

The Influence of Transformational and Transactional Leadership on Employee Performance with Discipline and Integrity as Intervening Variables at Telkom Group South Surabaya



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ABSTRACT: In a company, leaders and employees are two things that are interconnected with each other. Both have an impact on the company, both positive and negative impacts. A leader plays a very important role in the process of increasing and maintaining the discipline, integrity, and performance of an employee. A leader also needs to determine his leadership style in providing direction and changes to employee performance. This study aims to determine the effect of transformational and transactional leadership styles on performance with discipline and integrity as intervening variables. Transformational change is measured through individual consideration, inspirational motivation, intellectual stimulation. Transactional speed is measured through contingent reward, active management, passive management. Discipline is measured by example, waskat, and firmness. Integrity is measured through honesty, consistency, commitment. Performance is measured through the quality of work, responsibility, cooperation.

The method used is quantitative with a sample taken of 110 employees of the Telkom Group South Surabaya. The data analysis technique uses the Structural Equation Modeling (SEM) method using IBM SPSS and AMOS version 24. The results of this study indicate that (1) transformational leadership has a significant effect on discipline, (2) transactional leadership has no significant effect on discipline, (3) transformational leadership has a significant effect on integrity, (4) transactional leadership has no significant effect on integrity, (5) transformational leadership has no significant effect on performance, (6) transactional leadership has a significant effect on performance, (7) discipline has a significant effect on performance, (8) integrity has a significant effect on performance.

KEYWORDS: Transformational Leadership, Transactional Leadership, Discipline, Integrity, Performance

INTRODUCTION

In a company, leaders and employees are two things that have interrelated with one another. Both have an impact on the company, both positive and negative impacts. Leaders play the most significant role in maintaining discipline, integrity, and employee performance. Those high levels of discipline and integrity will simultaneously have good performance. The employee performance optimization hoped it would become a force for the company to continue to grow and achieve company goals. Employees are the primary resources of a company. If the employee performance is positive, the company's performance will also be positive. Therefore, to maintain and improve employee performance, the role of a leader needs by

PT Telkom Indonesia Tbk. Commonly called Telkom Group is a state-owned information and communication company. The General Manager of Telkom South Surabaya carries the *tagline* of Telkom South Surabaya with "Zero Bribery, Zero Tolerance, Bigger-Higher-Stronger". Telkom Group has received ISO 37001: 2016 certification for the Anti-Bribery Management System (SMAP) standard. Due to the commitment and implementation of The *Good Corporate Governance* (GCG) certificate was obtained. By carrying the *tagline* "Zero Bribery, Zero Tolerance, Bigger-Higher-Stronger" and the application of ISO 37001: 2016, Telkom Group employees were required to discipline, integrity, and maximize their work. Therefore, an appropriate leadership style is needed to improve a significant influence on employee performance and on company performance in maintaining or even increasing performance without reducing the values of discipline and integrity.

Fahmi at Widodo et al. (2018) said that leadership is a science that comprehensively examines how to direct, influence, and supervise other people to carry out tasks according to planned orders. The science of leadership has been growing along with the dynamics of the development of human life, Candra in Giovanni (2018), the best and most appropriate leadership style will lead to good work motivation for its employees.

Leadership style is the effort or way of a leader to achieve organizational goals by taking into account the elements of the philosophy, skills, traits, and attitudes of employees. The most effective leadership style is a leader style that can encourage or motivate subordinates, foster positive attitudes towards work and organization, and ease adapt to all situations Pradana et al. (2017). Two leadership styles that have been of great concern to researchers later related to employee discipline and integrity, namely *Transformational Leadership* and *Transactional Leadership* styles.

Based on the background and empirical research above, shows that transformational and transactional leadership styles have a significant influence on employee performance. Therefore this study aims to answer this statement empirically. Following the background above, the title of this study is The Influence of Transformational and Transactional Leadership on Employee Performance with Discipline and Integrity as Intervening Variables at Telkom Group South Surabaya. According to Hasibuan (2010: 21), human resource management (*Human Resources Management*) is a series of activities in a company for directing and developing the workforce

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so that they can work effectively and efficiently. The Human resource management functions include planning, organizing, directing, controlling, procurement, development, compensation, integration, maintenance, and discipline.

