

**THE EFFECT OF TRANSFORMATIONAL LEADERSHIP ON REWARD:  
MODERATING ROLE OF PUBLIC SERVICE MOTIVATION AND  
MISSION VALENCE (A STUDY ON FACILITY UNIT, REGION 2  
BANDUNG OF PT KERETA API INDONESIA (PERSERO))**

Tiven Ronikko<sup>1</sup>, Sinto Sunaryo<sup>2</sup>

<sup>1</sup>Fakultas Ekonomi dan Bisnis, Universitas Sebelas Maret, Surakarta, Indonesia

<sup>2</sup>Fakultas Ekonomi dan Bisnis, Universitas Sebelas Maret, Surakarta, Indonesia

**Abstract**

This study aimed to examine the effect of transformational Leadership on the reward when public service motivation and mission valence serve as the moderating variables. Conducted in PT KAI's Facility Unit of Region 2 Bandung, this study involved 220 participants. To this end, Structural Equation Modeling (SEM) was applied. The result showed that both intrinsic and extrinsic rewards affected performance. Whereas it was found that transformational leadership did not affect performance. It was also found that public service motivation and mission valence did not moderate the effect of transformational leadership on performance. Future studies are recommended to investigate leadership styles that influence employee's performance, as well as a more effective reward system for improving employee's performance.

**Keywords:** transformational leadership, public service motivation, mission valence, rewards, performance

**INTRODUCTION**

Effective organizations are increasingly aware of various factors contributing to performance, where the human resource element is the most critical factor. Regardless of the organization's size, activity, and environment, organizational success is determined by employee-related decisions and organizational habits (Mello,2011). As the key elements of an organization, employees' performance may determine organizational success and failure.

Employee performance is important for improving the organization's performance (Elnaga & Imran, 2013). Performance is defined as an individual's ability to contribute to the organization's core technical development (Santos, Neto & Verwaal, 2018). Among numerous factors affecting employees' performance, transformational leadership (Caillier, 2014) and intrinsic and extrinsic motivation (Chijioke & Chinedu) are found to affect employee's performance (Hijioke & Chinedu, 2015).

Transformational leadership defines a leader's approach in motivating his/her followers, driving them to be consistent with the organization's goal and expected performance (Buil, Martinez & Matute, 2017). Transformational leadership is one of the leadership styles proven effective to enhance employees' positive role (MacKenzie & Podsakoff, 2001). Transformational leadership can affect employee's performance directly (Calilier, 2014), as its components may support the process of obtaining the expected working result (Bass, 2003; Howell and Avolio, 1993; Lowe,

1996; and Walumbwa, 2008). The effect of transformational leadership can also be moderated by public service motivation and mission valence (Caillier, 2014).

Public service motivation (PSM) refers to an individual's orientation of providing services to others with good purposes for others and the environment (Perry & Hondeghem, 2008). Used in various sectors including governmental sectors (e.g., Pandey, Wright & Moynihan, 2008), several studies found that MPP is associated with performance (Camilleri & Var Den Heijden, 2007; Naff & Crum, 1999). Perry and Wise (1990) found that individuals with high PSM attitudes exhibit better working performance, which is supported by Naff & Crum (1999) who state that PSM positively affects employee's performance. More recently, Alonso and Lewis (2001) found that PSM affects public organization's performance.

In addition to PSM, employee's performance can also be affected by mission valence. Developed by Rainey and Steinbauer (1999), mission valence is viewed as an employee's perceived importance of the organization's social contribution. Individuals with a higher perceived mission may have better working motivation (Rainey & Steinbauer, 1999). That is, mission valence positively affects employee's performance (Kuvaas, 2017). Caillier (2014) found that mission valence may strengthen the relationship between transformational leadership and performance. Caillier (2014) also found that higher mission valence may positively affect the relationship between transformational leadership and performance.

Among many factors affecting worker's performance is the reward (Chijioke & Chinedu, 2015). A reward can be defined as any valuable or invaluable things provided by the organization to its workers, intentionally or unintentionally, as feedback for their contribution (Shields, 2007). Puwanenthiren (2011) stated that a reward system comprises the entire organizational components, namely, people, process, rule, and decision-making activity related to compensation and benefit for workers as feedbacks for their contribution to the organization. Rewards, in general, could be divided into two types, intrinsic and extrinsic rewards (Mottaz, 1985; Mahaney & Lederer, 2006; Hatice, 2012).

The intrinsic reward cannot be measured and stems from individuals' self (Hafiza, 2011), it comes in the form of Appreciation, care, challenges, and rotation after certain goals are achieved. Intrinsic reward stems from the contentedness of the given tasks and includes a range of factors such as challenge, self-direction, responsibility, variation, creativity, opportunity, and feedback on an employee's effectiveness (Hatice, 2012). Intrinsic rewards in an organization may affect workers' performance (Chijioke & Chinedu, 2015).

Regarding extrinsic reward, it may come in the form of promotion, private room and working climate, competitive salary, salary increase, and bonus (Hatice, 2012). It is measurable and is used to assess workers' performance, such as salary, incentives, promotion, bonus, and safety (Hafiza, 2011). Like intrinsic rewards, the extrinsic reward is also found to influence workers' performance (Chijioke & Chinedu, 2015).

Workers' performance is considered to be the core of an organization's success and is significantly affected by the organization's leader. Their performance is also affected by how

rewards are given and motivated. One of the companies that pay more attention to its workers' performance is PT KAI (Persero). Its workers play a pivotal role since the company, as one of the state-owned enterprises, should be able to exhibit satisfactory performance and give value-added to the country. PT KAI continuously makes an improvement to deliver satisfactory performance. This professional improvement began under Ignasius Jonan's leadership in 2009.

He was viewed as capable of exhibiting a satisfactory transformational leadership style. Transformation leadership, according to Carless and Mann (2000), at least consists of seven components including staff development, being innovative, and providing exemplary, among others. Jonan, as a leader with a transformational leadership style, managed to prove this. Regarding staff development, Jonan removed the existence of seniority. As a result, any employee with satisfactory achievement holds an opportunity to secure their career and does not need to wait a long time to substitute their seniors. In the field of innovation, Jonan managed to exhibit his pivotal role by digitalizing almost all elements of the company. The most prominent evidence is KAI Access, an application that makes it easier for customers to book tickets, and the implementation of SAP MM PM in company inventory. Another evidence ensuring that Jonan is a leader with a transformational leadership style is his exemplary. He directly comes to a station to check its condition and ensure the service runs as it is expected.

What Jonan did was considered successfully improve employee's PSM and mission valence by transforming the work culture in PT KAI from product-oriented to customer-oriented. The company's slogan "Anda Adalah Prioritas Kami" (You are Our Priority) is internalized to the employees, making them feel the bond with the company and responsibility to improve its performance. Jonan's direct involvement in the field becomes exemplary for the employees and is considered effective for improving their PSM and mission valence. The reward management system is implemented through fair reward-and-punishment applicable for all employees. The success of Jonan's transformational leadership in improving employees' PSM and mission valence of PT KAI, supported by good reward management, allows PT KAI to exhibit good performance and is continued by Jonan's successors.

Cailier (2014) recommended in his study on transformational leadership, public service motivation, and mission valence to examine these variables in other fields. Grounded from the phenomenon in PT. KAI and Cailier's (2014) recommendation, this study attempted to examine these variables. The result of this study is expected to provide feedbacks for PT KAI in terms of transformational leadership, intrinsic and extrinsic rewards, public service motivation, and mission valence. Good policies regarding these variables are expected to positively affect employee's performance in PT KAI in the future.

## **Theory & Hypothesis Development**

### **Employee's Performance**

Employee performance plays a pivotal role in the company. It can be viewed as what has and has not been done by employees. It involves the quality and quantity of output, presence, and is accommodative during the process of generating output (Shahzadi, 2014). It is the worker's achievement of predetermined tasks (Cascio, 1995). Since performance could not be verified,

organizations can employ performance-based bonuses and reward for their employees (Yang, 2008). Performance can also be viewed as a success in completing tasks determined and measured by the leader based on predetermined standards using the available resources effectively and efficiently (Tinofirei, 2011). An expected performance level can only be obtained efficiently and effectively when employees share the same spirit and goals with the company.

There are three components of employee performance, (1) task performance, where the employee's performance is measured through actions considered as the part of official reward system; (2) contextual performance, which includes employee's behavior that supports the organization's social and psychological environment; and (3) adaptation performance that is viewed from the employee's ability in addressing unexpected events and turning them into changes and innovation at work (Blickle, 2008). Elnaga and Imran (2013) stated that performance is constituted by five elements, including planning, monitoring, developing, rating, and rewarding. Employee performance requires output quality and quantity (Rizwan, Tariq, Hassan & Sultan, 2014). Thus, in general, an employee's performance is defined as an employee's success in performing the organization's target and optimize their ability in managing competence, attitude, and adaptation.

### ***Transformational Leadership***

As leadership plays a pivotal role in running an organization, it experiences various development. Leadership is one of the crucial elements of an organization's success (Rainey and Steinbauer (1999). Effective leaders can communicate their direction, values, and missions to their followers. Among diverse leadership style is transformational leadership. It plays an important role since it can deliver crucial changes for effective management (Buil et al., 2017). Transformational leaders are capable of transforming the organization through their future-oriented visions and explanations. In addition, they could support their employees to be responsible for achieving the vision (Kim, 2014). Transformational leaders possess a special ability that other leaders do not, such as the ability to communicate between enthusiasm and vision, positive thought, intuition, and emotional skills. Transformational leadership itself could be defined as a leader's style in motivating his/her follower to achieve high performance, be creative and innovative, and attentive to the followers' needs (Yukl, 1999). Baysak and Yener (2015) define transformational leadership as a leadership style where the leaders always motivate their followers to achieve their goals.

