

THE EFFECT OF EMPLOYEE ENGAGEMENT AND TRANSACTIONAL LEADERSHIP ON EMPLOYEE PERFORMANCE MEDIATED BY WORK MOTIVATION AT CV ATLANTIS JAYA PRATAMA

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Abstract.

This study aims to determine the mediating role of work motivation on the effect of employee engagement and transactional leadership on employee performance. This research approach is a positivist paradigm using causal associative. The data collected using the census method were 75 respondents, who were taken from all employees of CV Atlantis Jaya Pratama. The results showed that employee engagement and transactional leadership have a significant positive effect on employee performance and work motivation, and work motivation has a significant positive effect on employee performance. In addition, work motivation is able to mediate the effect of employee engagement and transactional leadership on employee performance. Work motivation is a very influential variable in creating optimal performance. Therefore, companies need to continue to maintain and improve managerial practices that can encourage work motivation, both through rewards, recognition, development opportunities, and the creation of a healthy and inspiring work environment.

Keywords: Employee Performance Employee Engagement Transactional Leadership Work Motivation

INTRODUCTION

Human resources (HR) are important assets that cannot be separated from the success of an organization. The success of the company is strongly influenced by employee performance, which is the result of the ability and contribution of each individual in achieving company goals. According to Flipppo, (1984) human resource management covers all aspects related to employee management, from recruitment, development, to termination of employment, with the aim of improving individual welfare and supporting the achievement of organizational goals effectively and efficiently.

Employee performance is a determining factor in achieving the company's vision and mission. Mangkunegara, (2019) states that performance is the result of work achieved by employees in carrying out their duties with a certain quality and quantity. Conversely, poor performance can hinder organizational goals, so companies need to focus on improving employee performance. Robbins & Judge

(2017) identify several indicators of employee performance, such as work quality, work quantity, timeliness, effectiveness, and independence.

Factors that affect employee performance are very diverse, ranging from technical ability, work motivation, to organizational culture. According to Kasmir, (2016) factors such as leadership, commitment, and work environment have a significant role in influencing individual work results. One factor that has received attention is employee engagement, which can affect the level of employee performance. Employees' emotional involvement in their work, as explained by Kahn, (1990) is an important element in encouraging high productivity and morale.

Employee engagement, according to Armstrong, (2009) is employees' appreciation and enthusiasm for the work they do, which is reflected in extra efforts to achieve company goals. Some previous studies, such as those conducted by Jufrizen et al. (2022) showed that employee engagement has a significant influence on employee performance. Employees who are emotionally involved in their work will be more focused and excited, so that their performance increases.

In addition, leadership style also has a big role in influencing employee performance. Leaders who adopt a transactional leadership style, as described by Bass & Avolio, (1994) use a system of rewards and punishments to achieve organizational goals. This leadership style has proven effective in creating an organized work structure and achieving set targets. Research by Abdelwahed et al. (2023) shows that transactional leadership has a positive effect on employee performance, especially in organizations that require achieving clear and measurable targets.

Work motivation is also an important factor that no less affects employee performance. Robbins & Judge, (2017) explain that motivation is a process that encourages individuals to work hard to achieve goals. High motivation will encourage employees to try better and achieve optimal results. For example, research by Tahar & Abdillah, (2021) shows that work motivation has a significant influence on employee performance, although it cannot mediate the relationship between leadership style and performance.

CV Atlantis Jaya Pratama, as a smartphone retail company on Lombok Island, also faces challenges in optimizing employee performance. Based on the evaluation results of the Key Performance Indicator (KPI) in 2024, although most employees have met the set targets, there are several indicators that need to be improved, such as attendance discipline and cleanliness of the product display area. This study aims to explore the factors that influence employee performance, specifically employee engagement, transactional leadership style, and work motivation, and how these factors can be integrated to improve employee performance at CV Atlantis Jaya Pratama.

The phenomenon observed within the company indicates that many employees lack emotional engagement with their work. Additionally, the dominant transactional leadership style suggests a need to enhance work motivation to maximize performance. Therefore, it is crucial to analyze how these three factors interact to improve employee performance and their contribution to the company's success.

In the retail sector, one of the main challenges is maintaining employee engagement, a concept that measures the extent to which employees feel connected and involved with their work and the company's goals. Based on the 2024 KPI report, several aspects of employee performance show less than optimal results, such as high absenteeism and inadequate product cleanliness. These issues indicate that there are several factors that influence employee engagement levels, which in turn are related to their performance at work.

In addition, transactional leadership as a managerial approach to managing employees can also play an important role in motivating them. In this context, a leader who relies on a reward and punishment system may be able to motivate employees to meet targets, but if not implemented wisely, it can affect the relationship between employees and the company. Therefore, effective leadership must pay attention to communication, trust, and providing appropriate incentives to encourage employees to reach their full potential.

Meanwhile, work motivation also plays an equally important role. This factor includes employees' need for recognition, opportunities for growth, and supportive working conditions. High work motivation can increase employee enthusiasm and commitment to the company. However, if this motivation is not properly addressed, employees tend to feel dissatisfied with their work, which can have a negative impact on their performance and ultimately harm the company.