LITERATURE REVIEW

Human Resource Management

Human resource management is the science and art of managing the relationships and roles of the workforce so that they are effective and efficient in helping the company, employees, and society achieve their goals. Hasibuan (2010:9) . According to Adamy (2016:2), human resource management is a field of management that specifically describe human relations and its roles in company organizations. From the description above, the *grand theory* in this study is *Human Resources Management*, and the *applied theory* in research is leadership, discipline, integrity, and performance.

Leadership Style

According to Rivai in Badu & Djafri (2017: 34), leadership style is a style that uses power approach methods in reaching decisions and developing the structure, so that it is the power that benefits the most in the organization. Robbins & Coulter in Badu & Djafri (2017: 34) also state a leadership style that tends to concentrate power on himself, dictates how tasks completed, makes decisions unilaterally, and minimizes employee participation.

Transformational Leadership Style

According to Burns in Surbakti & Suharnomo (2013), transformational leadership is emphasizes rationality and emotion in motivating the behavior of subordinates. Indicators for measuring transformational leadership style are as follows:

1. ideal influence
2. Individual considerations
3. Inspirational motivation
4. Intellectual Stimulation

Transactional Leadership Style

Transactional leadership is a process of negotiation or contract where employees are given salaries and other rewards, and the company gets authority over its employees Haryono (2013: 189). According to Jensen et al. (2016), indicators for measuring transactional leadership style are as follows:

1. Employee Benefits (*Contingent Reward*)
2. Active Control (*Active Management*)
3. Passive Control (*Passive Management*)

Employee Discipline

Siagian in Kumarawati et al. (2017) stated that discipline is a management action to encourage members of the organization to meet the demands of various conditions that must be obeyed and standards that must be met. According to Hasibuan (2010: 194), indicators to measure employee discipline are as follows:

1. Example
2. Waikato (Inherent Supervision)
3. Firmness

Employee Integrity

Integrity is the concept of consistency in actions, values, methods, steps, principles, expectations, and results. In ethics, integrity considered as honesty and truth or accuracy of one's actions Masram & Mu'ah (2017:41) . According to Abdullah in Eprianti et al. (2020), indicators to measure employee integrity are as follows:

1. Honest behavior
2. Consistent Attitude
3. Commitment

Employee performance

Rivai in Tarigan & Priyanto (2021), state that performance is an illustration of the level of achievement of implementing a program of activities or policies in realizing the goals, objectives, vision, and mission of the organization as outlined through the strategic planning of an organization. According to Mangkunegara in Tania (2017), indicators for measuring employee performance are as follows:

1. Work Quality
2. Responsibility
3. Cooperation

CONCEPTUAL FRAMEWORK AND RESEARCH HYPOTHESIS

The conceptual framework is the theories or concepts that support the research used as a guide in compiling a systematic study. The conceptual framework will serve as a guideline for researchers to explain the theory used in the study. This research has a conceptual framework with an explanation in the figure below, with the following discussion:

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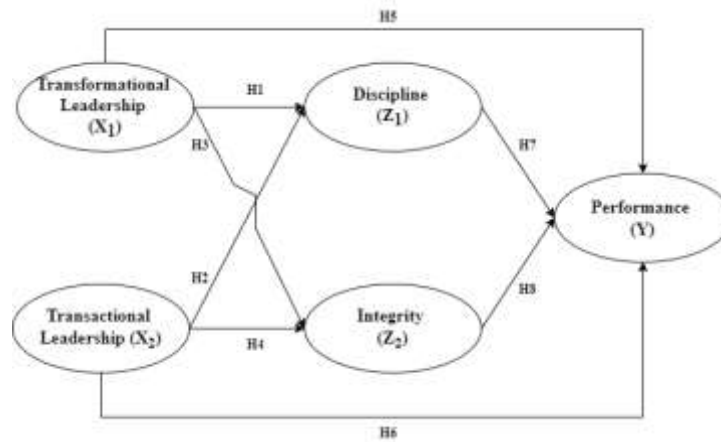


Figure 1. Conceptual Framework

Description :

- 1 Independent Variable : X₁ Transactional Leadership
X₂ Transformational Leadership
- 2 Dependent Variable : Y Employee Performance
- 3 Intervening Variables : Z₁ Employee Discipline
Z₂ Employee Integrity

RESEARCH HYPOTHESIS

Based on a conceptual framework described formulation of the hypothesis arranged as follows:

Hypothesis 1

According to Burns in Surbakti & Suharnomo (2013), transformational leadership is emphasizes rationality and emotion in motivating the behavior of subordinates. Research conducted by Syahrani et al. (2020) entitled *The Influence of Transformational Leadership and Work Discipline On The Work Performance Of Education Service Employees* proves that transformational leadership has no significant effect on discipline.