Transformational leadership could be identified through several characteristics. Transformational leadership style is characterized by an authentic, collaborative, leader (Nohe & Hertel, 2017). Carless and Mann (2000) explain seven behavioral components of transformational leadership concept, namely (1) communicating visions; (2) Developing staffs; (3) Providing support; (4) Strengthening staffs; (5) Being innovative; (6) providing example; and (7) being charismatic. These components could strengthen the achievement of expected work outcomes (Bass, 2003; Howell & Avolio, 1993; Lowe, 1996; dan Walumbwa, 2008). Transformational leadership is found to directly affect employee performance (Cailier, 2014; Buil, Martinez & Matute, 2017). A transformational leader is capable of building a culture that strengthens bonds among his/her followers (Christle, 2019). To conclude, transformational leadership is one of the leadership style

consisting of seven behavioral components that strengthen one another to influence followers to achieve the organization's targeted performance.

**Public Service Motivation (PSM)**

Public service motivation defines one's tendency to act in a public organization or institution (Perry & Wise, 1990). PSM is also defined as an employee's motive to do good things for others and build good community relationships (Perry & Hondeghem, 2008). Rainery and Steinbauer (1999) viewed PSM as a general motivation to serve a community, region, country, or individual. Meanwhile, Brewer and Selden (1998) viewed PSM as a motivation that strengthens individuals to provide a meaningful service for the public, community, and society.

By having employees with high PSM, the governmental organization is expected to exhibit better performance (Belle, 2013). PSM is governmental organization resources that should be maintained by focusing on human resource management practices, such as training in related public service fields (Petrovsky & Ritz, 2014). PSM is important in many factors, especially in the governmental organization (Pandey, Wright & Moynihan, 2008) since the Governmental organization holds social missions. Thus, its employees are encouraged to fulfill this mission as a part of their job (Cailier, 2014). In other words, PSM would be more common in the public service sector, compared to the private service sector (Perry, Hondeghem & Wise, 2010). PSM could be defined as an employee's motive in providing good things for themselves and others as a form of public service. Having public service motivation, the governmental organization is expected to exhibit better performance.

***Mission Valence***

Mission Valence describes the extent to which an employee views the organization's mission as an attractive matter (Wright & Pandey, 2011). It is important for organizations that aim to improve their public service quality and motivate their employee to provide the best for the public (Rainey & Steinbauer, 1999). Since introduced by Rainery and Steinbauer in 1999, mission valence continues to increase it is closely related to work (Wright, 2007) and performance (Cailier, 2014). Mission valence can provide sense of purpose and importance of a job, which can improve an individual's effort and motivation to exhibit better performance, although it is controlled through an extrinsic reward system (Wright, 2007). High mission valence level may improve the organization's performance since the employees find the organization's mission attractive and interesting for them, thus motivating them to exhibit better performance for the organization (Rainey & Steinbauer, 1999). As high mission valence increases the organization's effectiveness and efficiency, the management can take advantage of the condition that enhances the employee's interest in the organization's goal and contribution (Wright & Pandey, 2007).

Mission valence itself could be defined as a perceived attachment of the organization's goal or social contribution (Pandey, Wright & Moynihan, 2012). Mission valence could also be viewed as the important driver in determining employees' motivation and performance in the public service sector and non-profit organizations (Wright, 2007; Wright & Pandey, 2008). It is an intrinsic motivation technique that comes in the form of positive motivational behavior when the organization's mission is consistent with an individual's values, beliefs, and goals. Mission

valence would be high when the mission is accepted as a challenge and perceived as valuable for individuals (Guerrero & Chenevert, 2020). When individuals find the organization's mission interesting, attractive, and valuable, the organization may find it easier to obtain their support, attention, and motivation to give satisfactory performance in the organization. To conclude, mission valence is employees' attachment to the organization's goal where it can lead to better performance for the organization.

### **Intrinsic and Extrinsic Reward**

A reward is a crucial element to motivate employees to give their contribution to the organization (Aktar, Sachu & Ali, 2012). Employees will work optimally when they believe that management will reward their contributions. A reward is a general term for the consequence of service given by workers for the organization (Saeed, Nayyab & Lodhi, 2013). The Reward system given to employees may be different from one organization to another. In designing a reward system, the organization should determine its goal and certain performance that defines the reward. Determining the reward system may help the management to shape the employees' behavior. The Reward system, according to Fay and Thompson (2001), plays a pivotal role in determining the organization's ability in attracting potential employees and maintaining their performance and quality. Reward system consists of all organization's components, i.e., people, process, rule, and decision-making activities related to the giving of compensation and benefit for employees for their contribution to the organization (Puwanenthiren, 2011). This broad definition of reward results in a broad reward management system. Rewards, in general, could be divided into two types, intrinsic and extrinsic rewards (Mottaz, 1985; Mahaney & Lederer, 2006; Hatice, 2012).

An intrinsic reward is an invaluable object such as appreciation, challenge, positive attitude, respect, and rotation after the certain achievement of a target (Aktar, Sachu, and Ali, 2012). The intrinsic reward can take the form of job challenge, responsibility, autonomy, and task variations (Shields, 2007). The intrinsic reward comes from the contentedness of a job and includes several factors such as job challenges, variation, creativity, opportunity to use the ability and expertise, and adequate feedback for the effectiveness of the effort (Chijioke & Chinedu, 2015). The intrinsic reward could be defined as any invaluable object that may affect the employee's performance and includes several job-related factors.

Different from intrinsic reward, the extrinsic reward can take the form of promotion, private workspace with a good work climate (Chijioke & Chinedu), or competitive salary, or additional salary and bonus (Hatice, 2012). Extrinsic reward is a measurable object and is the work outcome of an employee, such as salary, incentives, bonus, and promotion (Aktar, Sachu & Ali, 2012). The extrinsic reward can motivate employees to do tasks that are probably uninteresting, non-challenging for them (Christle, 2019). In other words, an extrinsic reward is a valuable object that may take the form of financial, developmental, and social aspects that motivate employees to perform tasks they probably do not like.

### **Hypotheses**

Transformational leadership is different from other leadership styles. It could be termed as 4Is, individualized influence, inspirational motivation, intellectual stimulation dan individualized

consideration (Longshore & Bass, 1987). Walumbwa (2008) found a direct relationship between transformational leadership and employee performance. It positively affects employees in the Taiwanese insurance industry (Gong, Huang & Farh, 2009). Grant's (2012) study on government employees found that transformational leadership positively and directly affects employee performance. Cailier (2014) found that transformational leadership is vital since it enhances employee's performance. Consistent with Cailier, Buil (2018) also found that transformational leadership positively affects performance.

H1: Transformational leadership positively affects employee performance

By understanding and internalizing public service motivation, public organizations may provide better public service (Perry and Wise, 1990). Perry (2008) found that employees in the public sector possess higher PSM than those in private sectors. PSM is found to positively affects performance (Belle, 2013), as Naff and Crum (1999) also found that PSM affects employee's performance. It can be considered as one of the pivotal components of performance (Camilleri & Van Der Heijden, 2007). PSM is also found to moderate the effect of transformational leadership on employee performance (Cailier, 2014).

H2: High PSM strengthens the positive effect of transformational leadership on employee performance.

Mission valence is an individual's perceived strength (either positive or negative strength) regarding the organizational mission and may influence his/her motivation, performance, and attitude (Rainey & Steinbauer, 1999). Individuals with a higher perceived mission may have better working motivation (Rainey & Steinbauer, 1999). That is, mission valence positively affects employee's performance (Kuvaas, 2017). Mission valence is viewed as employees' perception of the importance of their organization's social goal and contribution (Rainey & Steinbauer, 1999). The concept of mission valence could be defined as an individuals' level of understanding of the organization's mission, value, and goal (Christle, 2019). In the context of governmental organizations, Guerrero (2020) found that mission valence positively affects performance. That finding supports Cailier's (2014) finding on the moderating role of mission valence in the effect of transformational leadership on performance.

H3: High mission valence strengthens the positive effect of transformational leadership on employee performance.

The reward is a crucial element to motivate employees to improve their contribution to the organization (Aktar, Sachu, Ali, 2012). Extrinsic reward is found to enhance employees' task-related performance (Christle, 2019). Meanwhile, Aktar, Sachu, and Ali (2012) found that both intrinsic and extrinsic rewards affect employees' performance. Consistent with their findings, Saeed Nayyab and Lodi (2013) also found that intrinsic and extrinsic rewards may affect one's performance. Another study also found that effective implementation of a reward system can motivate individuals to yield higher performance (2001). Rieo and Callahon (2014) and Chijioke and Chinede (2015) found that both intrinsic and extrinsic rewards can motivate employees and eventually increase their performance.

