meaningful vision that fosters optimism, enthusiasm, and collective commitment. Intellectual stimulation encourages employees to think critically, embrace innovation, and solve problems creatively by remaining open to new ideas. Meanwhile, individualized consideration reflects leaders' concern for employees' unique needs and potential through mentoring, coaching, and empowerment, thereby strengthening employees' sense of value, organizational loyalty, and long-term performance.

H1: Transformational leadership has a significant effect on employee performance at Bank BRI in North Luwu Regency.

Work Motivation

Work motivation refers to the psychological force that drives employees to perform their duties creatively and effectively while achieving optimal performance. It functions as an internal stimulus that encourages individuals to fulfill their responsibilities and organizational obligations. When employees possess a high level of motivation, they are more likely to experience enthusiasm, vitality, and job satisfaction, which ultimately contribute to improved work quality and overall organizational performance (Sunyoto & Wagiman, 2023). Etymologically, the term *motivation* originates from the Latin verb *movere*, meaning "to move" or "to drive." This conceptual origin implies that work behavior is fundamentally energized by an internal driving force that directs individuals toward the achievement of desired goals (Muflihini, 2024). Therefore, employee performance depends not only on technical competence and professional capability but also on the intensity of motivational forces arising from both internal and external sources. Various motivational theories summarized by Sunyoto and Wagiman (2023) provide a comprehensive explanation of how employee behavior is influenced by individual needs, perceptions, goal clarity, and expectations regarding rewards and outcomes (Sunyoto & Wagiman, 2023). Maslow's Hierarchy of Needs and Alderfer's ERG Theory suggest that the fulfillment of human needs, ranging from basic physiological needs to self-actualization, serves as the foundation for employees' work motivation. McGregor's Theory X and Theory Y explains that managers' assumptions regarding employees' characteristics determine whether motivational approaches emphasize control or empowerment. Furthermore, Herzberg's Two-Factor Theory argues that genuine job satisfaction and work motivation originate primarily from intrinsic factors, including achievement, recognition, responsibility, and opportunities for personal growth, rather than from external working conditions. Likewise, McClelland's

Theory of Needs, Cognitive Evaluation Theory, Locke and Latham's Goal-Setting Theory, Skinner's Reinforcement Theory, and Vroom's Expectancy Theory collectively emphasize that motivation is shaped by the interaction between intrinsic desires, reward systems, clearly defined goals, and employees' beliefs that their efforts will result in valuable performance outcomes. Collectively, these theoretical perspectives provide a strong conceptual foundation for understanding work motivation as a strategic determinant of employee attitudes, organizational commitment, and job performance.

From a practical organizational perspective, work motivation can be categorized into two primary dimensions: intrinsic motivation and extrinsic motivation (Potu et al., 2021). Intrinsic motivation is reflected in employees' sense of achievement, recognition, meaningful work, responsibility, and opportunities for personal development. Achievement and recognition strengthen employees' perceptions of competence, meaningful work fosters emotional attachment to organizational goals, responsibility reinforces trust, and opportunities for development encourage long-term career growth. Together, these factors generate an internal drive that motivates employees to achieve high performance without relying exclusively on external incentives. In contrast, extrinsic motivation is associated with organizational policies and administrative practices, supervisory quality, and interpersonal relationships within the workplace. Fair organizational policies, competent supervision, and harmonious working relationships create a supportive and secure work environment, thereby reducing dissatisfaction while reinforcing intrinsic motivation. Based on both theoretical perspectives and empirical evidence, work motivation—whether derived from internal psychological factors or external organizational conditions—can be regarded as one of the primary determinants of employee behavior and performance. The fulfillment of employees' needs, the establishment of clear organizational goals, the provision of equitable rewards, and continuous organizational support are essential prerequisites for sustaining employee motivation. Consequently, work motivation should be understood not merely as a psychological construct but also as a strategic organizational variable that directly and indirectly influences individual effectiveness and overall organizational success.

H2: Work motivation has a significant effect on employee performance at Bank BRI in North Luwu Regency.