H 1: Transformational leadership has a significant influence on the discipline of South Surabaya Telkom Group employees.

Hypothesis 2

Transactional leadership is a style in which the leader promotes the obedience of his followers through rewards and punishments Odumeru et al. (2013). Research by Rahmi et al. (2020) conducted in a study entitled *The Effect of Leadership and Empowerment Style and Motivation on Work Discipline and Employee Performance in Sungai Kunjang Subdistrict, Samarinda City*, proved that leadership has no positive effect on discipline.

H 2: Transactional leadership has a significant influence on employee discipline in Telkom Group South Surabaya.

Hypothesis 3

According to Burns in Surbakti & Suharnomo (2013), transformational leadership is emphasizes rationality and emotion in motivating the behavior of subordinates. Research conducted by Sujiyanto (2017) in a study entitled "The Effect of Employee Integrity and Loyalty on Leadership Policies and Their Impact on Performance in the Batu City Communication and Informatics Office" proves that employee integrity does not affect leadership policies.

H 3: Transformational leadership has a significant influence on the integrity of South Surabaya Telkom Group employees.

Hypothesis 4

According to Burns in Surbakti & Suharnomo (2013), transformational leadership is emphasizes rationality and emotion in motivating the behavior of subordinates. Research conducted by Sujiyanto (2017) in a study entitled *The Effect of Employee Integrity and Loyalty on Leadership Policies and Their Impact on Performance in the Batu City Communication and Informatics Office* proves that employee integrity does not affect leadership policies.

H 4: Transactional leadership has a good influence on the integrity of the South Surabaya Telkom Group employees.

Hypothesis 5

According to Burns in Surbakti & Suharnomo (2013), transformational leadership is emphasizes rationality and emotion in motivating the behavior of subordinates. Research conducted by Pradita et al. (2022) in a study entitled *The Effect of Perceived Organizational Support and Transformational Leadership on Organizational Commitment and Performance of BUMDesa Officers in Gresik Regency, East Java Province, Indonesia*, proved that transformational leadership has a significant positive effect on employee performance.

H 5: Transformational leadership has a significant influence on the performance of employees of the South Surabaya Telkom Group.

Hypothesis 6

Transactional leadership styles is a transactional leadership style in which the leader promotes the obedience of his followers through rewards and punishments Odumeru et al. (2013). Research conducted by Purwanto et al. (2019) in a study entitled *"Influence*

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of Transformational and Transactional Leadership Style toward Food Safety Management System ISO 22000:2018 Performance of Food Industry in Pati Central Java" proves that transactional leadership has a positive and significant effect on performance.

H 6: Transactional leadership has a significant influence on the performance of employees of the South Surabaya Telkom Group.

Hypothesis 7

According to Siagian in Kumarawati et al. (2017), state discipline is a management action to encourage members of the organization to meet the demands of various conditions that obeyed and standards met. Research by Razak et al. (2018) conducted in a study entitled *Effect of Leadership Style, Motivation and Work Discipline on Employee Performance in PT. ABC Makassar* proves that employee discipline simultaneously has a significant effect on employee performance.

H 7: Employee discipline has a significant influence on the performance of employees of the South Surabaya Telkom Group.

Hypothesis 8

According to Zahra in Kurnia Putri Manoppo et al. (2021), integrity is a commitment to do everything by correct and ethical principles, per values and norms, and there is consistency in continuing to carry out this commitment in every situation without seeing any opportunity or compulsion to deviate from principles. Research conducted by Sujianto (2017) entitled *The Influence of Employee Integrity and Loyalty on Leadership Policies and Their Impact on Performance in the Communication and Informatics Office of Batu City*, proves that integrity has a significant effect on employee performance.

H 8: Employee integrity has a significant influence on the performance of employees of the South Surabaya Telkom Group.

