



THE EFFECT OF TRANSFORMATIONAL LEADERSHIP STYLE AND SELF-EFFICACY ON EMPLOYEE PERFORMANCE WITH WORK ENGAGEMENT MEDIATION (STUDY ON EMPLOYEES OF PT BPR BKK TASIKMADU (PERSERODA))

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Abstract

This study aims to examine the influence of leadership style and self-efficacy on performance, with work engagement as a mediator. The population in this study was all employees of PT BPR BKK Tasikmadu (Perseroda). Sampling using purposive sampling technique with the criteria of permanent employees and having worked in the operational section for more than 1 year; this study amounted to 60 employees. Data analysis techniques include descriptive analysis, instrument testing, regression analysis, and mediation test. Descriptive analysis includes descriptions of respondents and descriptions of variables. Instrument testing includes validity and reliability tests. Regression analysis tests include coefficient of determination tests, model tests (F tests), and hypothesis tests (t tests). Mediation tests using the Sobel test. The results of the data analysis concluded that transformational leadership style and self-efficacy have a positive and significant effect on work engagement. Transformational leadership style, self-efficacy, and work engagement have a positive and significant effect on employee performance. Work engagement is able to mediate the influence of leadership style and self-efficacy on employee performance.

Keywords: Transformational Leadership Style, Self-Efficacy, Performance, Work Engagement



INTRODUCTION

A bank can be considered healthy if it has sufficiently high asset productivity and maintained bank liquidity and a strong level of equity, this serves as a basis for supporting operational activities and facing financial risks (Financial Services Authority, 2024). In carrying out these activities and functions, banks rely not only on technology but also on the performance of employees as the spearhead who directly interact with customers. The existence of employee roles in bank operations indicates that banks must be able to respond well to the environment.

Field research also shows the importance of having qualified employees or human resources. Supriyadi and Suhana (2025) state that the quality of human resources contributes to competitive advantage in a company and creates performance growth. Furthermore, based on a review of previous research results, employee performance can be influenced by leadership (Supriyadi and Suhana, 2025) and self-efficacy (Eka and Wahyu, 2024). Transformational leadership not only focuses on achieving goals but also emphasizes the existing impact. With a transformational leadership style, it is expected to be able to improve employee performance, which in turn can impact the achievement of organizational goals. There is support from several previous studies, including Supriyadi and Suhana (2025), Auliana and Saladin (2024), Lempoy et al. (2025). This research is also supported by Suwarni et al. (2023), Khan et al. (2023), Simanjuntak et al. (2025), Lingga et al. (2023), Ausat et al. (2022), Kholifat et al. (2022), and Giovani (2018). However, there are differences in research by Suhermi and Maryatmi (2025) and Wulansari and Suhana (2024) that leadership style does not have a significant impact on employee performance.

Strong self-efficacy or self-confidence will encourage employees to strive to be capable and have positive beliefs in themselves to be able to do their best. Through good self-efficacy, it is expected that employee performance will increase. There are previous research findings conducted by Liani et al. (2022), Eka and Wahyu (2024), Adoe et al. (2025), Mala and Imron (2024), Suwarni et al. (2023), Karimah and Isthofaina (2023), Lengkong et al. (2020), Asti & Nasution (2025), Astuti & Arraniry (2024) that self-efficacy affects performance. However, there are differences in the results of research conducted by Muzadi et al. (2024) that self-efficacy has a negative and significant effect on employee performance at BMT Istiqlal Pekalongan.

The varied findings suggest the presence of a mediating variable. A review of previous research suggests that work engagement plays a role as a mediating variable. Research conducted by Mustikaningrum and Yulianti (2025), Suwarni et



al. (2023), Suhermi and Maryatmi (2025), Giovani (2018), and Kholifat et al. (2022) found that work engagement mediates the influence of leadership style on performance. In addition to its mediating role between leadership style and performance, work engagement has also been shown to mediate the influence of self-efficacy on performance. This is evidenced by research conducted by Suwarni et al. (2023), Mala and Imron (2024), Adi et al. (2025), and Astut & Arraniry (2024) that work engagement mediates the influence of self-efficacy on performance.