Employee Performance in this Digital Era

Employee performance is generally defined as the extent to which individuals accomplish their assigned duties and responsibilities in accordance with predetermined standards and organizational objectives (Silaen et al., 2021; Nurdin et al., 2023; Budiyo & Mochklas, 2020). It reflects employees' contributions to organizational success through the effective execution of their responsibilities. From a managerial perspective, employee performance is assessed based on work quality, productivity, competence, professional knowledge, responsibility, and individual initiative (Rivaldi, 2021). These indicators demonstrate that employee performance is a multidimensional construct influenced by employees' competencies, behavioral characteristics, and the organizational work environment. Although digital transformation creates new operational demands, employee performance remains primarily determined by the extent to which individuals effectively fulfill their responsibilities and contribute to organizational objectives.

Digital Transformation in the Banking Industry

The transition toward the digital era has fundamentally transformed organizational operations across various industries, including the banking sector. Conceptually, the term digital originally referred to numerical systems but has evolved to represent an era in which digital technologies underpin economic, social, educational, business, and cultural activities (Biscontin, 2025). Digitalization has become a key driver of organizational transformation by reshaping work processes, organizational relationships, and value creation. The adoption of advanced technologies, including Artificial Intelligence (AI), the Internet of Things (IoT), and automation, enables organizations to improve operational efficiency, accelerate data-driven decision-making, and continuously develop innovative services. Furthermore, digitalization has facilitated the emergence of new business models, such as servitization, which shifts organizational strategies from product-oriented approaches toward digitally enabled service solutions (Reis et al., 2020). These developments demonstrate that digitalization has become an important contextual factor influencing organizational competitiveness and strategic management.

Within the banking industry, the adoption of digital technologies has become essential for improving service quality and maintaining competitiveness. The implementation of mobile banking, internet banking, and digital information systems has streamlined transaction processes, improved data accuracy, and expanded customer service accessibility (Kurniawan et al., 2021). In addition, digitalization enhances operational efficiency through process automation and requires employees to continuously develop digital competencies and adapt to changing work environments. Therefore, the digital era provides the organizational context in which employees are expected to perform more effectively while responding to evolving technological demands.

H3: Transformational leadership and work motivation simultaneously have a significant effect on employee performance at Bank BRI in North Luwu Regency.

Previous Studies

Previous empirical studies consistently demonstrate that transformational leadership positively influences employee performance, either directly or through various mediating mechanisms. Work motivation has been identified as an important mediator linking transformational leadership to employee performance (Dewantoro, 2023). In organizations undergoing digital transformation, transformational leadership significantly enhances employee performance when supported by a conducive work environment and by strengthening innovation, strategic collaboration, and employees' adaptability to technological change (Rasyid et al., 2024; Yustika, 2025). Other studies further show that transformational leadership, organizational culture, and work motivation jointly improve employee performance (Daeli et al., 2024). The relationship between transformational leadership and employee performance is also strengthened through mediating variables such as Islamic work ethics (Yulisharsasi et al., 2022), organizational commitment (Fauzan et al., 2023), employee competence (Yanti & Mursidi, 2021), and job autonomy (Ramadhani & Indawati, 2021). Although transformational leadership consistently exerts a positive and significant effect on employee performance, achievement motivation (Savira et al., 2022) and job satisfaction (Deddy, 2022) have not consistently served as significant mediating variables.

3. METHODS

This study employed a descriptive quantitative approach to examine the effects of transformational leadership and work motivation on employee performance at Bank BRI in North Luwu Regency. A quantitative approach was selected because the research involved numerical data analyzed using statistical procedures (Sugiyono, 2025). Descriptive statistics were used to summarize respondents' characteristics and the distribution of research variables, whereas inferential statistics were employed to examine the relationships among the variables (Prasojo & Ariyanti, 2020; Supriadi, 2021). The research was conducted at Bank BRI branches and operational units in North Luwu Regency over a two-month period, from October to November 2025. The research location was selected purposively based on the researcher's accessibility to respondents, the availability of institutional permission, and the feasibility of data collection within the organization. The study population comprised all employees working at Bank BRI branch offices and operational units in North Luwu Regency. According to Sugiyono (2025) and Machali (2021), a population refers to the entire group of elements possessing characteristics relevant to the objectives of a study. Based on organizational records, the total population consisted of 112 employees. Because the population size was relatively small, this study employed a census (total sampling) technique, whereby all members of the population were included as research respondents. This approach was adopted to maximize representativeness and eliminate sampling error associated with sample selection (Sugiyono, 2025; Machali, 2021). Consequently, all 112 employees participated in the study.