RESEARCH METHODS

The research model uses a quantitative approach. Quantitative research is a type of research that basically uses a deductive-inductive. This research departs from a theoretical framework, previous research and the understanding of researchers based on their experience, then developed into problems and proposed solutions to obtain justification for empirical data in the field.

The data used in this study uses primary data. The primary collection method was carried out by distributing questionnaires to employees working in the Telkom Group Telkom South Surabaya environment using Google Form media. The questionnaire data used to find out empirical data on the variables of Transformational Leadership, Transactional Leadership, Discipline, Integrity and Employee Performance.

This study analysis conducted to describe the respondents answer to the variables tested. Data analysis in this study used quantitative analysis using Structural Equation Modeling (SEM) analysis techniques using IBM SPSS Statistics and AMOS version 24 software.

Measurement of the variables transformational leadership (X 1), Transactional Leadership (X 2), Employee Discipline (Z 1), Employee Integrity (Z 2), Employee Performance (Y) uses a Likert scale consisting of five answer scales. Answers from respondents will be given a score as follows:

- | | | |
|---|-------------------|-----|
| 1 | Strongly agree | : 5 |
| 2 | Agree | : 4 |
| 3 | Neutral | : 3 |
| 4 | Disagree | : 2 |
| 5 | Strongly Disagree | : 1 |

POPULATION AND SAMPLE

The population is a generalized area consisting of objects that contained qualities and characteristics determined by researchers to be studied and then conclusions drawn in Sugiyono (2013). Due to the unknown population size, it is determined by the Isaac & Michael table in Sugiyono (2013: 87) using an error tolerance limit of 10%, total population determined as 272. Based on the Isaac & Michael table, state the population of study is employees who work in the Telkom Group South Surabaya environment there are 272 employees.

Sujarweni in Widodo et al. (2018), the sample is part of several characteristics possessed by the population used for research. The sample is part of the number and characteristics possessed by the population Sugiyono (2013: 215). Based on the qualifications of the respondent profile data that had been determined in the questionnaire, 112 respondents received data *feedback*, but there were 2 respondents did not meet the research requirements and criteria. So they were not included in the study. This study used a saturated sampling technique, with a total sample of 110 respondents.

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ANALYSIS RESULTS AND DISCUSSION
Measurement Model

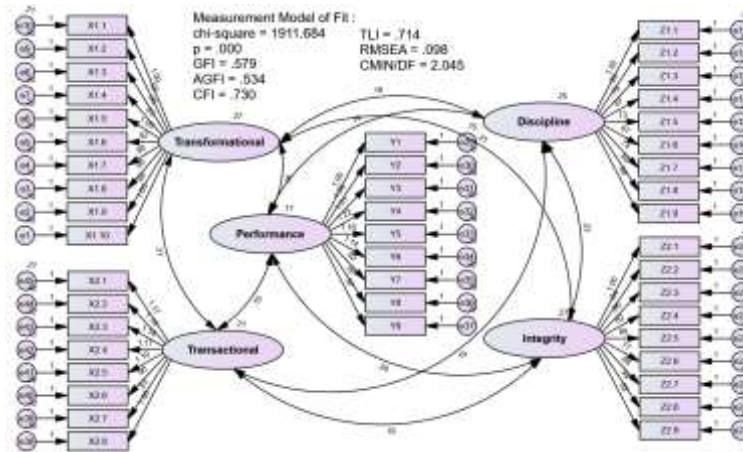


Figure 2. Measurement Model 1

Figure 2 shows the results of factor loading calculations on the variables Transformational Leadership, Transactional Leadership, Discipline, Integrity and Performance. From the calculation results factor loading can be seen as follows:

Table 1. Measurement Model of Fit 1

Measurement Model of Fit	Cut Off	Results	Evaluation
Chi-Square	Expected small	1911. 684	Bad
Probability	≥ 0.05	0.000	Bad
GFI	≥ 0.90	0.579	Bad
AGFI	≥ 0.90	0.534	Bad
CFI	≥ 0.95	0.730	Bad
TLI	≥ 0.95	0.714	Bad
RMSEA	≤ 0.08	0.098	Bad
CMIN/DF	≤ 2.00	2045	Bad