H4: Intrinsic reward positively affects employee's performance

H5: Extrinsic reward positively affects employee's performance

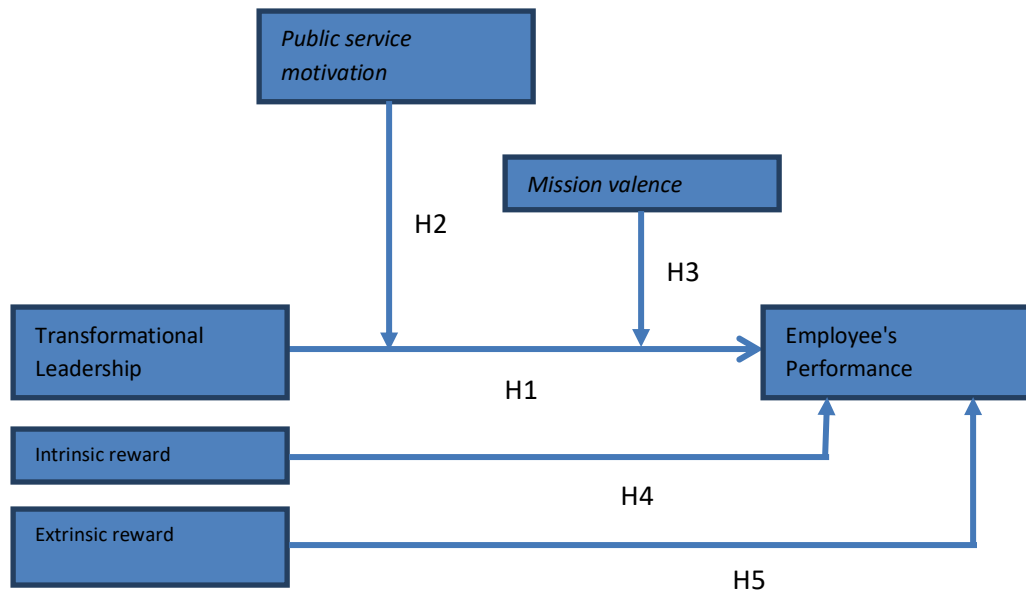


Figure 1. Framework

## METHOD

This study took a quantitative approach, An approach aiming at describing or predicting; or extending and testing a theory (Cooper & Schindler, 2017). The design of the study was a survey, it was conducted by collecting information from other people to describe or compare knowledge, attitude, and behavior (Sekaran & Bougie, 2016). This is categorized as a cross-sectional study because the data were collected once and presented a portrait of an event in one period of time (Cooper & Schindler, 2017).

The participant of the study was recruited using simple random sampling, a probability sampling design where every member of the population stands equal chance to be selected as the sample of the study (Sekaran & Bougie, 2016). The participants were 220 employees in the Facility Unit of PT KAI Region 2 Bandung. The data were collected by distributing an online questionnaire.

The questionnaire used in this study consisted of three sections: The first section was a brief introduction related to the questionnaire, researchers' profile, and purpose of the study. The second section deals with participants' identity, including gender, age, level of education, subunit, and length of service. The last section comprises indicators of transformational leadership, intrinsic rewards, extrinsic rewards, performance, and public service motivation, and mission valence.



The collected data were analyzed using Structural Equation Modeling (SEM). It is a common method to measure relationships between variables (Hair, 2017). The analysis was done using AMOS version 24.

Table 1 Variable measurement indicator

| Variable                           | Code  | Indicator   | Source:                             |
|------------------------------------|-------|---|-------------------------------------|
| <i>Transformational Leadership</i> | TL 1  | My superordinate presents his/her mission clearly and positively                                      | Carless; Wearing dan Mann (2000)    |
|                                    | TL 2  | My superordinate treats staffs as an individual, supports and provides them with opportunity to grow. |                                     |
|                                    | TL 3  | My superordinate encourage his.her staffs   |                                     |
|                                    | TL 4  | My superordinate trust and build collaboration with other team members.                               |                                     |
|                                    | TL 5  | My superordinate encourage to thing in an innovative manner to solve problems and answer assumptions. |                                     |
|                                    | TL 6  | My superordinate clearly states his/her value and implements it.                                      |                                     |
|                                    | TL 7  | My superordinate internalize pride and respects other and inspire me to be more competent             |                                     |
| Intrinsic reward                   | PI 1  | The company provides me with opportunity to make my skill useful                                      | Khan; Shahid; Nawab dan Wali (2013) |
|                                    | PI 2  | I can do a job that does not conflict my conscience   |                                     |
|                                    | PI 3  | I feel that I make an achievement at work   |                                     |
|                                    | PI 4  | The company gives me opportunity to implement my method at work.                                      |                                     |
|                                    | PI 5  | I can be busy every time  |                                     |
|                                    | PI 6  | The company gives me freedom to express my opinion  |                                     |
|                                    | PI 7  | The company gives me an opportunity to work alone   |                                     |
|                                    | PI 8  | I perceives my work method pleases me.  |                                     |
|                                    | PI 9  | The company gives me an opportunity to tell others about they should do                               |                                     |
|                                    | PI 10 | The company gives me an opportunity to do something for others  |                                     |
|                                    | PI 11 | The company gives me an opportunity to be myself in the community                                     |                                     |
|                                    | PI 12 | The company provides me with opportunity to do something difference from time to time                 |                                     |
| Extrinsic reward                   | PE 1  | The way my co-workers collaborate   | Khan; Shahid; Nawab dan Wali (2013) |
|                                    | PE 2  | Complement I receives for good performance  |                                     |
|                                    | PE 3  | Opportunity to proceed at work  |                                     |
|                                    | PE 4  | The way how my superordinate treats his/her subordinate   |                                     |
|                                    | PE 5  | My superordinate competence in making decision  |                                     |
|                                    | PE 6  | The organization's policy is consistent with the practice   |                                     |
|                                    | PE 7  | The salary and the work I do  |                                     |
|                                    | PE 8  | Work condition  |                                     |

|                           |       |  |                          |
|---------------------------|-------|--|--------------------------|
| Employee's Performance    | EP 1  | I understand the company's performance criteria                                      | Inuwa (2016)             |
|                           | EP 2  | I understand my job and how to do it   |                          |
|                           | EP 3  | I can finish unexpected job in timely manner.  |                          |
|                           | EP 4  | I can maintain my presence in the company  |                          |
|                           | EP 5  | I can complete the given task effectively and efficiently                            |                          |
|                           | EP 6  | I understand the operating standard of my job  |                          |
| Public service motivation | PSM 1 | Public service is meaningful for me  | Wright and Pandey (2011) |
|                           | PSM 2 | I am often reminded by everyday event of how we depend on each other.                |                          |
|                           | PSM 3 | To make a difference in the environment is more meaningful than personal achievement |                          |
|                           | PSM 4 | I am willing to sacrifice for public interest  |                          |
|                           | PSM 5 | I am not afraid to strive for other's right, even it is viewed as embarrassing *r    |                          |
| <i>Mission Valence</i>    | MV 1  | The company provides valuable public service   | Wright and Pandey (2011) |
|                           | MV 2  | I believe that the company priority is important                                     |                          |
|                           | MV 3  | This job is not significant in the company's wide scope *r                           |                          |
|                           | MV 4  | The company's mission is interesting for me  |                          |

## FINDING AND DISCUSSION

The participants were employees in the Facility Unit of PT KAI Region 2 Bandung. They were recruited as the participants because this unit is one of the primary units that support the train's operation, such as preparing the facilities of a commercial unit, and serving the customers through Train Engineer functions. This unit has high intensity of providing service for the passenger. In other words, this unit may possess public service motivation, one of the variables in this study. Out of 220 participants, 99.5% were male. This is understandable because this unit deals with field technical work that is commonly done by men. One female participant was known to work in the unit office to handle the administrative job. The respondents' age ranges from 26-35 years old. This age range could be considered productive age and serves as the strength of the Facility Unit in supporting the company business. Most of the respondents (90.5%) were senior high school graduates. The company recruited senior high school graduates because they were considered to already have adequate technical skills in the Facility unit. 33.6% of the respondents have worked for the company for 11-15 years. With that length of service, they experienced a transformation era that began in 2009; and (5) 60.9% comes from car/train units. This is understandable because the number of the car is more than the number of the locomotive, thus requiring more employees to carry out the maintenance.

Out of 42 items of the questionnaire, three items were considered invalid due to a loading factor of less than 0.500 These invalid items (i.e., ER 1, PSM 5, and MV 4) were then removed from the analysis. To test the reliability of each variable in this study, Cronbach's Alpha was used. The minimum score criterion of the reliability test result was 0.600 Table 3 displays the result of validity and reliability tests..