Primary data were collected through a structured questionnaire distributed directly to the respondents. The instrument was developed based on indicators of transformational leadership, work motivation, and employee performance and consisted of 17 measurement items assessed using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Prior to data collection, the questionnaire was subjected to validity and reliability testing to ensure the accuracy, consistency, and stability of the measurement instrument (Sugiyono, 2025). This study examined three variables:

transformational leadership (X_1) as the first independent variable, work motivation (X_2) as the second independent variable, and employee performance (Y) as the dependent variable. Each variable was operationalized using established indicators measured on a five-point Likert scale, with higher scores indicating stronger agreement with each statement. The collected data were analyzed using multiple linear regression analysis to examine the partial and simultaneous effects of transformational leadership and work motivation on employee performance (Sugiyono, 2025; Machali, 2021).

The regression model used in this study is expressed as follows:

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + e \quad (1)$$

where:

a = constant (intercept)

β = regression coefficient

X_1 = Transformational Leadership (Independent Variable 1)

X_2 = Work Motivation (Independent Variable 2)

Y = Employee Performance (Dependent Variable)

e = error term (residual)

The analytical procedures included validity testing, reliability testing, multiple linear regression analysis, partial hypothesis testing (t-test), simultaneous hypothesis testing (F-test), and calculation of the coefficient of determination (R^2). Instrument reliability was evaluated using Cronbach's Alpha, with a minimum acceptable value of $\alpha \geq 0.70$ (Machali, 2021). The t-test was employed to examine the partial effect of each independent variable on employee performance, whereas the F-test was used to evaluate their simultaneous effect. Furthermore, the coefficient of determination (R^2) was calculated to determine the proportion of variance in employee performance explained jointly by transformational leadership and work motivation. Item validity was assessed by comparing the calculated correlation coefficient (r-value) with the critical r-table value at the 5% significance level (Sugiyono, 2025; Zahriyah et al., 2021; Fauzi, 2023).

Table 1. Questionnaire Response Rate

Questionnaires distributed	112
Questionnaires returned	112
Incomplete questionnaires	0
Valid questionnaires for analysis	112

4. RESULTS AND DISCUSSIONS

Results

Validity Test

The validity test was conducted using a 5% significance level, with a critical r-table value of 0.186 ($df = 110$). As presented in Table 2, all measurement items for Transformational Leadership (X_1), Work Motivation (X_2), and Employee Performance (Y) produced r-count values exceeding the critical r-table value. Therefore, all questionnaire items were considered valid and appropriate for measuring their respective constructs.

Table 2. Validity Test Results

Variable	Item	r-count	r-table	Interpretation
Transformational leadership (X_1)	Item 1	.314**	0,186	Valid
	Item 2	.544**	0,186	Valid
	Item 3	.719**	0,186	Valid
	Item 4	.631**	0,186	Valid
Variable	Item	r-count	r-table	Interpretation
	Item 1	.762**	0,186	Valid
	Item 2	.717**	0,186	Valid
	Item 3	.615**	0,186	Valid

Variable	Item	r-count	r-table	Interpretation
Work Motivation (X ₂)	Item 4	.801**	0,186	Valid
	Item 5	.768**	0,186	Valid
	Item 6	.644**	0,186	Valid
	Item 7	.663**	0,186	Valid
	Item 8	.841**	0,186	Valid
Variable	Item	r-count	r-table	Interpretation
Employee Performance (Y)	Item 1	.704**	0,186	Valid
	Item 2	.780**	0,186	Valid
	Item 3	.696**	0,186	Valid
	Item 4	.535**	0,186	Valid
	Item 5	.609**	0,186	Valid

Source: Processed data using IBM SPSS Statistics Version 26.

Reliability Test

Instrument reliability was evaluated using Cronbach's Alpha, which measures the internal consistency of the research instrument. A Cronbach's Alpha coefficient of 0.70 or higher is generally considered acceptable for quantitative research (Fauzi, 2023). As shown in Table 3, the instrument achieved a Cronbach's Alpha value of 0.919, exceeding the recommended threshold. Therefore, all questionnaire items were considered reliable, indicating a high level of internal consistency.

Table 3. Reliability Test Results

Reability Statistics			
Cronbach's Alpha	Standar Reabilitas	N of Items	Interpretation
0,919	0,70	17	Reliable

Source: Processed data using IBM SPSS Statistics Version 26.