The challenges faced by CV Atlantis Jaya Pratama reflect the need to gain a deeper understanding of the factors influencing employee performance. Therefore, this study aims to analyze the influence of employee engagement, transactional leadership, and work motivation on employee performance in the company. By identifying the factors that contribute to improved performance, it is hoped that the company can take more appropriate steps in managing human resources and creating a more productive and supportive work environment.

LITERATURE REVIEW

Literature Review and Hypothesis Development

Performance is the result of work measured in terms of quality and quantity achieved by an employee in carrying out their duties in accordance with the responsibilities assigned to them (Mangkunegara, 2019). Robbins (2018) describes five indicators of employee performance, namely work quality, work

quantity, timeliness, effectiveness, and independence.

Employee Engagement is the level of involvement of a person in their job role, where individuals utilize and express themselves physically, cognitively, and emotionally during the performance of that role (Kahn, 1990). According to Schaufeli & Bakker (2016), there are three indicators of employee engagement: 1) vigor; 2) dedication; and 3) absorption. According to Schaufeli et al. (2002), in their theory, employee engagement is a positive, satisfying psychological state related to work. Schaufeli et al. (2002) also emphasize that employee engagement not only affects individual performance but can also improve team and overall organizational performance. When employees are engaged, they are more productive, have fewer absences, and tend to be more loyal to the company. They are also more likely to contribute to innovation and continuous improvement in their work.

In line with the research conducted by Jufrizen et al. (2022) shows that work engagement plays a significant role in improving employee performance. Additionally, Sugianingrat et al. (2019) demonstrate that employee engagement significantly enhances employee performance. Furthermore, research by Nusraningrum et al. (2024) indicates that employee engagement significantly impacts employee performance, emphasizing the importance of employee involvement in improving work performance.

H1: Employee engagement has a positive and significant effect on employee performance.

Transactional leadership is a process in which leaders and followers exchange needs and services to achieve specific goals, with leaders providing rewards or rewards in return for followers' compliance and performance (Burns, 1978). According to Bass (1990), as the developer of transactional leadership theory, transactional leadership operates on two main components: *contingent reward* control (rewards that depend on the achievement of goals) and *management by exception* (management based on exceptions). Furthermore, Bass (1990) states that this transactional leadership style can be highly effective in improving employee performance in clear and structured tasks, where goal achievement can be easily monitored and measured.

In line with the results of research conducted by Abdelwahed et al. (2023), transactional leadership has a positive and significant influence on employee performance. It is further explained that transactional leadership encourages employees to be more aware of fulfilling their duties, which in turn improves performance. Research by Adriansyah et al. (2020) found that transactional leadership style improves employee performance. Additionally, Alrowwad et al. (2020); Lee et al. (2023); and Tahar & Abdillah, (2021) explain findings showing that transactional leadership can have a positive and significant effect on

performance.

H2: Transactional leadership has a positive and significant effect on employee performance.

According to Kahn (1990) in his theory, employee engagement is a mental and emotional state of employees that includes physical, cognitive, and emotional involvement in their work. Kahn (1990) further explains that employee engagement can increase work motivation by creating a strong sense of connection between employees and their work. When employees feel valued, given opportunities to grow, and feel that their work is meaningful, they will be more motivated to contribute their best efforts.

In line with research conducted by Sitorus et al. (2022) shows that green work engagement can improve employee performance in implementing environmentally friendly practices in the workplace. In other words, employee involvement in green initiatives increases their motivation to contribute better to organizational goals. Research by Saputra et al. (2024) shows that work engagement has a positive and significant influence on work motivation. Employees who are actively involved in their work tend to have higher motivation, which in turn improves their performance. Furthermore, research by Suwarno et al. (2023) shows that work engagement has a positive and significant effect on work motivation.

H3: Employee Engagement has a positive and significant effect on Employee Performance.

According to Bass's theory (1990), leaders reward employees who meet or exceed predetermined performance standards and punish or correct employees who fail to meet those standards. Bass (1990) further explains that the two main components of transactional leadership are 1) contingent reward, which provides incentives to employees to work hard and strive to meet the targets set by the organization, and 2) management by exception, which provides warnings or corrective actions to employees who do not meet the standards, thereby encouraging them to improve their performance to avoid punishment.

In line with the research conducted by Adriansyah et al. (2020); Caterin et al. (2024); Lazuardi & Suharjo, (2023); and Tahar & Abdillah, (2021) indicate that transactional leadership has a positive and significant influence on work motivation. This means that the application of a transaction-oriented leadership style, such as providing rewards for achieving targets, can increase employee motivation in carrying out their tasks.

H4: Transactional leadership has a positive and significant effect on employee

performance.

Motivation is the willingness to exert a high level of effort toward organizational goals, which is influenced by the ability of that effort to satisfy individual needs (Robbins & Judge, 2017). According to Armstrong & Baron (2005), work motivation is influenced by two main factors, namely intrinsic factors originating from within the individual and related to internal drives that motivate employees to work better, and extrinsic factors originating from the work environment and involving the work environment and organizational policies that can enhance or hinder employee motivation. According to Mangkunegara (2019), there are five indicators of work motivation, namely responsibility, work performance, opportunities for advancement, recognition of performance, and challenging work.