Table 3 Validity and Reliability Test Results

|                | Variable                    |                  |                  |                        |                           |                 |
|----------------|-----------------------------|------------------|------------------|------------------------|---------------------------|-----------------|
|                | Transformational Leadership | Intrinsic reward | Extrinsic reward | Employee's Performance | Public service motivation | Mission Valence |
| TL 1           | 0.665                       |                  |                  |                        |                           |                 |
| TL 2           | 0.711                       |                  |                  |                        |                           |                 |
| TL 3           | 0.790                       |                  |                  |                        |                           |                 |
| TL 4           | 0.774                       |                  |                  |                        |                           |                 |
| TL 5           | 0.606                       |                  |                  |                        |                           |                 |
| TL 6           | 0.758                       |                  |                  |                        |                           |                 |
| TL 7           | 0.752                       |                  |                  |                        |                           |                 |
| PI 1           |                             | 0.741            |                  |                        |                           |                 |
| PI 2           |                             | 0.500            |                  |                        |                           |                 |
| PI 3           |                             | 0.509            |                  |                        |                           |                 |
| PI 4           |                             | 0.581            |                  |                        |                           |                 |
| PI 5           |                             | 0.500            |                  |                        |                           |                 |
| PI 6           |                             | 0.544            |                  |                        |                           |                 |
| PI 7           |                             | 0.728            |                  |                        |                           |                 |
| PI 8           |                             | 0.618            |                  |                        |                           |                 |
| PI 9           |                             | 0.645            |                  |                        |                           |                 |
| PI 10          |                             | 0.633            |                  |                        |                           |                 |
| PI 11          |                             | 0.500            |                  |                        |                           |                 |
| PI 12          |                             | 0.514            |                  |                        |                           |                 |
| PE 2           |                             |                  | 0.550            |                        |                           |                 |
| PE 3           |                             |                  | 0.616            |                        |                           |                 |
| PE 4           |                             |                  | 0.696            |                        |                           |                 |
| PE 5           |                             |                  | 0.673            |                        |                           |                 |
| PE 6           |                             |                  | 0.674            |                        |                           |                 |
| PE 7           |                             |                  | 0.589            |                        |                           |                 |
| PE 8           |                             |                  | 0.679            |                        |                           |                 |
| EP 1           |                             |                  |                  | 0.717                  |                           |                 |
| EP 2           |                             |                  |                  | 0.711                  |                           |                 |
| EP 3           |                             |                  |                  | 0.593                  |                           |                 |
| EP 4           |                             |                  |                  | 0.672                  |                           |                 |
| EP 5           |                             |                  |                  | 0.745                  |                           |                 |
| EP 6           |                             |                  |                  | 0.712                  |                           |                 |
| PSM 1          |                             |                  |                  |                        | 0.700                     |                 |
| PSM 2          |                             |                  |                  |                        | 0.635                     |                 |
| PSM 3          |                             |                  |                  |                        | 0.553                     |                 |
| PSM 4          |                             |                  |                  |                        | 0.613                     |                 |
| MV 1           |                             |                  |                  |                        |                           | 0.741           |
| MV 2           |                             |                  |                  |                        |                           | 0.823           |
| MV 4           |                             |                  |                  |                        |                           | 0.645           |
| KMO-MSA        | 0.931                       | 0.915            | 0.866            | 0.903                  | 0.773                     | 0.673           |
| Cronbach Alpha | 0.910                       | 0.935            | 0.900            | 0.905                  | 0.794                     | 0.817           |

**Normality Test**

As SEM was employed, Several assumptions should be met before determining the estimation method. One of the tests for determining the estimation method is the normality test, both univariate and multivariate normality test (Collier, 2020). This test is important to prevent the model from bias, let alone when the input is ordinal data. The univariate normality test was done by viewing the critical ratio (CR) criteria of the kurtosis in each indicator (Byrne, 2016). The significance level applied was 95%, thus CR value beyond the range of -1.960 to +1.960 is considered not normal. Meanwhile, a multivariate normality test was done by using CR total value for kurtosis. When the CR value was higher than 5, the data is not normally distributed (Bentler, 2005).

Table 4 Univariate Data Normality Test

| Variable                    | CR Range        | Result          | Description |
|-----------------------------|-----------------|-----------------|-------------|
| Employee's Performance      | -1.960 to 1.960 | -0.755 to 6.271 | Not normal  |
| Transformational Leadership | -1.960 to 1.960 | 0.219 to 4.955  | Not normal  |
| Intrinsic reward            | -1.960 to 1.960 | -1.008 to 4.965 | Not normal  |
| Extrinsic reward            | -1.960 to 1.960 | -1.326 to 2.034 | Not normal  |
| Public service motivation   | -1.960 to 1.960 | -2.097 to 1.882 | Not normal  |
| Mission Valence             | -1.960 to 1.960 | 0.403 to 4.845  | Not normal  |

Table 5 Multivariate Data Normality Test

| Indicator              | CR Range | Result | Description |
|------------------------|----------|--------|-------------|
| Multivariate normality | 5.000    | 50.429 | Not normal  |

As the data are not normally distributed, they could not be analyzed using Maximum Likelihood (ML) estimation since ML requires normal distribution of data (Xia and Yang, 2018). Another estimation method in SEM for non-normal data distribution is Unweighted Least Square (ULS) (Shi and Olivares, 2020).

ULS could be applied in SEM analysis with ordinal, non-normally distributed data (Li, 2016; Xia and Yang, 2018). Although based on non-normally distributed data, ULS still can provide an accurate and consistent value and goodness of fit of the model (Li, 2016; Shi and Olivares, 2020). In the ULS method, the input matrix that can be used is the polychoric correlation matrix. This matrix is a measurement that defines the relationship between two ordinal variables with at least three categories (Rosolino and Pollice, 2006). However, the indicator naming in ULS is slightly different from that in ML. In ULS the evaluation methods are RMR, GFI, and AGFI as the criteria of goodness of fit, NFI, and RFI as the model comparison criteria, and PNFI as the parsimony-adjusted criteria.

Prior to the analysis process of the structural model, each exogenous and endogenous construct should be evaluated. This evaluation serves as the modeling process that aims to examine the dimension unity of indicators explaining a construct. In this phase, the analysis is the same as

factor analysis. The indicators that constitute a construct should be assessed, whether or not it defines a latent variable.

The evaluation involves the exogenous construct consisting of three latent variables, namely transformational leadership, intrinsic, and extrinsic reward. There are twenty-six indicators in total. The data processing for this phase is displayed in figure 2 and the result is presented in table 6.

As shown in Table 6, the exogenous construct exhibit a good model. It indicates that the three variables have defined the exogenous construct. Thus, the construct in this model could be accepted as a good former of the full model.

Table 6 Exogenous and Endogenous Construct Evaluation

| Index | Exogenous |        |            | Endogenous |        |            |
|-------|-----------|--------|------------|------------|--------|------------|
|       | Threshold | Result | Evaluation | Threshold  | Result | Evaluation |
| RMR   | <0.080    | 0.049  | Goodfit    |            |        |            |
| GFI   | >0.800    | 0.973  | Goodfit    |            |        |            |
| AGFI  | >0.800    | 0.968  | Goodfit    |            |        |            |
| NFI   | >0.800    | 0.968  | Goodfit    |            |        |            |
| RMR   |           |        |            | <0.080     | 0.012  | Goodfit    |
| GFI   |           |        |            | >0.800     | 0.999  | Goodfit    |
| AGFI  |           |        |            | >0.800     | 0.997  | Goodfit    |
| NFI   |           |        |            | >0.800     | 0.998  | Goodfit    |

Endogenous construct was also evaluated, which consist of one latent variable, namely employee’s performance. There are six indicators in total. The data processing is displayed in figure 3, while the result is presented in table 6.

As shown in Table 6, the endogenous construct exhibit a good model. It indicates that the variable has defined the endogenous construct. Thus, the construct in this model could be accepted as a good former of the full model