Table 1 shows the results of the calculation of the factor loading showing that the Measurement Model is inappropriate or less than the expected value. Therefore, the model was modified according to the recommendations in the modification indices on Amos . The modified results of Amos' recommendations are as follows:

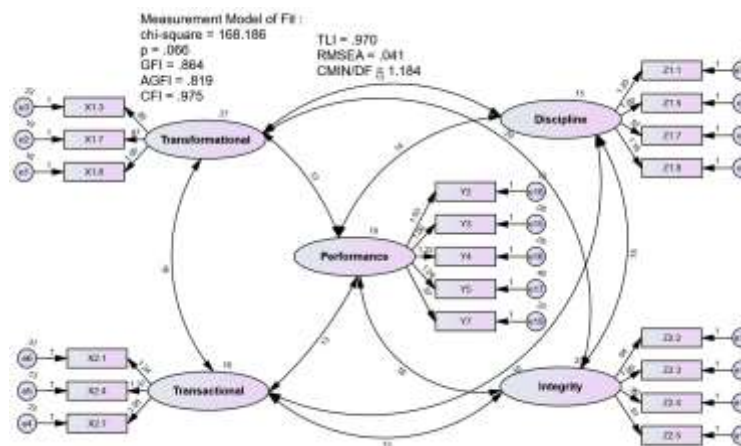


Figure 3. Measurement Model 3

Figure 3 shows the results of factor loading calculations on the variables Transformational Leadership, Transactional Leadership, Discipline, Integrity and Performance which are formed by the indicators that have been modified following the recommendations on the modification indices on Amos. From the calculation results factor loading can be seen as follows:

Table 2. Measurement Model of Fit 2

Measurement Model of Fit	Cut Off	Results	Evaluation
Chi-Square	Expected small	168,186	fit
Probability	≥ 0.05	0.066	fit
GFI	≥ 0.90	0.864	Moderate

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AGFI	≥ 0.90	0.819	<i>Moderate</i>
CFI	≥ 0.95	0.975	<i>fit</i>
TLI	≥ 0.95	0.970	<i>fit</i>
RMSEA	≤ 0.08	0.041	<i>fit</i>
CMIN/DF	≤ 2.00	1,184	<i>fit</i>

Table 2 shows the results of *factor loading calculations* showing the *Measurement Model* on the variables Transformational Leadership, Transactional Leadership, Discipline, Integrity and Employee Performance formed by the indicators in it are appropriate or the model can be said to be (*fit*) with the data. The results of calculating the *factor loading* on each indicator can be seen as follows:

Table 3. Factor Loading Value

Variable	Indicator	Loading Factor	Information
transformational (X ₁)	X1.3	0.683	<i>Fit</i>
	X1.7	0.751	<i>Fit</i>
	X1.8	0.789	<i>Fit</i>
Transactional (X ₂)	X2.1	0.669	<i>Fit</i>
	X2.4	0.838	<i>Fit</i>
	X2.7	0.655	<i>Fit</i>
Discipline (Z ₁)	Z1.1	0.813	<i>Fit</i>
	Z1.5	0.838	<i>Fit</i>
	Z1.7	0.923	<i>Fit</i>
	Z1.8	0.598	<i>Fit</i>
Integrity (Z ₂)	Z2.2	0.619	<i>Fit</i>
	Z2.3	0.597	<i>Fit</i>
	Z2.4	0.629	<i>Fit</i>
	Z2.5	0.670	<i>Fit</i>
Performance (Y)	Y2	0.855	<i>Fit</i>
	Y3	0.733	<i>Fit</i>
	Y4	0.769	<i>Fit</i>
	Y5	0.795	<i>fit</i>
	Y7	0.670	<i>fit</i>

Table 3 shows that the indicators for the variables Transformational Leadership, Transactional Leadership, Discipline, Integrity and Employee Performance have a *loading factor value* greater than 0.50. So that these indicators can be declared valid in forming the variables of Transformational Leadership, Transactional Leadership, Discipline, Integrity and Employee Performance and can be used to build the next model.