Multiple Linear Regression Analysis

Based on the regression analysis, the multiple linear regression model describing the effects of transformational leadership (X_1) and work motivation (X_2) on employee performance (Y) in the digital era at Bank BRI in North Luwu Regency is expressed as follows:

$$Y = 5.452 - 0.135X_1 + 0.527X_2 + e$$

The regression equation can be interpreted as follows.

1. The constant value of 5.452 indicates that when both transformational leadership and work motivation are assumed to have no effect (equal to zero), employee performance is expected to have a baseline value of 5.452.
2. The regression coefficient for transformational leadership is -0.135 , indicating that a one-unit increase in transformational leadership is associated with a 0.135-unit decrease in employee performance, assuming work motivation remains constant. The negative coefficient suggests an inverse relationship between transformational leadership and employee performance.
3. The regression coefficient for work motivation is 0.527 , indicating that a one-unit increase in work motivation is associated with a 0.527-unit increase in employee performance, assuming transformational leadership remains constant. The positive coefficient indicates a direct relationship between work motivation and employee performance.

Table 4. Multiple Linear Regression Coefficients

		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
Model						
1	(Constant)	5.452	1.264		4.314	.000
	Transformational Leadership	-.135	.072	-.130	-1.862	.065
	Work Motivation	.527	.042	.874	12.539	.000

a. Dependent Variable: Employee Performance

Source: Processed data using IBM SPSS Statistics Version 26.

Partial Test (t-test)

Table 5. Partial Test (t-test) Results

Variable	T value	T Table	Sig.	Interpretation
Transformational Leadership	-1.862	1.982	.065	Not Significant
Work Motivation	12.539	1.982	.000	Significant

Source: Processed data using IBM SPSS Statistics Version 26.

The partial hypothesis testing produced the following results.

1. First, transformational leadership yielded a t-value of -1.862 with a significance level of 0.065. Since the absolute t-value was lower than the critical t-value (1.982) and the significance level exceeded 0.05, transformational leadership had a negative but statistically insignificant effect on employee performance in the digital era at Bank BRI in North Luwu Regency.
2. Second, work motivation produced a t-value of 12.539 with a significance level of 0.000. Because the calculated t-value exceeded the critical value and the significance level was below 0.05, work motivation had a positive and statistically significant effect on employee performance.

Simultaneous Test (F-Test)

The results of the simultaneous significance test indicate an F-value of 100.576 with a significance level of 0.000. Since the calculated F-value exceeded the critical F-table value (3.08) and the significance level was below 0.05, the regression model was considered statistically significant. These findings indicate that transformational leadership and work motivation jointly have a significant effect on employee performance at Bank BRI in North Luwu Regency.

Table 6. Simultaneous Test (F-test) Results

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	490.102	2	245.051	100.576	.000 ^b
	Residual	265.577	109	2.436		
	Total	755.679	111			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Transformational Leadership, Work Motivation

Source: Processed data using IBM SPSS Statistics Version 26.

Coefficient of Determination (R^2)

Table 7. Coefficient of Determination (R^2)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.805 ^a	.649	.642	1.561

a. Dependent Variable: Employee Performance

Source: Processed data using IBM SPSS Statistics Version 26.

The coefficient of correlation ($R = 0.805$) indicates a strong positive relationship between transformational leadership, work motivation, and employee performance. Meanwhile, the coefficient of determination ($R^2 = 0.649$) indicates that 64.9% of the variation in employee performance can be explained jointly by transformational leadership and work motivation. The remaining 35.1% is attributable to other variables that were not included in the research model.

Discussion

The findings of this study reveal that the relationships between transformational leadership (X_1), work motivation (X_2), and employee performance (Y) at Bank BRI in North Luwu Regency are not uniform. When examined individually, transformational leadership exhibited a negative and statistically insignificant effect on employee performance. This finding indicates that transformational leadership alone is insufficient to directly improve employee performance within the context of an increasingly digitalized banking environment. One possible explanation is that employees' performance is now influenced more strongly by standardized operational procedures, technology-enabled work systems, and clearly defined performance targets than by leadership style alone. This finding is consistent with the study conducted by Syafputra (2025) at PT Smoot Ritel Indonesia, Jakarta, which reported that transformational leadership had a negative and statistically insignificant effect on employee performance, whereas work motivation demonstrated a positive and significant influence (Syafputra, 2025). Similar evidence was reported by Husain and Novendri (2026), who found that employee performance at PT Bumi Berkah Boga, South Jakarta, was influenced primarily by systematic work procedures, procedural fairness, and employee satisfaction rather than by the inspirational qualities of organizational leaders (Husain & Novendri, 2026). Likewise, Fadilah et al. (2023) concluded that transformational leadership did not directly influence employee performance at PT Enseval Putera Megatrading Tbk, Jambi Branch; instead, its effect was transmitted indirectly through organizational commitment (Fadilah et al., 2023).