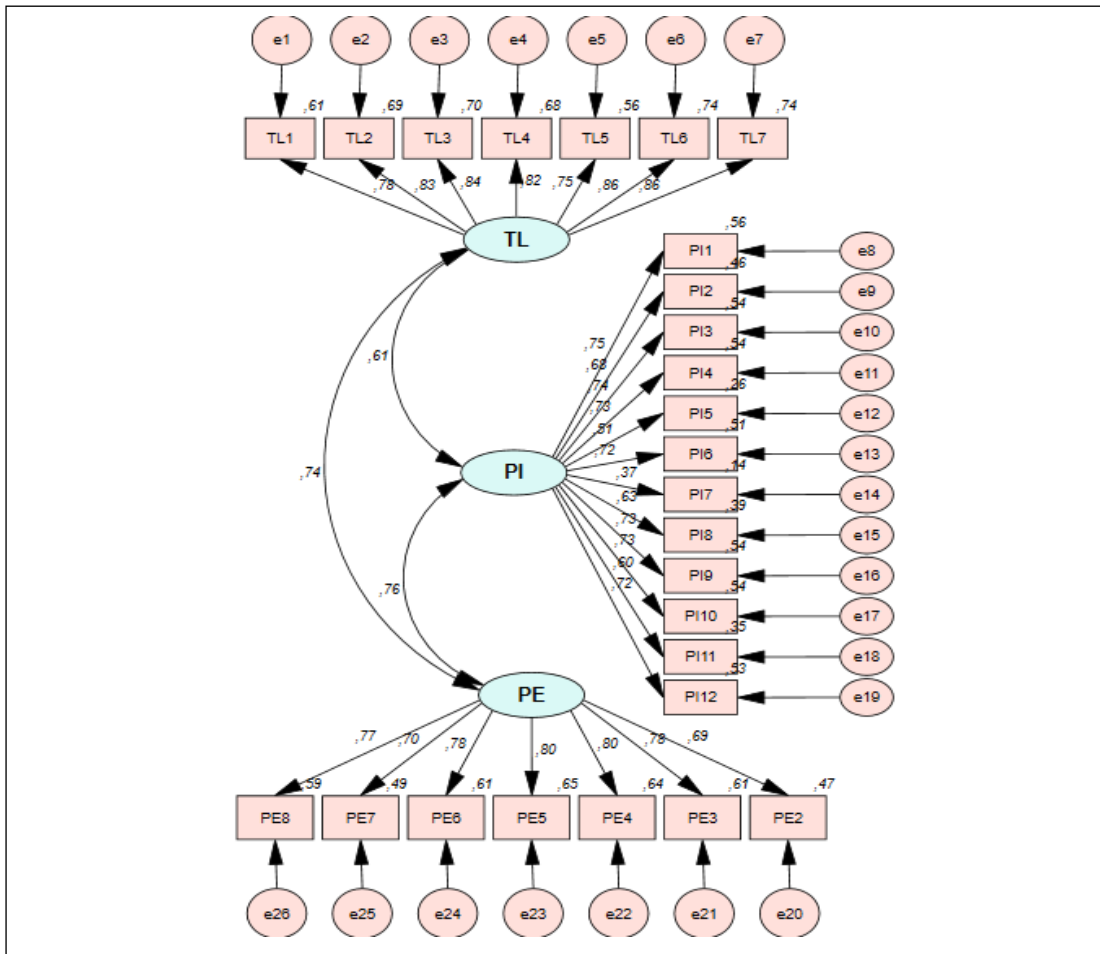


Figure 2. Exogenous Construct Model Evaluation

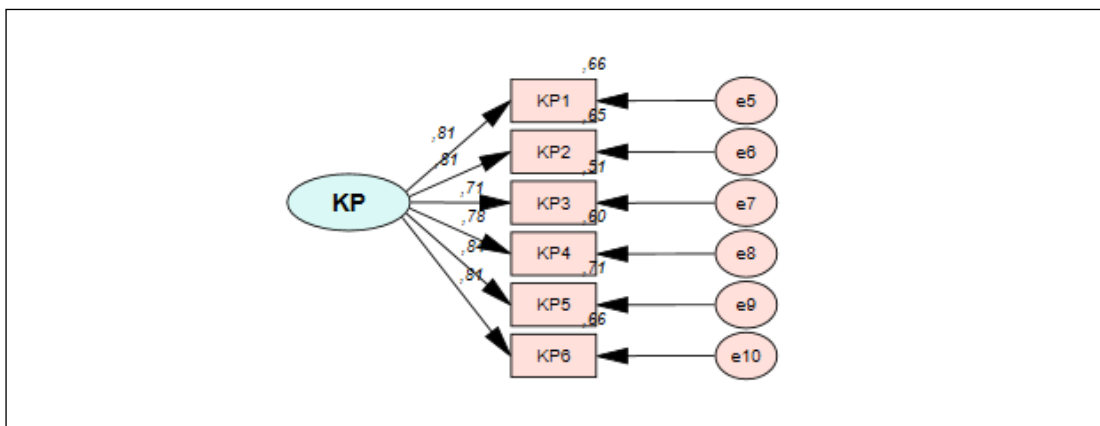


Figure 3. Endogenous Construct Model Evaluation

After confirming the quality of the data and evaluation result of each construct, the next step was to build the full model and analyzes it. The model fit and hypothesis of causality relationship in the model are also tested. The analyzed full model is displayed in Figure 4. This model has not accommodated PSM and mission valence as the moderating variable of the effect of transformational Leadership on employee’s performance.

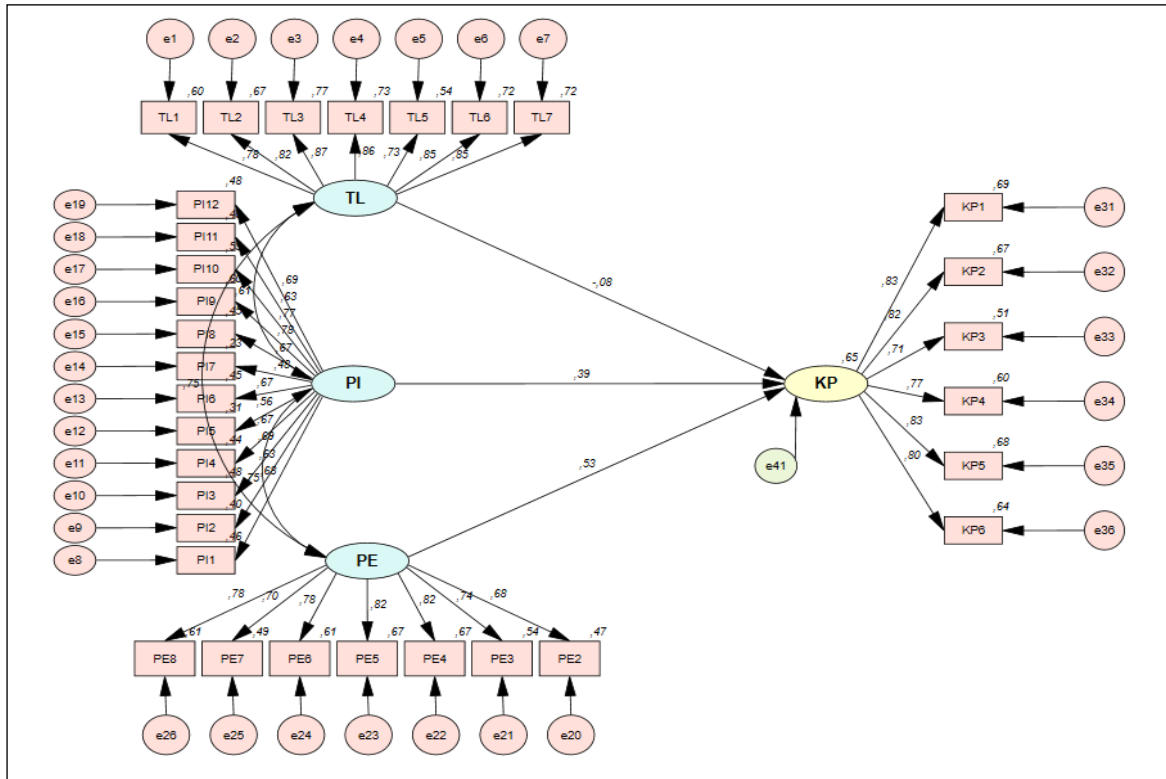


Figure 4. Structural Equation Model Result  
 Note: Figure 4 displays AMOS output on Standardized Model

The evaluation of the goodness-of-fit of the model is descriptively presented in Table 7. The analysis result showed that, descriptively, all constructs used to build the model have met the criteria of goodness of fit.

Table 7 Full Model Evaluation

| <i>Index</i> | <i>Threshold</i> | <i>Result</i> | <i>Evaluation</i> |
|--------------|------------------|---------------|-------------------|
| <i>RMR</i>   | <0.080           | 0.044         | <i>Good fit</i>   |
| <i>GFI</i>   | >0.800           | 0.976         | <i>Good fit</i>   |
| <i>AGFI</i>  | >0.800           | 0.972         | <i>Good fit</i>   |
| <i>NFI</i>   | >0.800           | 0.972         | <i>Good fit</i>   |
| <i>RFI</i>   | >0.800           | 0.970         | <i>Good fit</i>   |
| <i>PNFI</i>  | >0.800           | 0.897         | <i>Good fit</i>   |

The hypothesis test result is displayed in table 8 and 9. Two moderating variables were employed in this study, namely public service motivation and mission valence. Both variables were hypothesized to moderate the effect of transformational leadership on performance. The direct effects among the variables in the model (moderating variables effect not included) are presented in Table 8.

Table 8. Structural Model Estimation Parameter

| Variable | Estimation value | Standard error | T-value | p-value |
|----------|------------------|----------------|---------|---------|
| PR <--TL | -0.079           | 0.077          | -0.981  | 0.327   |
| PR <--IR | 0.390            | 0.102          | 4.370   | 0.000   |
| PR <--ER | 0.531            | 0.107          | 4.692   | 0.000   |

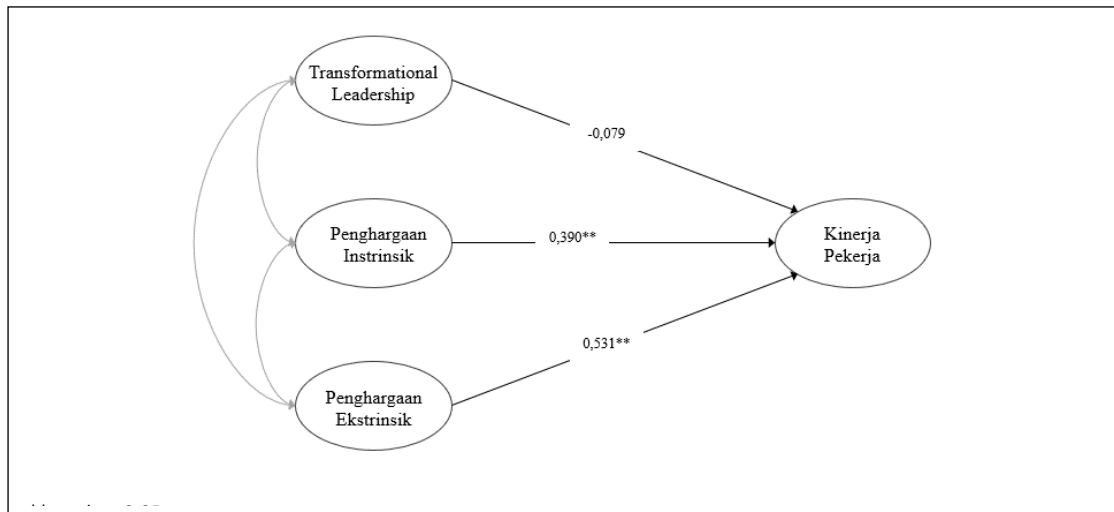


Figure 5. Variable Structural Relationship and its Significance

As displayed in Table 8 and Figure 5, transformational leadership did not significantly affect employee performance. This is indicated by a p-value of greater than 0.05 (i.e., 0.327), and t-value of -0.981, and an estimated coefficient of 0.079 between transformational leadership and performance. The result of this study is different from the previous studies' findings. This study is different from Walumbwa (2008); Grant (2012); Cailier (2014); and Buil (2018) who found that transformational leadership positively affects performance. Thus, hypothesis 1 of this study is not supported.