Validity test

A validity test is a way to see the probability of each indicator. A Validity test is useful to determine the validity of the indicator. The indicator can be said to be valid if the *Probability (P)* value is less than ≤ 0.05. The results of the validity test on each variable are as follows:

Table 4. Validity Test Table

			Estimates	SE	CR	P	Ket.
X1.3	←	transformational	0.85	0.124	6,874	***	Valid
X1.7	←	transformational	0.968	0.126	7,692	***	Valid
X1.8	←	transformational	1				Valid
X2.1	←	Transactional	1,243	0.22	5,638	***	Valid
X2.4	←	Transactional	1.37	0.206	6,648	***	Valid
X2.7	←	Transactional	1				Valid
Y2	←	Performance	1,029	0.1	10,268	***	Valid
Y3	←	Performance	1				Valid
Y4	←	Performance	1,224	0.098	12,428	***	Valid
Y5	←	Performance	1,086	0.162	6,713	***	Valid
Y7	←	Performance	0.865	0.123	7,049	***	Valid
Z1.1	←	Discipline	1.202	0.23	5,225	***	Valid
Z1.5	←	Discipline	1				Valid

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Z1.7	←	Discipline	0969	0.165	5,885	***	Valid
Z1.8	←	Discipline	1.156	0.172	6,737	***	Valid
Z2.2	←	Integrity	0936	0.122	7,685	***	Valid
Z2.3	←	Integrity	1				Valid
Z2.4	←	Integrity	0.904	0.108	8,364	***	Valid
Z2.5	←	Integrity	0912	0.134	6,815	***	Valid

Table 4 shows the value (P) of each variable that has a value smaller than ≤ 0.05 or close to 0 (zero). Thus concluded that the indicator value is valid (legitimate) for further testing.

Reliability Test

The results of the reliability test are used to see whether each questionnaire tested has consistency and can be trusted or not. A questionnaire can be said to be reliable if the *Cronbach Alpha value* is > 0.60 . The results of the reliability test can be seen as follows:

Table 5. Reliability Test

Variable	Items	Cronbach Alpha	Ket.
Transformational Leadership (X1)	3	0.783	reliable
Transactional Leadership (X2)	3	0.742	reliable
Discipline (Z1)	4	0.766	reliable
Integrity (Z2)	4	0.826	reliable
Performance (Y)	5	0.854	reliable

Table 5 shows that the variables Transformational Leadership, Transactional Leadership, Discipline, Integrity and Performance have a *Cronbach Alpha value* of more than > 0.60 . It conclude that the variable is Reliable.

Normality test

The normality test result used to see the effect relationship on each research variable. The results can be seen as follows:

Table 6. Normality Test

Variables	Min	Max	skew	cr	kurtosis	cr
Y7	3,000	5,000	-.441	-1,887	-.663	-1,419
Y5	2,000	5,000	-.305	-1,306	-.555	-1,188
Z2.5	2,000	5,000	-.550	-2,357	.126	.270
Z1.8	3,000	5,000	-.580	-2,482	-.915	-1,960
Z2.2	2,000	5,000	-.585	-2,506	.558	1,194
Z2.3	2,000	5,000	-.928	-3,974	1,752	3,752
Z2.4	3,000	5,000	-.381	-1,630	-.935	-2003
Y4	3,000	5,000	-.290	-1,240	-.762	-1,631
Y3	3,000	5,000	-.052	-.224	-1,529	-3,272
Y2	3,000	5,000	-.243	-1,042	-.992	-2,123
Z1.7	3,000	5,000	-1,246	-5,336	.560	1,199
Z1.5	2,000	5,000	-1,578	-6,755	3,210	6,872
Z1.1	1,000	5,000	-1,245	-5,329	2036	4,358
X2.1	1,000	5,000	-1,400	-5,994	2,870	6,144
X2.4	1,000	5,000	-1,360	-5,822	4,530	9,698
X2.7	3,000	5,000	-.329	-1,410	-.661	-1,415
X1.8	2,000	5,000	-.905	-3,874	.564	1.207
X1.7	2,000	5,000	-.872	-3,734	.411	.880
X1.3	2,000	5,000	-.966	-4,138	.768	1,644
Multivariate					146,656	27,225

Table 6 shows that the cr value is 27,225, which means that the research data is not normally distributed. Then the SEM estimation can use the Bootstrapping approach.