Collectively, these findings suggest that transformational leadership may influence employee performance indirectly by strengthening employees' psychological attachment, organizational commitment, and emotional engagement rather than by producing immediate improvements in work outcomes. Within highly structured and technology-driven organizations such as modern banking institutions, employee performance appears to depend more heavily on effective organizational systems, standardized operational procedures, and employees' intrinsic motivation than on leadership behavior alone. Therefore, the present findings reinforce the growing body of empirical evidence indicating that, in the digital era, employee performance is increasingly shaped by systematic work processes and motivational factors rather than solely by transformational leadership. In contrast, work motivation (X_2) demonstrated a positive and statistically significant effect on employee performance. This finding confirms that motivated employees are more likely to demonstrate higher productivity, stronger organizational commitment, and greater adaptability to technological change. As digital transformation continues to reshape banking operations, employees who possess strong intrinsic and extrinsic motivation are better equipped to achieve superior performance while responding effectively to evolving organizational demands.

The present findings are consistent with previous empirical studies. Nursalim et al. (2025) reported that increased work motivation significantly improved employee performance at PT Bank Mandiri (Persero) Tbk, Makassar, particularly when job satisfaction acted as a mediating variable (Nursalim et al., 2025). Similarly, Wulandany et al. (2023) found that work motivation consistently enhanced employee performance at CV Elhabib Setia Aminah, especially within a supportive working environment (Wulandany et al., 2023). Comparable results were also reported by Yusnelly et al. (2025), who concluded that work motivation exerted a positive and significant influence on employee performance within the Department of Population and Civil Registration in Pekanbaru (Yusnelly et al., 2025). The consistency of these findings across banking institutions, private companies, and public organizations highlights the fundamental role of work motivation as a primary determinant of employee performance regardless of organizational context. When transformational leadership and work motivation were examined simultaneously, both variables

jointly exerted a positive and statistically significant effect on employee performance. The coefficient of determination ($R^2 = 64.9\%$) indicates that these two variables collectively explain nearly two-thirds of the variation in employee performance, whereas the remaining 35.1% is attributable to other factors beyond the scope of this study. These findings demonstrate that although transformational leadership may not independently influence employee performance, its contribution becomes meaningful when combined with employees' motivational conditions.

This conclusion is consistent with the findings of Apriliana and Huwaida (2025), who reported that the combination of transformational leadership and work motivation significantly improved performance among digitally oriented micro, small, and medium-sized enterprises (Apriliana & Huwaida, 2025). Likewise, Adjani Putri and Oktaviani (2025) found that visionary leadership combined with strong employee motivation enhanced both productivity and work effectiveness in Indonesia's service sector (Adjani Putri & Oktaviani, 2025). Taken together, these findings suggest that work motivation functions as the primary driving force behind employee performance, whereas transformational leadership serves as a strategic enabler by establishing a shared vision, reinforcing organizational values, and creating a supportive work environment. Within the context of digital banking, organizational performance can therefore be improved more effectively when management not only promotes transformational leadership but also strengthens motivational mechanisms through fair reward systems, career development opportunities, and technology-enabled work systems that facilitate employees' daily responsibilities.

5. CONCLUSION

This study concludes that work motivation is the strongest determinant of employee performance at Bank BRI in North Luwu Regency. The results show that work motivation has a statistically significant effect on employee performance, whereas transformational leadership has a statistically insignificant partial effect. Nevertheless, when examined simultaneously, transformational leadership and work motivation jointly exert a significant influence on employee performance, explaining 64.9% of the variance in employee performance. These findings imply that improving employee performance in the banking sector should prioritize strategies that strengthen employees' work motivation through fair reward systems, career development opportunities, and supportive work environments. Although transformational leadership did not demonstrate a significant partial effect, it remains important in fostering an organizational climate that supports employee motivation and performance. Future studies are encouraged to examine additional factors, such as job satisfaction, organizational culture, and digital literacy, to provide a broader understanding of employee performance in the context of digital transformation.

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