This is interesting, considering that PT KAI's transformation is known to occur since the era of Ignatius Jonan leadership in 2009. Since then, PT KAI continues to grow to be a trusted state-owned public service company. Jonan manages to internalize professional mindset and behavior to the company's employees. These professional mindsets and behavior sustained until now. These bring employees become more professional and can give the best performance although



there is no figure of transformational leadership as Jonan. Professional mindset and behavior are the keys for reaching the best performance.

This study found that intrinsic and extrinsic rewards significantly affect performance, as indicated by p-values of both variables that are less than 0.05 (i.e., 0.000) and t-values of 4.370 and 4.692 for the effect of intrinsic and extrinsic rewards on performance, respectively. It was also supported by the estimated coefficient of 0.390 and 0.531 This finding supports Reio dan Callahon (2004); Aktar, Sachu dan Ali (2012); and Saeed, Nayyab, and Lodhi (2013) who found that employee’s performance can be influenced by both intrinsic and extrinsic motivation. This study found that intrinsic and extrinsic rewards influence employee performance, thus hypotheses 4 and 5 are supported.

In this study, two variables moderate the effect of transformational leadership on employee performance, namely public service motivation and mission valence. Several methods could be applied to test the effect of moderating variables in a structural relationship, as in Ping (1995), Cortina et al. (2001), or Awang’s (2015) studies. In this model, the moderation test method was done by using multi-group analysis as done in Awang’s (2015) study. This method was selected by considering the practicality and feasibility of AMOS implementation.

In applying this multi-group method, the moderating variables should be divided into groups. Groups were divided based on the PSM and mission valence scores. This categorization resulted in high and low groups for each variable. The categorization is based on the mean score of the total indicators of each variable.

The score that is higher than or equal to the mean score would be categorized into the high group while the score that is lower than the mean score was categorized as a low group. The test compared the significance value of each group in the same variable. The significant difference between the two groups of the same variable indicated the presence of moderating effect. The moderation test results are displayed in Table 9 and figures 6 and 7.

Table 9. Result of Moderation Variables in the Effect of Transformational Leadership on Performance

| <i>Group</i>    | <i>Estimation value</i> | <i>p-value</i> | <i>Description</i>     |
|-----------------|-------------------------|----------------|------------------------|
| <i>High PSM</i> | <i>-0.081</i>           | <i>0.542</i>   | <i>Not significant</i> |
| <i>Low PSM</i>  | <i>-0.074</i>           | <i>0.540</i>   | <i>Not significant</i> |
| <i>High MV</i>  | <i>-0.079</i>           | <i>0.647</i>   | <i>Not significant</i> |
| <i>Low PSM</i>  | <i>-0.128</i>           | <i>0.230</i>   | <i>Not significant</i> |

As shown in the table, public service motivation and mission valence do not moderate the effect of transformational leadership on performance because the p-value was higher than 0.05. The estimated mean score of the public service motivation was -0.081 (high) and -0.074 (low). This result contradicts Naff and Crum’s (1999) and Belle’s (2013) finding on the positive effect of

PSM on performance. Meanwhile, the estimated mean score of the mission valence was -0.079 (high) and -0.128 (low). This result is in contrast with Rainey dan Steinbauer (1999), Cailier (2014), and Guerrero (2020) who found that mission valence positively affects performance. Therefore, hypotheses 2 and 3 are not supported.

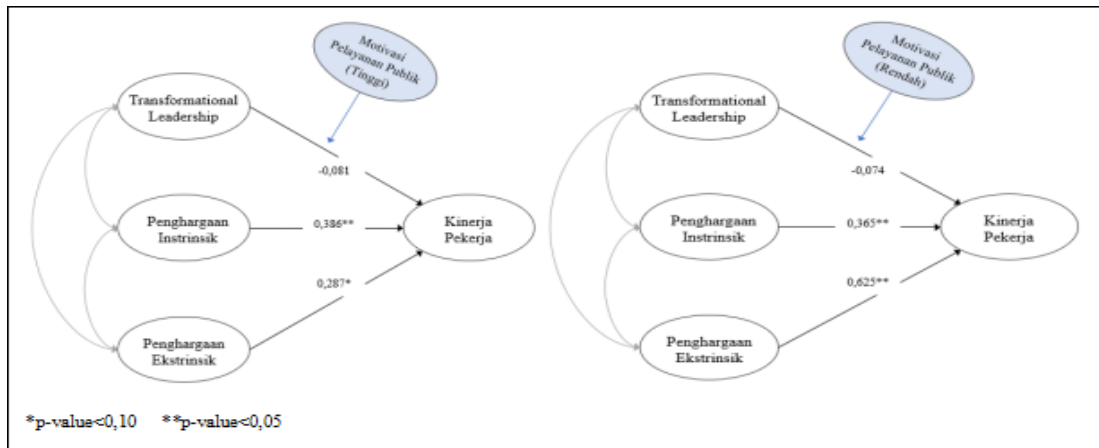


Figure 6. Public service motivation in the Structural Model

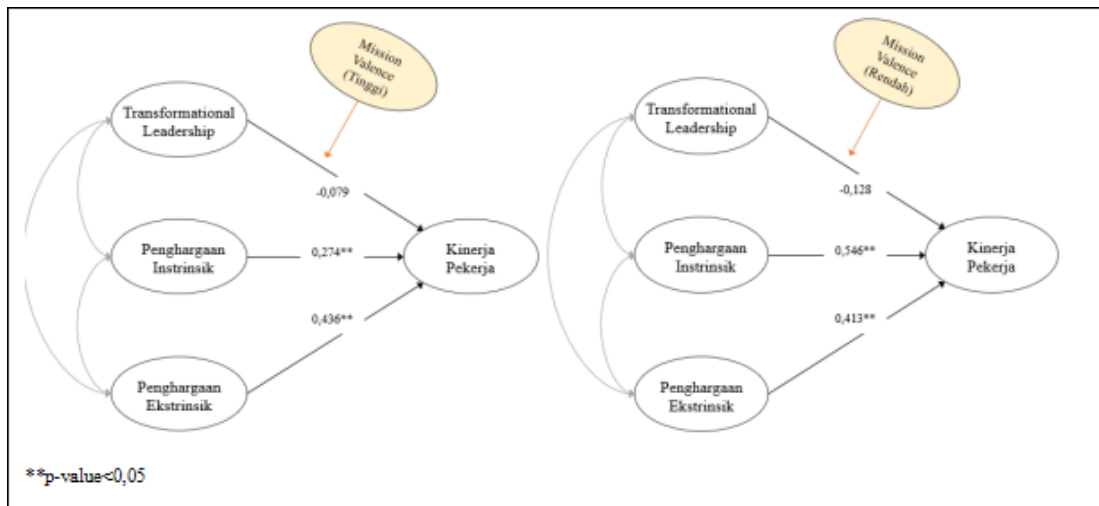


Figure 7. Mission valence in the structural model

This result should not be surprising, considering that this study also found that transformational leadership does not affect performance. Cailier (2014) also found that public service motivation did not moderate the relationship between transformational leadership on performance. In this study, public service motivation does not moderate the effect of transformational leadership on performance can be due to Jonan's successful internalization of professional mindset and behavior. This professional mindset and behavior allow employees to give their best performance regardless of their leader figure. Thus, public service motivation is automatically formed from such professional mindset and behavior.

In this study, mission valence did not moderate the effect of transformational leadership on performance. It may be accounted for by the fact that transformational leadership does not affect performance. In this study, mission valence does not moderate the effect of transformational leadership on performance can be due to Jonan's successful internalization of professional mindset and behavior. This professional mindset and behavior allow employees to give their best performance regardless of their leader figure. Thus, mission valence is automatically formed from such professional mindset and behavior.

### **CONCLUSION AND RECOMMENDATION**

Several conclusions could be drawn. First, transformational leadership does not affect employee performance. Second, public service motivation does not moderate the effect of transformational leadership and employee performance. Third, mission valence does not moderate the effect of transformational leadership on employee performance. Fourth, intrinsic reward affects employee's performance. Fifth, extrinsic reward affects employee performance.

Several limitations were noticed, which could be improved in future studies. First, the cross-sectional design of this study only allows a depiction of a phenomenon from one period of time. Second, this study was done only in a certain unit in Region 2 Bandung, thus caution should be applied when generalizing the result of the study. Third, although this study extends Cailier's (2014) and Chijioke & Chinedu's (2015) studies, this study only examines the effect of transformational leadership and extrinsic and intrinsic reward on performance and had not considered the effect of other variables.

Based on the limitations mentioned earlier, future studies are suggested to employ a longitudinal method that allows capturing a phenomenon in more than one period of time. In addition, the sample should be broadened into other industries in public service sectors that are not limited to the transportation industry. Furthermore, due to limited research scope, the future study is recommended to examine other variables that affect performance such as training (Elnaga & Imran, 2013), skill development, and employee's attitude (Hameed & Waheed, 2011). Regarding managerial recommendation, it is recommended to give broader job autonomy and more varied challenges for intrinsic reward and provision of private workspace and better balanced work when it comes to extrinsic reward.