Structural Model Analysis

Structural model analysis is used to ensure that the model is (fit) with the data and to test the hypothesis of the influence of the variables studied. The estimate used in the structural model analysis is the *Maximum Likelihood Estimation* (MLE). The results of the structural model analysis with Amos can be seen in Figure 5.2 as follows:

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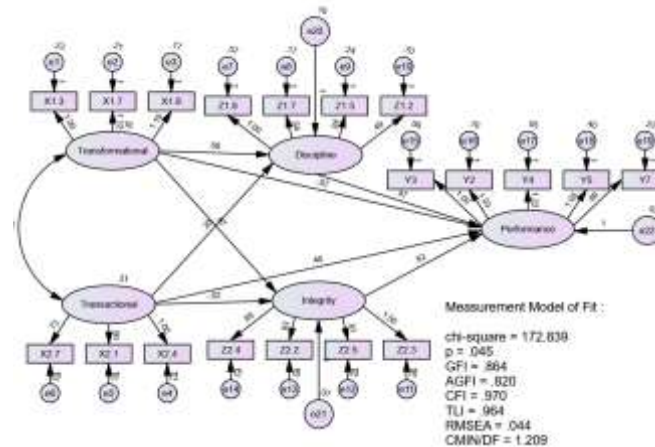


Figure 3. Structural Research Model

The results of the model suitability test ensure that the model is *fit* with the data, so that the model can be used to test hypotheses. Following are the results of the *Measurement Model of Fit* test resulting from the structural model as follows:

Table 7. Measurement Model of Fit

<i>Measurement Model of Fit</i>	Cut Off	Results	Evaluation
Chi-Square	Expected small	172,839	<i>fit</i>
Probability	≥ 0.05	0.045	<i>fit</i>
GFI	≥ 0.90	0.864	<i>Moderate</i>
AGFI	≥ 0.90	0.820	<i>Moderate</i>
CFI	≥ 0.95	0.970	<i>fit</i>
TLI	≥ 0.95	0.964	<i>fit</i>
RMSEA	≤ 0.08	0.044	<i>fit</i>
CMIN/DF	≤ 2.00	1,209	<i>fit</i>

Table 7 shows that the test results show the suitability of the model. From the table above after testing the Probability value, CFI, TLI, RMSEA and CMIN/DF show good results or the index can be said (*Fit*). But in testing the value of GFI, AGFI shows results that are critical but still acceptable. Therefore it can be concluded that the structural model is feasible for further testing.

Hypothesis Test

Hypothesis testing is used to determine the causality relationship in each research variable. The results of hypothesis testing can be seen as follows:

Table 8. Hypothesis Test Results:

Relationship between variables			Estimates	SE	CR	P	Ket.
H ₁	Transformational	→ Discipline	0.563	0.225	2,504	0.012	Signifikan
H ₂	Transactional	→ Discipline	0.200	0.170	1.177	0.249	Not Signifikan
H ₃	Transformational	→ Integrity	0.974	0.275	3,546	***	Signifikan
H ₄	Transactional	→ Integrity	-0.023	0.170	-0.125	0.901	Not Signifikan
H ₅	Transformational	→ Performance	-0.671	0.363	-1,848	0.065	Not Signifikan
H ₆	Transactional	→ Performance	0.462	0.168	2,751	0.006	Signifikan
H ₇	Discipline	→ Performance	0.471	0.132	3,565	***	Signifikan
H ₈	Integrity	→ Performance	0.516	0.197	2,618	0.009	Signifikan

1st Hypothesis Test Results

The test results on H₁ show the relationship between transformational leadership variables and disciplinary variables. In the H₁ test, the value of cr = 2.504 meets the requirements > 1.96 and the value of p = 0.012 meets the requirements < 0.05. It can be concluded that H₁ is accepted because transformational leadership has a significant positive influence on the discipline of Telkom Group South Surabaya employees.

2nd Hypothesis Test Results

The test results on H₂ show the relationship between the transactional leadership variable and the discipline variable. The H₂ test shows that the value of cr = 1.177 does not meet the requirements > 1.96 and the value of p = 0.249 does not meet the requirements < 0.05. It can be concluded that H₂ is rejected because transactional leadership does not have a significant effect on the discipline of Telkom Group South Surabaya employees.