According to Herzberg (1966) in his Two-Factor Theory, work motivation is divided into two categories: motivators (satisfiers) and hygiene factors (dissatisfiers). Motivating factors, which include achievement, recognition, and responsibility, directly influence work motivation, which in turn impacts employee performance. When employees feel motivated by these factors, they are more likely to put in maximum effort in their work, leading to significant performance improvements.

In this context, research conducted by Catherin et al. (2025); Jufrizen et al. (2022); Lazuardi & Suharjo, (2023); Setiawan & Kasmari, (2024); Suwarno et al. (2023); Tahar & Abdillah, (2021); Umam, (2022); and Wardiansyah et al. (2024) show that work motivation has a positive and significant effect on employee performance. These findings emphasize that employees with high levels of motivation tend to perform better.

H5: Work motivation has a positive and significant effect on employee performance.

According to Schaufeli et al. (2002), employee engagement is a positive psychological state that involves vigor (enthusiasm), dedication, and absorption in work. Employees with high levels of engagement tend to show more effort in their work, which leads to improved performance. Employees who feel involved in their work are more motivated to work well and strive to achieve maximum results, so they tend to perform better.

According to Bakker & Demerouti (2008) in the Job Demands-Resources (JD-R) theory, work factors that lead to increased engagement will affect work motivation, which in turn improves employee performance. In this context, work motivation acts as a mediator between employee engagement and performance. Employees who are psychologically involved in their work (high engagement levels) are more likely to feel a sense of accomplishment in their work, which

motivates them further. This higher work motivation, in turn, drives improved performance, both in terms of the quality and quantity of output produced.

This is in line with previous research conducted by several researchers which showed that work motivation plays a mediating role in the relationship between employee engagement and employee performance. Research conducted by Jufrizen et al. (2022); Saputra et al. (2024); and Suwarno et al. (2023) show that work motivation plays a significant mediating role in the relationship between employee engagement and employee performance. This means that high employee engagement increases their work motivation, which in turn improves performance.

H6: Work motivation mediates the influence of employee engagement on employee performance significantly.

According to Bass (1990), transactional leadership focuses on clear exchanges between leaders and employees. Transactional leaders use reward and punishment systems to motivate employees to achieve organizational goals. Employees led by effective transactional leaders tend to perform better because they understand what is expected of them and what they will receive as a reward for their achievements. Bass (1990) argues that transactional leadership consists of two main components: Contingent Reward, where leaders provide rewards or compensation based on employee performance, and Management by Exception, where leaders only intervene when employees fail to meet standards or deviate from expectations. Employees who are rewarded for their achievements will feel more motivated to work harder, which in turn can improve their performance.

Vroom's Expectancy Theory (1964) supports this view, explaining that work motivation is a function of the expectation that the effort expended will result in the desired performance and that the performance will be rewarded in accordance with the expected results. In the context of transactional leadership, if a leader provides rewards that are commensurate with achievements, employees will feel more motivated to work harder. This increased motivation can then mediate the influence of transactional leadership on employee performance, as more motivated employees tend to perform better.

In line with research conducted by Adriansyah et al. (2020) and Catherin et al. (2025) shows that work motivation acts as a mediator in the relationship between transactional leadership and employee performance. This means that the application of a transactional leadership style can increase employee work motivation, which in turn improves their performance.

H7: Work motivation mediates the influence of transactional leadership on employee performance significantly.

METHODS

This study used a quantitative approach with a census method, involving the entire population, namely 75 employees at CV Atlantis Jaya Pratama, Mataram, NTB. Data collection was conducted using a Likert scale questionnaire designed to measure the variables of Employee Engagement, Transactional Leadership, Work Motivation, and Employee Performance. The data used in this study consisted of primary data, obtained directly from respondents through questionnaire completion, and secondary data, taken from documents, official reports, and related literature.

Data analysis was conducted using statistical methods to test the relationship between variables. This process included an outer model test to ensure the validity and reliability of the research instruments, an inner model test to evaluate the relationship between latent variables, and a hypothesis test to identify the direct and mediating effects between variables.

The variables in this study consist of independent variables, namely Employee Engagement and Transactional Leadership; dependent variables, namely Employee Performance; and mediating variables, namely Work Motivation. This study aims to analyze the influence of employee engagement and transactional leadership on employee performance, as well as to examine the role of work motivation as a variable that mediates this relationship.