### **REFERENCES**

- Aktar, S. (2012). The Impact of Rewards on Employee Performance in Commercial Banks of Bangladesh: An Empirical Study, *IOSR Journal of Business and Management*, 6(2), 9-15. <https://doi.org/10.9790/487x-0620915>
- Allen, S. R., & Helms, M. M. (2001). Rewards and Organizational Performance. *Compensations & Benefits Review*, 3(4), 74-80. <https://doi.org/10.1177/08863680122098450>
- Alonso, P., & Lewis, G. B. (2001). Motivasi pelayanan publik and Job Performance: Evidence from the Federal Sector. *American Review of Public Administration*, 31(4), 363-380. <https://doi.org/10.1177/02750740122064992>
- Awang, Z. (2015). *SEM Made Simple: A Gentle Approach to Learning Structural Equation Modeling*. Selangor, MY: MPWS Publisher

- Bass, B. M., Avolio, B. J., Jung, D. I., & Berson, Y. (2003). Predicting unit performance by assessing transformational and transactions leadership. *Journal of Applied Psychology*, 88(2), 270-218. <https://doi.org/10.1037/0021-9010.88.2.207>
- Baysak, B., & Yener, M. I. (2015). The Relationship Between Perceived Leadership Style and Perceived Stress on Hospital Employees. *Procedia – Social and Behavioral Sciences*, 207, 79-89. <https://doi.org/10.1016/j.sbspro.2015.10.159>
- Belle, N. (2013). Experimental on the Relationship between Motivasi pelayanan publik and Job Performance. *Public Administration Review*, 73(1), 143-153. <https://www.jstor.org/stable/23355447>
- Bentler, P. M. (2006). EQS 6 Structural Equations Program Manual. Encino, CA: Multivariate Software, Inc.
- Bratton, J. & Gold, J. (2003). *Human Resources Management: Theory and Practice*, 3rd edition. New York: Palgrave Macmillan.
- Brewer, G. A., & Selden, S. C. (1998). Whistle Blowers in the Federal Civil Service: New Evidence of the Public Service Ethic. *Journal of Public Administration Research and Theory*, 8(3), 413-440. <https://doi.org/10.1093/oxfordjournals.jpart.a024390>
- Blickle, G., Meurs, J. A., Zettler, I., Solga, J., Noethen, D., Kramer, J., & Ferris, G. R. (2008) Personality, political skill, and job performance. *Journal of Vocational Behavior*, 72(3), 377-387. <https://doi.org/10.1016/j.jvb.2007.11.008>
- Buil, I., Martinez, E., & Matute, J. (2019). Transformational leadership and employee performance: The role of identification, engagement and proactive personality. *International Journal of Hospitality Management*, 77(May), 64-75. <https://doi.org/10.1016/j.ijhm.2018.06.014>
- Byrne, B. M. (2016). *Structural Equation Modelling with Amos*. New York: Taylor & Francis.
- Cailier, J. G. (2014). Toward a better understanding of the relationship between transformational leadership, motivasi pelayanan publik, mission valence, and employee performance: A preliminary study. *Public Personnel Management*, 43(2), 218-239. <https://doi.org/10.1177/0091026014528478>
- Cailier, J. G. (2015). Towards an Better Understanding of Motivasi pelayanan publik and Mission Valence in Public Agencies. *Public Management Review*, 17(9), 1217-1236. <https://doi.org/10.1080/14719037.2014.895033>
- Camilleri, E., & Van Der Heijden, B. I. J. M. (2007). Organizational Commitment, Motivasi pelayanan publik, and Performance Within the Public Sector. In *Public Performance & Management Review* (Vol. 31, Issue 2). <https://doi.org/10.2753/pmr1530-9576310205>
- Carless, S. A., Wearing, A. J., & Mann, L. (2000). A short measure of transformational leadership. *Journal of Business and Psychology*, 14(3), 389-405. <https://doi.org/10.1023/A:1022991115523>
- Carpenter, J., & Gong, E. (2016). Motivating agents: How much does the mission matter? *Journal of Labor Economics*, 34(1), 211-236. <https://doi.org/10.1086/682345>
- Cascio, W. F. 1995. *Managing Human Resources: Productivity, Quality of Work Life, Profits*. Fourth Edition. Singapore. McGraw Hill Inc.

- Chijioko, N., & Chinedu, F. (2015). Effect of Rewards on Employee Performance in Organizations: A Study of Selected Commercial Banks in Awka Metropolis (Vol. 7, Issue 4, pp. 80-89).
- Christle, E. D. (2019). The Influence of Mission Valence and Intrinsic Incentives on Employee Motivation. *Public Policy Commons*.  
<https://scholarworks.waldenu.edu/dissertations/6882>
- Collier, E.J. (2020). *Applied Structural Equation Modeling Using AMOS*. New York, NY: Taylor & Francis
- Cooper, D. R., & Schindler, P. S. (2014). *Business Research Methods 12th Edition*. In *Business Research Methods*.
- Cortina, J.M., Chen, G., & Dunlap, W.P. (2001). Testing interaction effects in LISREL: Examination and illustration of available procedures. *Organizational Research Methods*, 4, 324–360
- Elnaga, A., & Imran, A. (2013). The Effect of Training on Employee Performance. *European Journal of Business and Management*. 5(4). ISSN 2222
- Fay, C. H., & Thompson, M. A. (2001). Contextual determinants of reward systems' success: An exploratory study. *Human Resource Management*, 40(3), 213-226.  
<https://doi.org/10.1002/hrm.1012>
- Grant, A. M. (2012). Leading With Meaning: Beneficiary Contact, Prosocial Impact and The Performance Effects of Transformational Leadership. *The Academy of Management Journal*, 55(2), 458-476
- Guerrero, S & Chenevert, D. (2020). Municipal Employee's Performance and Neglect: The Effects of Mission Valence. *Review of Public Personnel Administration*.  
<https://doi.org/10.1177/0734371X19896013>
- Hafiza, S. N., Shah, S. S., & Jamsheed, H. (2011). Relationship between rewards and employee's motivation in the non-profit organizations of Pakistan. *Business Intelligence Journal*. 4(2), 327-334.
- Hair, F. J., Black, C. W., Babin, J. B., & Anderson, E. R. (2014). *Multivariate Data Analysis*, 7th edition. Pearson New International Edition.
- Hair, F. J., Matthews, M. L., Matthews, L. R., Sarstedt, M. (2017). PLS-SEM or CB-SEM: Updated Guidelines on Which Method to Use. *Int. J. Multivariate Data Analysis*, 1(2).  
<https://doi.org/10.1504/IJMDA.2017.087624>
- Hameed, Abdul, A. W. (2011). Employee Development and Its Affect on Employee Performance: A Conceptual Framework. *International Journal of Business and Social Sciences*, 2(13), 224-229.
- Hart, C. (1998). *Doing a Literature Review: Releasing the Social Science, Research Imagination*. London: SAGE Publications.
- Hatice, O. (2012). The Influence of Intrinsic and Extrinsic rewards on Employee Results: An Empirical Analysis in Turkish Manufacturing Industry. *Business and Economic Research Journal*. 3(3), 29-48. [www.berjournal.com](http://www.berjournal.com)
- Howell, J. M., & Avolio, B. J. (1993). Transformational Leadership, Transactional Leadership, Locus of Control, and Support for Innovation: Key Predictors of Consolidated Business

- Unit Performance. *Journal of Applied Psychology*, 78(6), 891-902. <https://doi.org/10.1037/0021-9010.78.6.891>
- Inuwa, M. (2016). Job Satisfaction and Employee Performance: An Empirical Approach. *The Millenium University Journal*. 1(1).
- Khan, I., Shahid, M., Nawab, S., & Wali, S. S. (2013). Influence of Intrinsic and Extrinsic Rewards on Employee Performance: The Banking Sector of Pakistan. *Academic Research International*, 4(1), 282-291. [www.savap.org.pk/www.savap.org.pk/www.journals](http://www.savap.org.pk/www.savap.org.pk/www.journals)
- Kim, H. (2014). Transformational Leadership, Organizational Clan Culture, Organizational Affective Commitment, and Organizational Citizenship Behavior: A Case of South Korea's Public Sector. *Public Organization Review*, 14(3), 397-417. <https://doi.org/10.1007/s11115-013-0225-z>
- Kuvaas, B., Buch, R., Weibel, A., Dysvik, A., & Nerstad, C. G. L. (2017). Do intrinsic and extrinsic motivation relate differently to employee outcomes? *Journal of Economic Psychology*, 61, 244-258. <https://doi.org/10.1016/j.joep.20.17.05.004>
- Li, C.-H. (2016). The performance of ML, DWLS, and ULS estimation with robust corrections in structural equation models with ordinal variables. *Psychological Methods*, 21(3), 369–387. <https://doi.org/10.1037/met0000093>
- Longshore, J. M., & Bass, B. M. (1987). Leadership and Performance beyond Expectations. *The Academy of Management Review*, 12(4), 756. <https://doi.org/10.2307/258081>
- Lowe, K. B., Kroeck, K. G., & Sivasubramaniam, N. (1996). Effectiveness correlates of transformational and transactional leadership: A meta-analytic review of the mlq literature. *Leadership Quarterly*, 7(3), 385-425. [https://doi.org/10.1016/S1048-9843\(96\)90027-2](https://doi.org/10.1016/S1048-9843(96)90027-2)
- MacKenzie, S. B., Podsakoff, P. M., & Rich, G. A. (2001). Transformational and transactional leadership and salesperson performance. *Journal of the Academy of Marketing Science*, 29(2), 115-134. <https://doi.org/10.1177/03079459994506>
- Mahaney, R. C., & Lederer, A. C. (2006). The Effect of Intrinsic and Extrinsic rewards for Developers on Information Systems Project Success. *Project Management Journal*, 37(4), 42-54. <https://doi.org/10.1177/875697280603700405>
- Mello, Jeffrey. A. 2011. *Strategic Management of Human Resources*, 3rd Edition. Canada South Western Cengage Learning
- Mia, M., Majri, Y., & Rahman, I. K. A. (2019). Covariance based-structural equation modeling (cb-sem) using amos in management research. *IOSR Journal of Business and Management*, 21(1), 56-61. <https://doi.org/10.9790/487X-2101025661>
- Mottaz, C. J. (1985). The Relative Important of Intrinsic and Extrinsic Rewards As Determinants of Work Satisfaction. *Sociological Quarterly*, 26(3), 365-385. <https://doi.org/10.1111/j.1533-8525.1985.tb00233.x>
- Naff, K. C., & Crum, J. (1999). Working for America: Does motivasi pelayanan publik make a difference? *Review of Public Personnel Administration*, 19(4), 5-16. <https://doi.org/10.1177/0734371X9901900402>