The object of this research is PT BPR BKK TASIKMADU (Perseroda), which strives to maintain its credibility and continuously improve sustainable innovation. The efforts of PT BPR BKK TASIKMADU (Perseroda) in improving its credibility cannot be separated from the role of employees. Based on the published report of the financial position of PT BPR BKK TASIKMADU (Perseroda), it is known that the asset report (in rupiah) in September 2025 was 382,095,081,555 and in September 2024 was 365,881,965,919. The bank's liquidity position in September 2025 was 345,791,263,229 and in September 2024 was 331,287,519,353. Furthermore, the equity position in September 2025 was 36,303,818,326 and in September 2024 was 34,594,446,566. The data shows that asset growth is proportional to liquidity and equity growth, but it is expected that the percentage increase in assets will be greater than the increase in bank liquidity. This is to prevent and minimize various risks. Therefore, employee performance must be continuously improved to achieve and maximize the bank's targets and objectives.

LITERATURE REVIEW

Performance is the result of physical and mental efforts directed at a particular goal to produce a form of output.(Giovanni, 2018). Performance is a tangible form of the results or achievements of work that has been done by an employee.(Kholifah & Fadli, 2022)Employee performance reflects the extent to which individuals are able to achieve their work targets and has a direct influence on the success of the organization.(Alviana & Imron, 2024).

Work Engagement is an attitude shown by employees in an organization or company that involves physical, mental or cognitive, and emotional aspects.(Giovanni, 2018). Engagement is positive employee behavior that emerges when they receive support from the company and the organizational cultural environment.(Saputri & Mansyur, 2024). Work engagement relates to the state of well-being and satisfaction felt by employees, as well as their relationship



with the work they do, which is reflected through enthusiasm, dedication, and full involvement.(Nadia & Izzati, 2022).

Transformational leadership style is a leadership approach where the leader is able to exert a strong influence on employees through various specific means to achieve common goals.(Nadia & Izzati, 2022)Transformational leadership is a process of achieving shared goals by uniting mutually beneficial motivations between leaders and subordinates in order to realize the desired changes.(Kholifah & Fadli, 2022). Positive actions demonstrated by good leaders, such as providing constructive input, being trustworthy, and being fair in making decisions, can increase employee engagement and participation in the organization.(Saputri & Mansyur, 2024).

Self-efficacy describes a person's ability and belief to succeed and remain motivated in carrying out their tasks.(Elkhori & Budianto, 2024)Self-efficacy is related to the extent to which a person is aware of his or her abilities and is able to utilize them in taking action to face various situations in the future.(Haziroh, Pramadanti, & Putri, 2022). Individuals with high self-efficacy tend to be able to complete difficult tasks by trying their best, even though they have not fully mastered the task, and someone with low self-efficacy usually has difficulty completing even simple tasks due to a lack of confidence in their abilities.(Lengkong, Areros, & Sambul, 2020).

RESEARCH METHOD

This research is a type of quantitative research.The population in this study, based on data from July 2025, was 149 employees. The sampling technique used purposive sampling, with the criteria being permanent employees with more than one year of service, as well as employees in the operational department. Data collection used a questionnaire with a Likert scale of 1-5.Data analysis techniques include descriptive analysis, instrument testing, regression analysis, and mediation testing. Descriptive analysis includes respondent descriptions and variable descriptions. Instrument testing includes validity testing with KMO criteria >0.5 and loading factor >0.4 . Reliability testing with Cronbach's alpha criteria >0.7 . Regression analysis testing includes determination coefficient testing by looking at the adjusted R^2 value, model testing (F test) with sig criteria <0.05 , and hypothesis testing (t test) with sig criteria <0.05 . Mediation testing uses the Sobel test with sig criteria <0.05 .



RESULTS AND DISCUSSION

Respondent description

Of the 60 respondents it was found that Respondents were dominated by male employees, amounting to 33 people or 55.0%, indicating that operational activities tend to require technical and physical activities. The age group was dominated by the 41–50 year old group, amounting to 23 people or 38.3%. These results indicate that most respondents were in their productive age. Based on the level of education, the majority of 51 respondents had a bachelor's degree, indicating that employees have a high educational background. Based on the length of service, it is known that respondents were dominated by employees who had worked for more than 15 years, indicating that most respondents had quite a long work experience.

Variable Description

The transformational leadership style variable has an average value of 3.74, indicating that respondents tend to agree and have a good perception of the applied transformational leadership style. The self-efficacy variable has an average value of 3.58, indicating that respondents tend to agree and have a good level of self-confidence in carrying out their work. The work engagement variable has an average value of 3.84, indicating that respondents tend to agree and have a good level of work attachment to the organization. The employee performance variable has an average value of 3.83, indicating that respondents tend to agree and the existing performance assessment is in the good category.