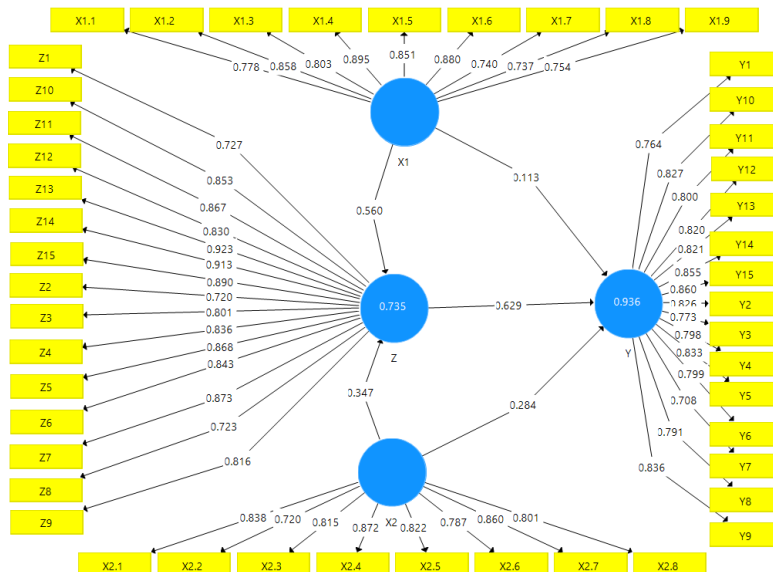
RESULTS AND DISCUSSION

Outer Model Results

Evaluation of the Measurement Model The outer model, often referred to as the external relationships or measurement model, defines how each block of indicators relates to its latent variable. Blocks with reflexive indicators can be written as follows: Where x and y are indicator variables for exogenous and endogenous latent variables, while the loading matrix represents the simple regression coefficients, which connect the simple regression coefficients linking the latent variables with their indicators. This can be seen from the validity and reliability tests.

Convergent Validity

Figure 1. Outer Loading



Based on the figure above, it can be seen that the value of all statement items for each variable is > 0.7 (above 0.7), so the construct for all variables has been declared valid from the model, to then be included in the analysis using the SmartPLS 4 application.

Reliability Test

The reliability test in PLS is used to measure the internal consistency of a measuring instrument. Reliability indicates the accuracy, consistency, and precision of a measuring instrument in performing measurements. The reliability test in PLS can use two methods, namely Cronbach's alpha and composite reliability (Abdillah, 2015).

a). Composite Reliability

Composite reliability is used to measure the true value of the reliability of a construct. Composite reliability is considered better at estimating the internal consistency of a construct. The practical rule for composite reliability is > 0.6 (Abdillah & Jogiyo, 2014).

b). Cronbach's Alpha

Cronbach's alpha is used to measure the lower limit of the reliability value of a construct and to ensure composite reliability. The practical rule for Cronbach's alpha is > 0.7 (Abdillah, 2015).

Reliability testing was conducted to determine whether the variables used in this study were reliable or not. Reliability testing used Cronbach's Alpha and composite reliability values. The following are the results of the reliability testing.

Table 1. Reliability Testing Table

Variable	Alpha Cronbach	Composite Reliability	Rule of Thum	Model Evaluation
Employee Engagement (X1)	0.935	0.946	> 0,700	Reliable
Transactional Leadership (X2)	0.928	0.941		Reliable
Employee Performance (Y)	0.962	0.966		Reliable
Work Motivation (Z)	0.968	0.972		Reliable

Source: Primary Data Processed by the Researcher, 2025

Based on the table above, it can be concluded that the constructs for all variables meet the criteria or are reliable. This is indicated by the Cronbach's Alpha and composite reliability values obtained from the SmartPLS 4 estimation results. The values obtained are > 0.70 as recommended by the criteria.

Structural Model Evaluation (*Inner Model*)

The next stage in model evaluation is structural model evaluation or Inner Model. The inner model (inner relation, structural model, and substantive theory) describes the relationships between latent variables based on substantive theory. The structural model is evaluated using R-square for dependent variables, Stone-Gisser Q-square test for predictive elevation, and t-test and significance of structural path parameter coefficients.

R-Square Value

Table 2. R-Square Results Table

Variable	R Square
Employee Performance (Y)	0.936
Work Motivation (Z)	0.735

Source: Primary Data Processed by the Researcher, 2025

Based on the table above, in principle, this study uses two variables that are influenced by other variables. The R-Square value of the Employee Performance (Y) variable is 0.936 or 93.6%, meaning that the Employee Engagement and Transactional Leadership variables can substantially explain the Employee Performance variable at a level of 93.6% (model in the Strong category). Meanwhile, the R-Square value for the Work Motivation (Z) variable is 0.735 or 73.5%, indicating that the Employee Engagement and Transactional Leadership variables substantially explain the Work Motivation variable at a 73.5% level (model in the Strong category), with the remainder influenced by

other factors not included in the research variables.

Q-Square Value

Table 3. Q-Square Results Table

Variable	<i>Q-Square</i>
Employee Performance (Y)	0.533
Work Motivation (Z)	0.343

Source: Primary Data Processed by the Researcher, 2025

Based on the table above, the Q-square values of the study are 0.533 (Y) and 0.343 (Z), which are greater than 0. This indicates that the variables observed in this study are relevant and capable of predicting Employee Performance and Work Motivation.

Path Coefficients

Path coefficients are values that are useful in showing the direction of the relationship between variables, whether a hypothesis has a positive or negative direction, while the evaluation of path coefficients aims to see the significance of the influence of independent variables on dependent variables. The evaluation of path coefficients was carried out using Bootstrapping, and the results are as follows:

