

ABSTRACT

This study aims to determine the effect of transformational leadership on employee performance, with motivation as an intervening factor, at PT. Al-Yamin. The background of this study is based on the problems encountered at PT. Al-Yamin, namely low employee performance. This is indicated by unmet targets and work realization, and project completion times that sometimes experience delays.

This study utilizes quantitative research methods. The research method used is descriptive and verification. The population was 198 PT. Al-Yamin employees. The sample size was 133 employees using the Slovin formula. Data collection used questionnaires, documentation, and literature review. Data analysis was performed using the Partial Least Squares (PLS) method and SmartPLS software.

The results of the study indicate that transformational leadership style, employee performance, and work motivation are categorized as good. Transformational leadership style has a significant effect on employee performance, transformational leadership style influences work motivation, work motivation influences employee performance, and work motivation mediates the effect of transformational leadership style on employee performance.

These findings emphasize the importance of considering the transformational leadership style at PT. Al-Yamin because it influences work motivation and improves employee performance. The company is advised to implement the transformational leadership style optimally to provide high motivation and ultimately improve employee performance.

Keywords: *transformational leadership style, employee performance, work motivation*