Instrument Test

Validity Test

The transformational leadership style variable has a KMO value of 0.833 and a loading factor for each indicator >0.4 . The self-efficacy variable has a KMO value of 0.801 and a loading factor for each indicator >0.4 . The work engagement variable has a KMO value of 0.790 and a loading factor for each indicator >0.4 . The employee performance variable has a KMO value of 0.818 and a loading factor for each indicator >0.4 .

Reliability Test

This reliability test yielded a Cronbach's alpha value of 0.918 for the transformational leadership style variable, 0.813 for the self-efficacy variable, 0.885 for the work engagement variable, and 0.839 for employee performance. This indicates an alpha value >0.7 , thus confirming the reliability of the data.



Multiple Linear Regression Analysis Test

Model I	Independent Variables	F	Sig.	Information
The Influence of Transformational Leadership Style and Self-Efficacy on Work Engagement	Transformational Leadership Style and Self-Efficacy	31,955	0,000	Eligible Model
Model	Independent Variables	F	Sig.	Information
The Influence of Transformational Leadership Style, Self-Efficacy, and Work Engagement on Employee Performance	Transformational Leadership Style, Self-Efficacy, and Work Engagement	31,869	0,000	Eligible Model

These results show that all models in the study are said to be worthy of research.

Model	Adjusted R Square	Percentage (%)
Transformational Leadership Style and Self-Efficacy→Work Engagement	0.512	51.2

The Adjusted R Square value in Model I is 0.512. This indicates that the transformational leadership style and self-efficacy variables are able to explain 51.2% of the variation in work engagement, while the remaining 48.8% is explained by other variables outside the research model.

Model	Adjusted R Square	Percentage (%)
Transformational Leadership Style, Self-Efficacy, and Work Engagement→Employee Performance	0.611	61.1

The Adjusted R Square value in Model II is 0.611. This indicates that the variables of transformational leadership style, self-efficacy, and work engagement are able to explain 61.1% of the variation in employee performance, while the remaining 38.9% is explained by other variables outside the research model.



Variables	B	Beta	t-count	Sig.	Decision
Transformational Leadership Style→Work Engagement	0.250	0.438	4,639	0,000	Accepted
Self-Efficacy→Work Engagement	0.223	0.473	5,004	0,000	Accepted

These results show that all hypotheses in model 1 are accepted positively and significantly.

Variables	B	Beta	t-count	Sig.	Decision
Transformational Leadership Style→Employee Performance	0.184	0.254	2,568	0.013	Accepted
Self-Efficacy→Employee Performance	0.189	0.317	3,126	0.003	Accepted
Work Engagement→Employee Performance	0.503	0.398	3,362	0.001	Accepted

These results show that all hypotheses in model II are accepted positively and significantly.

Mediation Test

The results of the data analysis show that in the mediation test I, the Sobel Test results produced a calculated Z value of 3.8216 with a significance value of 0.0001. The results of the mediation test II, the Sobel Test, produced a calculated Z value of 3.8050 with a significance value of 0.0001. So that hypothesis 6 and hypothesis 7 are accepted.

Discussion

The influence of transformational leadership style on employee performance.

A better leadership style can improve task clarity and foster positive communication. This directly contributes to improved performance, both individually and as a team. Leaders who adapt their leadership style to the situation and needs of their subordinates will create harmonious working relationships, optimize employee potential, and encourage better performance. This is supported by research findings. Supriyadi and Suhana (2025), Auliana and Saladin (2024), Lempoy et al. (2025), Suwarni et al. (2023), Khan et al. (2023), Simanjuntak et al. (2025), Lingga et al. (2023), Ausat et al. (2022), Kholifat et al. (2022) and Giovani (2018) showed that leadership style has a positive and significant effect on performance.

**The influence of self-efficacy on employee performance**

Employees with high self-efficacy tend to be more confident in carrying out tasks, are prepared to face obstacles, and are more persistent when faced with difficulties. Believing in their ability to complete a task leads them to demonstrate more optimal performance. Thus, self-efficacy can be a key driver of high performance. Research findings conducted by Eka and Wahyu (2024), Adoe et al. (2025), Mala and Imron (2024), Suwarni et al. (2023), Karimah and Isthofaina (2023), Lengkong et al. (2020), Asti & Nasution (2025), Astuti & Arraniry (2024) that self-efficacy has a significant positive effect on performance.