Figure 2. Figures for T-Statistics & Original Sample

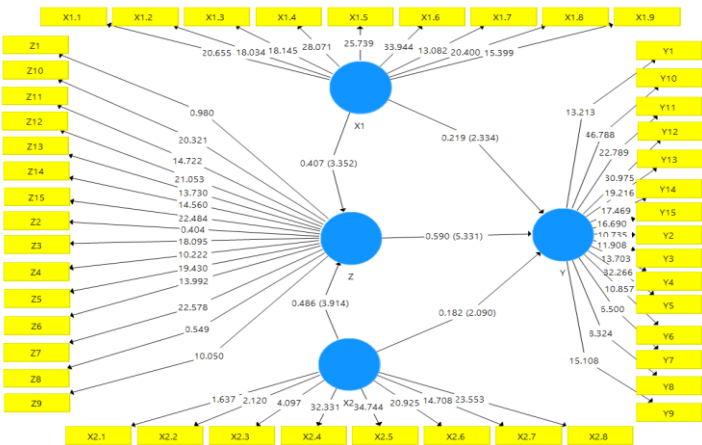
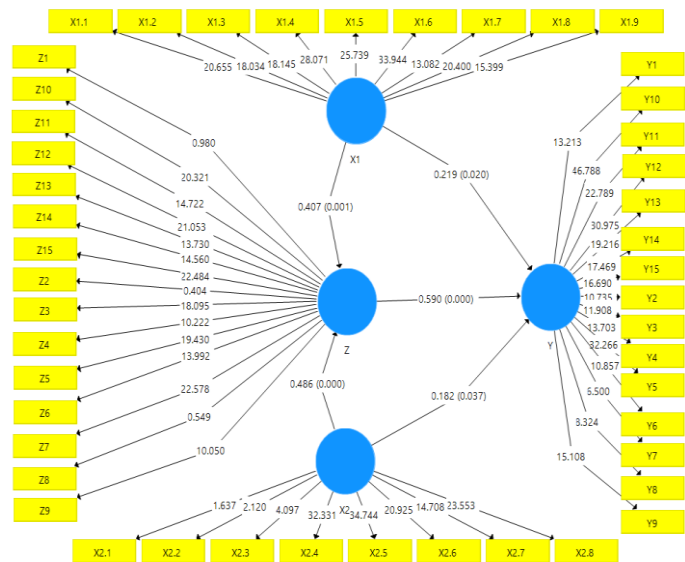


Figure 3. Figures for P-Values & Original Sample



Each latent variable is measured using several indicators, as shown in the figure above. The lines connecting these latent variables indicate the causal relationships between them, all of which are positive, as reflected in the path coefficients.

Hypothesis Testing Results and Discussion

The purpose of hypothesis testing is to evaluate the validity of hypotheses or assumptions statistically and draw conclusions on whether to accept or reject the hypotheses or assumptions. In this study, hypothesis testing involves meeting several criteria, including the original sample value, t-statistic value, and probability value (p-value), obtained through Bootstrapping in PLS. The following are the original sample values, t-statistic values, and p-values for each hypothesis tested in this study:

Table 4. Table of Hypothesis Test Results

Hypothesis	Variable Relationship	Original Sample	T-Values	P-Values	Interpretation
H1	Employee Engagement (X1) → Employee Performance (Y)	0.219	2.334	0.020	Accepted
H2	Transactional Leadership (X2) → Employee Performance (Y)	0.182	2.090	0.037	Accepted
H3	Employee Engagement (X1) → Work Motivation (Z)	0.407	3.352	0.001	Accepted
H4	Transactional Leadership (X2) → Work Motivation (Z)	0.486	3.914	0.000	Accepted
H5	Work Motivation (Z) → Employee Performance (Y)	0.590	5.331	0.000	Accepted
H6	(X1) → (Z) → (Y)	0.240	3.028	0.003	Accepted
H7	(X2) → (Z) → (Y)	0.287	2.956	0.003	Accepted

Source: Primary Data Processed by the Researcher, 2025

The Influence of Employee Engagement on Employee Performance

Based on the previous table and figure, the hypothesis regarding the influence of employee engagement on employee performance is accepted. This is indicated by a coefficient value of 0.219, with a t-statistic value of 2.334 (greater than the critical limit of 1.96), and a p-value of 0.020, which is less than the significance level of 0.05. This means that the higher the level of employee engagement, the higher the employee performance at CV Atlantis Jaya Pratama (H1 accepted).

This finding indicates that employees at CV Atlantis Jaya Pratama are in the engaged category. They show enthusiasm for their work, understand their tasks well, and have the spirit and resilience to face challenges. This engagement is not only physical but also includes emotional and cognitive aspects. This indicates that the company has succeeded in creating a work environment that supports active employee engagement.

One of the key elements supporting this level of engagement is the existence of a system of rewards and recognition for employee contributions. When employees feel valued, they are more motivated to improve their work performance. Additionally, a clear understanding of their roles and a sense of pride in their work further strengthen the meaning of work, fostering emotional attachment to the organization.

CV Atlantis Jaya Pratama also provides adequate work facilities and opportunities for self-development through training. Both of these increase comfort and a sense of appreciation, which in turn strengthen employee engagement. Management support in the form of constructive feedback and clear task distribution creates a work structure that supports efficiency and productivity.

According to Schaufeli et al. (2002), employee engagement is a positive psychological state characterized by vigor, dedication, and absorption. When employees exhibit these three dimensions, they tend to be more productive, less absent, and have high loyalty to the company. This engagement also sparks innovation and continuous improvement.