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3rd Hypothesis Test Results

The test results on H 3 show the relationship between transformational leadership variables and integrity variables. The H3 test shows that the value of $cr = 3,546$ meets the requirements > 1.96 and the value of $p = ***$ meets the requirements < 0.05 . It can be concluded that H3 is accepted because transformational leadership has a significant influence on the integrity of Telkom Group South Surabaya employees.

4th Hypothesis Test Results

The test results on H 4 show the relationship between the transactional leadership variable and the integrity variable. The H4 test shows that the value of $cr = -0.125$ does not meet the requirements > 1.96 and the value of $p = 0.901$ does not meet the requirements < 0.05 . It can be concluded that H4 is rejected because transactional leadership has no significant effect on the integrity of Telkom Group South Surabaya employees.

5th Hypothesis Test Results

The test results on H 5 show the relationship between transformational leadership variables and performance variables. The H5 test shows that the value of $cr = -1.848$ does not meet the requirements > 1.96 and the value of $p = 0.065$ does not meet the requirements < 0.05 . It can be concluded that H5 is rejected because transformational leadership has no significant effect on the performance of Telkom Group South Surabaya employees.

6th Hypothesis Test Results

The test results on H 6 show the relationship between transactional leadership variables and performance variables. The H6 test shows that the value of $cr = 2.751$ meets the requirements > 1.96 and the value of $p = 0.006$ meets the requirements < 0.05 . It can be concluded that H 6 is accepted because transactional leadership has a significant influence on the performance of Telkom Group South Surabaya employees.

7th Hypothesis Test Results

The test results on H 7 show the relationship between the discipline variable and the performance variable. The H7 test shows that the value of $cr = 3,565$ meets the requirements > 1.96 and the value of $p = ***$ meets the requirements < 0.05 . It can be concluded that H 7 is accepted because discipline has a significant influence on the performance of Telkom Group South Surabaya employees.

8th Hypothesis Test Results

The test results on H 8 show the relationship between the integrity variable and the performance variable. The H8 test shows that the value of $cr = 2.618$ meets the requirements > 1.96 and the value of $p = 0.009$ meets the requirements < 0.05 . It can be concluded that H 8 is accepted because discipline has a significant influence on the performance of Telkom Group South Surabaya employees.

Indirect Test Results

The indirect test by conducting the Sobel test is used to determine whether there is an indirect effect on the independent variable (X1 and X2) on the dependent variable (Y) caused by the intervening variable (Z1 and Z2). Sobel test results are as follows:

Table 9. Indirect Test

Connection. Between Variables	t value	P
Transformational towards Performance through Discipline	2049	0.040
Transactional to Performance through Discipline	1.117	0.264
Transformational towards Performance through Integrity	2.106	0.035
Transactional to Performance through Integrity	-0.135	0893

Table 9 shows that the results of the Sobel test show that discipline and integrity are able to mediate the Transformational Leadership variable on the performance with a Sobel value of > 1.96 and $P < 0.05$. Simultaneously, discipline and integrity are unable to mediate the variable Transactional Leadership on Performance because the sobel value is not more than > 1.96 and the P value is above < 0.05 .

CONCLUSION

Based on the presentation of research data has carried out with the title The Influence of Transformational Leadership Style and Transactional Leadership on Employee Performance with Discipline and Integrity as Intervening Variables at Telkom Group South Surabaya, the authors can draw conclusions and suggestions related to the research that the authors conducted. The conclusions and suggestions that the authors found are as follows:

1. Transformational Leadership has a significant influence on the Discipline of Telkom Group South Surabaya employees.
2. Transactional Leadership has no significant effect on the Discipline of Telkom Group South Surabaya employees.
3. Transformational Leadership has a significant influence on the integrity of Telkom Group South Surabaya employees.
4. Transactional Leadership has no significant effect on the Integrity of Telkom Group South Surabaya employees.
5. Transformational Leadership has no significant effect on the performance of Telkom Group South Surabaya employees.
6. Transactional Leadership has a significant influence on the performance of Telkom Group South Surabaya employees.
7. Discipline and Integrity as intervening variables simultaneously have a significant influence on the performance of Telkom Group South Surabaya employees.
8. Discipline and Integrity have a mediating effect on Transformational Leadership on Performance.
9. Discipline and Integrity do not have a mediating effect on Transactional Leadership on Performance.
10. Transformational leadership is better than transactional leadership in producing employee performance levels.

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