The influence of leadership style on work engagement

Leaders with a transformational leadership style are able to inspire and motivate employees by providing a clear vision, thereby increasing aspects of work engagement such as vigor, dedication, and absorption. Thus, this leadership style plays a role in creating an environment that facilitates optimal work engagement. Research findings conducted by Wira & Andriani (2023), Suwarni et al. (2023), Meria et al. (2022), Momongan et al (2023), Dewi and Mansyur (2024), Fachrurazi et al (2022), Giovani (2018), Bismoko et al (2023), Nadia and Izzati (2022), Kholifah et al (2022) indicate that leadership style has a significant positive effect on work engagement.

The Influence of Self Efficacy on Work Engagement

Employees with high self-efficacy tend to feel confident when carrying out their tasks, resulting in greater vigor, dedication, and absorption. This psychological state directly increases engagement levels because employees are better prepared to contribute optimally. In other words, self-efficacy plays a role in shaping positive perceptions of work, which in turn strengthens engagement. This is supported by the research results of Suwarni et al. (2023), Maria et al. (2022), Adi et al. (2025), Karimah and Isthofaina (2023), Ningsih et al. (2024), Pramudhita and Izzati (2022), and Astuti and Arraniry (2024) that self-efficacy influences work engagement.

The Influence of Work Engagement on Performance

Employees with high levels of engagement typically demonstrate strong vigor or enthusiasm for work. This leads to employees tending to complete work on time. Therefore, employees with strong engagement will improve work output and positively impact overall performance. This is supported by the research results of Yuwana and Arwin (2022), Suwarni et al. (2023), Adi et al. (2025), Suhemi and Maryatmi (2025), Hendrik et al. (2021), Astuti & Arraniry (2024),



Pertama & Indiyati (2025) and Kholifat et al. (2022) that work engagement influences performance.

The Influence of Transformational Leadership Style on Employee Performance with Work Engagement Mediation

Leadership style not only directly impacts employee performance but also has an indirect effect through increased work engagement. In an organizational context, leaders play a crucial role in creating a work environment that fosters positive employee engagement. Leaders who create a supportive and motivating work environment will increase employee engagement, which ultimately leads to a direct improvement in performance. This is supported by the research results of Suwarni et al (2023), Suhermi and Maryatmi (2025), Mustikaningrum and Yulianti (2025), Giovani (2018) and Kholifat et al (2022) that work engagement mediates leadership style on performance.

The Influence of Self-Efficacy on Employee Performance with Work Engagement Mediation

Work engagement acts as a crucial mediator between self-efficacy and employee performance. Self-efficacy is an individual's belief in their ability to complete tasks and face challenges. Employees with high self-efficacy are generally more confident, motivated, and enthusiastic about their work, making it easier to demonstrate vigor, dedication, and absorption. This high level of engagement then strengthens the relationship between self-efficacy and performance, as employees become more proactive, focused, and take initiative in completing tasks. Thus, work engagement is a crucial pathway that transforms self-confidence into optimal performance. This is supported by the research results of Suwarni et al (2023), Mala and Imron (2024), Adi et al (2025) and Astut & Arraniry (2024) that work engagement mediates the influence of self-efficacy on performance.

CONCLUSION

Based on the results of research on the influence of transformational leadership style and self-efficacy on employee performance with work engagement as a mediating variable at PT BPR BKK TASIKMADU (Perseroda), it can be concluded as follows: Transformational leadership style has a positive and significant effect on employee performance at PT BPR BKK TASIKMADU (Perseroda). The better the implementation of transformational leadership style, the higher the employee performance produced. Self-efficacy has a positive and



significant effect on employee performance at PT BPR BKK TASIKMADU (Perseroda). The higher the employee's confidence in their abilities, the higher the performance achieved. Transformational leadership style has a positive and significant effect on work engagement. The implementation of transformational leadership can increase employee enthusiasm, dedication, and involvement in carrying out their work. Self-efficacy has a positive and significant effect on work engagement. Employees who have high confidence in their abilities tend to have a higher level of work engagement. Work engagement has a positive and significant effect on employee performance at PT BPR BKK TASIKMADU (Perseroda). The higher the employee's work engagement, the higher the performance produced. Work engagement partially mediates the effect of transformational leadership on employee performance. This indicates that transformational leadership can improve employee performance directly and through increased work engagement. Work engagement partially mediates the effect of self-efficacy on employee performance. This indicates that self-efficacy can improve employee performance directly and through increased work engagement.

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