These results are reinforced by the findings of Jufrizen et al. (2022), who stated that employee engagement has a positive impact on employee performance at PT. Telekomunikasi Indonesia Tbk Witel Medan. Similar findings were also revealed by Sugianingrat et al. (2019), who showed that high work engagement directly improves performance. Meanwhile, Nusraningrum et al. (2024) emphasized that engaged employees are more productive and contribute significantly to the achievement of company goals.

Thus, it can be concluded that employee engagement has a positive and significant effect on employee performance at CV Atlantis Jaya Pratama. Actively engaged employees not only complete tasks according to standards but

also demonstrate high initiative, dedication, and responsibility. Therefore, work engagement is a strategic asset that needs to be managed sustainably to support the performance and success of the organization in the long term.

The Effect of Transactional Leadership on Employee Performance

The results of the hypothesis analysis indicate that transformational leadership has a positive and significant influence on employee performance with a coefficient value of 0.276. This influence is significant because the p-value is $0.012 < 0.050$, and the t-value is $2.550 >$ the critical t-value of 1.96. This means that the higher the application of transformational leadership by management, the higher the employee performance at CV Atlantis Jaya Pratama (H2 accepted).

This finding indicates that transformational leadership style, demonstrated through inspiration, motivation, ideal influence, and individualized consideration, is capable of fostering higher work motivation among employees. Transformational leaders not only provide direction but also build a long-term vision that inspires and encourages employees to emotionally engage in achieving organizational goals.

The implementation of transformational leadership at CV Atlantis Jaya Pratama is evident from the high average scores on the inspirational motivation and individualized consideration indicators, indicating that leaders in this company are able to inspire enthusiasm and address the development needs of each employee on a personal level. Employees feel valued as unique individuals, not merely task executors, fostering a sense of ownership and responsibility toward their work.

In practice, transformational leaders at CV Atlantis Jaya Pratama often provide guidance that is not only technical but also builds enthusiasm through motivation and by giving meaning to the work being done. This encourages employees to work with more enthusiasm, creativity, and innovation, which ultimately has a direct impact on performance improvement.

This finding is supported by Bass & Avolio's (1994) theory, which states that transformational leadership has four main components: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. All of these components contribute to improved performance by influencing employees' psychological and emotional aspects. Transformational leaders are able to drive positive behavioral changes and build a progressive work culture.

This finding aligns with research conducted by Li et al. (2023), which found that transformational leadership has a significant positive influence on employee performance, especially when combined with organizational trust and an innovative culture. The study emphasized that leaders who can inspire will enhance employees' intrinsic motivation, which is crucial in creating sustainable

performance.

Another study by Jauhar et al. (2017) also supports these findings, showing that transformational leadership can improve employee performance through increased organizational commitment and job satisfaction. This leadership style creates a positive work environment, encouraging employees to demonstrate higher dedication to their tasks and responsibilities. Additionally, a study by Cheung et al. (2021) highlights the importance of transformational leadership in creating a work environment that supports growth and learning, which ultimately has a positive impact on individual and team productivity. In the context of CV Atlantis Jaya Pratama, this is evident in the high employee participation in training and quality improvement initiatives.

Overall, the findings of this study reinforce the view that transformational leadership is highly relevant for organizations seeking to cultivate a collaborative, innovative, and long-term oriented work culture. Therefore, the management of CV Atlantis Jaya Pratama is advised to continue developing transformational leadership capabilities in order to create a work environment that supports sustainable performance growth and employee well-being.

The Influence of Employee Engagement on Work Motivation

Based on the data from the table and figure above, the results of the hypothesis analysis show that employee engagement has a positive and significant effect on work motivation with a coefficient value of 0.407. This influence is significant because the p -value is $0.001 < 0.050$ and the t -value is $3.352 > t\text{-critical } 1.96$. This indicates that the higher the employee engagement in their work, the higher their work motivation at CV Atlantis Jaya Pratama (H_3 accepted).

This finding reflects that employee engagement is one of the important factors in driving employee work motivation. Employees who feel emotionally, cognitively, and physically connected to their work will be more enthusiastic, have high work morale, and be motivated to give their best contributions. At CV Atlantis Jaya Pratama, this is evident from the proactive attitude of employees, pride in their work, and consistent enthusiasm in completing tasks.

A supportive work environment, clear recognition, and opportunities for growth have created a conducive atmosphere for employee engagement. When employees feel valued, have room to innovate, and receive recognition for their contributions, they feel that their work has meaning. This feeling contributes to increased work motivation, particularly in the form of intrinsic motivation that drives them to continue developing.

According to Kahn (1990), employee engagement is a condition in which individuals express themselves fully in their work roles, physically, cognitively, and emotionally. This involvement forms a strong bond between employees and

the work they do. Kahn also emphasizes that high engagement creates a sense of responsibility and positive energy at work, which ultimately increases overall work motivation.

This study is in line with the results of a previous study conducted by Sitorus et al. (2022), which stated that work engagement has a significant effect on work motivation. Employees who feel engaged are more motivated to achieve work goals because they feel valued and contribute to the organization. Similarly, Saputra et al. (2024) emphasize that employee engagement plays a crucial role in fostering strong work motivation, where emotional and professional involvement drive enthusiasm and perseverance in completing tasks.

Therefore, it can be concluded that employee engagement plays an important role in increasing employee work motivation. Thus, management needs to maintain and increase employee engagement through strategies such as empowerment, effective communication, career development, and a fair reward system. These efforts are important to maintain employee morale and increase productivity in a sustainable manner.

The Influence of Transactional Leadership on Work Motivation

Based on the data from the table and figure above, it is evident that transactional leadership has a positive and significant influence on work motivation, with a coefficient value of 0.486. The p-value is $0.000 < 0.050$ and the t-value is $3.914 > t\text{-critical } 1.96$, indicating that the relationship is statistically significant. This means that the more effective the transactional leadership style is, the higher the work motivation of employees at CV Atlantis Jaya Pratama (H4 accepted).

This finding indicates that a leadership style that focuses on exchange (performance-based rewards) can provide a strong incentive for employees to improve their work enthusiasm. At CV Atlantis Jaya Pratama, transactional leadership practices are reflected in the fair recognition of achievements, consistent performance evaluations, and the implementation of a clear and structured reward system. These conditions create a competitive yet supportive work environment, which ultimately impacts both intrinsic and extrinsic motivation.

Theoretically, these results are in line with Bass's (1990) view, which explains that transactional leadership works through two main mechanisms, namely *contingent reward* (rewards based on achievement) and *management by exception* (supervision and correction of mistakes). When rewards are given proportionally and mistakes are corrected fairly, a sense of clarity, fairness, and order emerges in the work system. This encourages employees to work harder and take responsibility, as they know that every effort made will be rewarded appropriately.

These results are also supported by research by Lazuardi & Suharjo (2023), which concluded that transactional leadership is able to motivate employees through the establishment of clear work objectives and a structured reward system. Similar findings were also revealed by Tahar & Abdillah (2021), who showed that transactional leadership can increase motivation and have a positive impact on managerial performance in the short term.

Therefore, it can be concluded that transactional leadership is an important factor in building employee work motivation. Consequently, managerial strategies emphasizing rewards for performance and consistent supervision need to be continuously strengthened to maintain employee work motivation sustainably within CV Atlantis Jaya Pratama.

The Influence of Work Motivation on Employee Performance

The results of the hypothesis analysis indicate that work motivation has a positive and significant effect on employee performance, with a regression coefficient value of 0.590. The p-value obtained is $0.000 < 0.050$, indicating that the relationship is statistically significant, while the t-value of $5.331 > 1.96$ indicates that the effect is also significant in part. Thus, the hypothesis stating that work motivation affects employee performance can be accepted (H5 accepted). This means that the higher the work motivation of employees, the higher the level of performance that can be achieved at CV Atlantis Jaya Pratama.

This finding shows that work motivation is an important factor in encouraging improved employee performance. In the context of CV Atlantis Jaya Pratama, high work motivation is reflected in employee behavior that demonstrates responsibility, enthusiasm, and high initiative. Employees with good work motivation tend to complete tasks more quickly, accurately, and exceed set targets. A supportive work environment, fair rewards, and opportunities for self-development further strengthen this motivation.

These results are in line with Herzberg's Two-Factor Theory (1966), which states that work motivation comes from two main sources, namely motivators (such as achievement, recognition, and responsibility) and hygiene factors (such as working conditions and salary). When motivators are fulfilled, employees feel satisfied and motivated to perform at their best. In practice, the management of CV Atlantis Jaya Pratama has provided recognition for work results, promotion opportunities, and built a healthy work environment, all of which strengthen both intrinsic and extrinsic motivation among employees.

Empirical support for these results is also obtained from previous studies. Setiawan & Kasmari (2024) show that work motivation has a significant positive influence on performance improvement. Similarly, Umam (2022) states that motivation is a key factor in shaping employee performance, even exceeding the influence of leadership style. Research by Wardiannsyah et al. (2024) also

emphasizes that motivation plays a stronger role than work engagement in improving employee performance. Additionally, similar research findings were reported by Zainun et al. (2025), who explained that motivated teachers tend to be more enthusiastic, more engaged in their tasks, and more productive in managing learning activities and other school-related tasks.

Thus, the results of this study reinforce the view that work motivation is a fundamental aspect in shaping optimal employee performance. Therefore, companies need to continuously create systems that are able to maintain and increase employee motivation through incentives, recognition of achievements, and the creation of a work environment that encourages professional growth and job satisfaction.

The Role of Work Motivation in Mediating the Influence of Employee Engagement on Employee Performance

Based on the data from the table and figure above, it is known that employee engagement has an indirect effect on employee performance through work motivation as a mediating variable, with a coefficient value of 0.240. This effect is significant, as indicated by a p-value of 0.003 (< 0.050) and a t-value of 3.028 (> 1.96). This indicates that work motivation plays an important role in bridging the relationship between employee engagement levels and their improved work performance (H6 accepted). In other words, employee engagement will have a stronger impact on employee performance when accompanied by high work motivation.

Employee engagement refers to the extent to which employees feel emotionally and cognitively connected to their work. At CV Atlantis Jaya Pratama, work engagement is reflected in employees' enthusiasm in completing tasks, pride in their work, and commitment to the company's goals. Employees who are actively involved in their work tend to show high enthusiasm and a sense of responsibility, which then generates internal motivation to work better.

In this context, work motivation acts as an internal driving force that helps transform engagement into productive actions. Employees who are motivated because they feel valued, given opportunities to grow, and have meaningful roles are more likely to contribute their energy, time, and attention to complete tasks optimally.

These findings are in line with the *Job Demands-Resources Model (JD-R)* proposed by Bakker & Demerouti (2008), which explains that work engagement can be increased through the provision of adequate job resources, ultimately enhancing work motivation. This work motivation then plays a role in driving better work outcomes. In this case, motivation becomes an important link between engagement and high work performance.

Employees with high levels of employee engagement typically exhibit

three main components as described by Schaufeli et al. (2002), namely vigor (high energy and resilience in work), dedication (pride and inspiration toward work), and absorption (full involvement in work activities). These three aspects foster strong work motivation, which then positively impacts the quality, timeliness, and efficiency of employees' work.

Previous research supporting this finding includes Saputra et al. (2024), who demonstrated that work motivation mediates the relationship between employee engagement and employee performance significantly. The study concluded that while employee engagement is important, its maximum effect is only achieved when accompanied by high work motivation. A similar finding was reported by Suwarno et al. (2023), who emphasized that work motivation plays an important role in strengthening the positive impact of employee engagement on performance.

Thus, it can be concluded that employee engagement alone is not enough to guarantee optimal performance. Companies need to actively encourage work motivation through appropriate managerial strategies, such as recognizing employee contributions, assigning challenging but meaningful tasks, and creating a supportive and open work culture. These steps will strengthen the relationship between employee engagement and performance, and make work motivation the driving force for overall productivity improvement at CV Atlantis Jaya Pratama.

The Role of Work Motivation in Mediating the Influence of Transactional Leadership on Employee Performance

Based on the data from the table and figure above, it was found that work motivation significantly mediates the influence of transactional leadership on employee performance. The analysis results show a coefficient value of 0.287, with a p-value of 0.003 (less than 0.050) and a t-value of 2.956 (greater than the critical t-value of 1.96). These values indicate that the role of work motivation as a mediating variable in this relationship is statistically acceptable (H7 accepted).

This finding reinforces that transactional leadership, which emphasizes rewards, task clarity, and rule-based supervision, not only directly influences employee performance but also enhances work motivation, ultimately improving their performance. In other words, motivated employees tend to demonstrate optimal performance because they feel valued and clearly guided.

Transactional leadership, as proposed by Bass (1990), is a form of leadership based on the principle of exchange between leaders and subordinates. In this case, leaders provide rewards as compensation for achievements made by employees (Contingent Reward) and take corrective actions when deviations from established standards occur (Management by Exception). This concept is evident in the practices at CV Atlantis Jaya Pratama through the provision of bonuses, incentives, and appreciation, as well as consistent performance

monitoring.

With a clear reward system, employees feel secure and valued, which encourages internal motivation to work more independently and productively. This shows that work motivation is an important mechanism that connects leadership style and employee performance. However, it should be noted that transactional leadership tends to emphasize extrinsic motivation. Although effective in the short term for boosting performance, reliance on incentives alone can lead to a decline in intrinsic motivation, which is the drive to work out of a sense of responsibility or personal desire for growth. Therefore, it is important for organizations to balance transactional leadership with a more humanistic and inspirational approach to maintain work enthusiasm in the long term.

These findings are also in line with research conducted by Adriansyah et al. (2020), which states that transactional leadership has a significant effect on employee work motivation and performance, both directly and indirectly. In this study, work motivation was also proven to be a strong mediating variable. In addition, Catherin et al. (2025) reinforce this finding by noting that although the direct influence of transactional leadership on performance is not significant, the indirect influence through work motivation shows strong significance.

Thus, it can be concluded that transactional leadership implemented consistently and fairly can enhance employee work motivation, which in turn impacts performance improvement. To sustain this impact, organizations should consider leadership strategies that not only provide material rewards but also focus on potential development, employee empowerment, and creating a work environment that supports psychological well-being.

CONCLUSION

Based on the analysis conducted, this study answers the research objectives and can be concluded as follows:

1. Employee engagement has a positive and significant effect on employee performance. This means that the more involved employees are in their work, the higher the performance of CV Atlantis Jaya Pratama employees.
2. Transactional leadership has a positive and significant effect on employee performance. This means that the effective implementation of transactional leadership style can encourage an increase in employee performance at CV Atlantis Jaya Pratama.
3. Employee engagement has a positive and significant effect on work motivation. This means that the more involved employees are in their work, the more their work motivation will increase at CV Atlantis Jaya Pratama.
4. Transactional leadership has a positive and significant effect on work motivation. This means that the effective implementation of transactional leadership can increase the work motivation of CV Atlantis Jaya Pratama employees.

5. Work motivation has a positive and significant effect on employee performance. This means that the higher the work motivation of employees, the better the performance demonstrated by employees at CV Atlantis Jaya Pratama. Work motivation is a highly influential variable in creating optimal performance.
6. Work motivation mediates the influence of employee engagement on employee performance. This means that work motivation is able to mediate the relationship between employee engagement and the performance of CV Atlantis Jaya Pratama employees.
7. Work motivation mediates the influence of transactional leadership on employee performance. This means that work motivation is able to mediate the relationship between transactional leadership and the performance of CV Atlantis Jaya Pratama employees.

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