- Nohe, C., & Hertel, G. (2017). Transformational Leadership and Organizational Citizenship Behavior: A Meta-Analytic Test of Underlying Mechanism. *Frontiers in Psychology*, 8(AUG), 1-13. <https://doi.org/10.3389/fpsyg.2017.01364>
- Pandey, S. K., Wright, B. E., Moynihan, D. P. (2008). Motivasi pelayanan publik and Interpersonal Citizenship Behavior in Public Organizations: Testing a Preliminary Model. *International Public Management Journal*, 11(1), 89-108. <https://doi.org/10.1080/10967490801887947>
- Pandey, S. K., Wright, B. E., Moynihan, D. P. (2012). Pulling the levers: Transformational Leadership, Motivasi pelayanan publik, and Mission Valence. *Public Administration Review*, 72(2), 206-215. <https://www.jstor.org/stable/41433294>
- Pasha, O., Poister, T. H., Wright, B. E., & Thomas, J. C. (2017). Transformational Leadership and Mission Valence of Employees: The Varying Effects by Organizational Level. *Public Performance & Management Review*, 40(4), 722-740. <https://doi.org/10.1080/15309576.2017.1335220>
- Perry, J. L. (1996). Measuring Motivasi pelayanan publik: An Assessment of Construct Reliability and Validity. *Journal of Public Administration Research and Theory*, 6(1). <https://doi.org/10.1093/oxfordjournals.jpart.a024303>
- Perry, J. L., Brudney, J. L., Coursey, D., & Littlepage, L. (2008). What drives morally committed citizens? A study of the antecedents of motivasi pelayanan publik. *Public Administration Review*, 68(3), 445-458. <https://www.jstor.org/stable/25145623>
- Perry, J. L., & Hondeghem, A. (2008). Building theory and empirical evidence about motivasi pelayanan publik. *International Public Management Journal*, 11(1), 3-12. <https://doi.org/10.1080/10967490801887673>
- Perry, J. L., & Wise, L. R. (1990). The Motivational Bases of Public Service. *Public Administration Review*, 50(3), 367. <https://doi.org/10.2307/976618>
- Perry, J. L., Hondeghem, A., Wise, L. R., Perry, J.L., & Hondeghem, A. (2010). Revisiting the Motivational Bases of Public Service: Twenty Years of Research and and Agenda for the Future. Wiley on behalf of the American Society for Public Administration Stable, 70(5), 681-690. [www.jstor.org/stable/40802365](http://www.jstor.org/stable/40802365)
- Petrovsky, N., & Ritz, A. (2014). Motivasi pelayanan publik and performance: a critical perspective. *Evidence Based HRM*, 2(1), 57-59. <https://doi.org/10.1108/EBHRM-07-2013-0020>
- Ping, R.A., Jr. (1995). A parsimonious estimating technique for interaction and quadratic latent variables. *Journal of Marketing Research*, 32(3), 336-347
- Puwanenthiren, P. (2011). Reward system and Its Impact on Employee Motivation in Commercial Bank of Sri Lanka Plc in Jaffna District. *Global Journal of Management and Business Research*, 11(4), <https://journalofbusiness.org/index.php/GJMBR/article/view/486>
- Rainey, H. G., & Steinbauer, P. (1999). Galloping Elephants: Developing Elements of a Theory of Effective Government Organizations. *Journal of Public Administration Research and Theory*, 9(1), 1-32. <https://doi.org/10.1093/oxfordjournals.jpart.a024401>

- Reio, T. G., & Callahan, J. L. (2004). Affect, curiosity, and socialization-related learning: A path analysis of antecedents to job performance. *Journal of Business and Psychology*, 19(1), 3-22. <https://doi.org/10.1023/B:JOBU.0000040269.72795.ce>
- Rizwan, M., Tariq, M., Hassan, R., & Sultan, A. (2014). A Comparative Analysis of the Factors Effecting the Employee Motivation and Employee Performance in Pakistan. *International Journal of Human Resource Studies*, 4(3), 35. <https://doi.org/10.5296/ijhrs.v4i3.5873>
- Roscino A., Pollice A. (2006) A Generalization of the Polychoric Correlation Coefficient. In: Zani S., Cerioli A., Riani M., Vichi M. (eds) *Data Analysis, Classification and the Forward Search. Studies in Classification, Data Analysis, and Knowledge Organization*. Springer, Berlin, Heidelberg. [https://doi.org/10.1007/3-540-35978-8\\_16](https://doi.org/10.1007/3-540-35978-8_16)
- Saeed, R., Nayyab, H. H., & Lodhi, R. N. (2013). An empirical investigation of rewards and employee performance: A case study of technical education authority of Pakistan. *Middle East Journal of Scientific Research*, 18(7), 892-898. <https://doi.org/10.5829/idosi.mejsr.2013.18.7.11785>
- Santos, A. S., Reiss Neto, M. T., & Verwaal, E. (2018). Does cultural capital matter for individual job performance? A large scale survey of the impact of cultural, social and psychological capital on individual performance in Brazil. *International Journal of Productivity and Performance Management*, 67(8), 1352-1370. <https://doi.org/10.1108/IJPPM-05-2017-0110>
- Shahzadi, I., Javed, A., Pirezada, S. S., Nasreen, S., & Khanam, F. (2014). Impact of Employee Motivation on Employee Performance. *European Journal of Business and Management Online*, 6(23), 2222-2839
- Shi, D., & Olivares, A.M. (2020). The Effect of Estimation Methods on SEM Fit indices. *Educational and Psychological Measurement*, 80(3), 421-425. <https://doi.org/10.1177/0013164419885164>.
- Shields, John. 2007. *Managing Employee Performance and Reward: Concepts, Practices, Strategies*. Cambridge: Cambridge University Press
- Sekaran, Uma & Bougie, Roger. 2016. *Research Methods for Business, A Skill Building Approach*. Chicester. John Wiley & Sons Ltd
- Tang, T. L. P., (2007). Income and quality of life: Does the love of money make a difference? *Journal of Business Ethics*, 72(4), 375-393. <https://doi.org/10.1007/s10551-006-9176-4>
- Tinofirei, C. (2011). *The Unique Factors Affecting Employee Performance in Non Profit Organizations*. University of South Africa
- Walumbwa, F. O., Avolio, B. J., Gardner, W. L., Wernsing, T. S., & Peterson, S. J. (2008). Authentic leadership: Development and validation of a theory based measure. *Journal of Management*, 34(1), 89-126. <https://doi.org/10.1177/0149206307308913>
- Wright, B. E. (2007). Public Service and Motivation: Does Mission Matter? *Public Administration Review*, 67(1), 54-64. <https://doi.org/10.1111/j.1540-6210.2006.00696.x>
- Wright, B. E. (2007). What Makes Mission Matter? Mission Valence, Motivasi pelayanan publik and Human Resource Outcomes Prepared for the 9th Public Management Research Conference October 25-27, 2007. 1887(v)



- Wright, B. E & Pandey, S. K. (2008). Motivasi pelayanan publik and the assumption of person organization fit: Testing the mediating effect of a value congruence. *Administration and Society*, 40(5), 502-521. <https://doi.org/10.1177/0095399708320187>
- Wright, B. E., & Pandey, S. K. (2011). Public Organizations and Mission Valence: When Does Mission Matter? *Administration and Society*, 43(1), 22-44. <https://doi.org/10.1177/0095399710386303>
- Xia, Y., & Yang, Y. (2018). RMSE, CFI, and TLI in structural equation modeling with ordered categorical data: The story they tell depends on the estimation methods. *Behavior Research Methods*, 51, 409–428. <https://doi.org/10.3758/s13428-018-1055-2>.
- Yang, H. (2008). Efficiency wages and subjective performance pay. *Economic Inquiry*, 46(2), 179-196. <https://doi.org/10.1111/j.1465-7295.2007.00069.x>
- Yukl, G. (1999). An evaluation of conceptual weakness in transformational and charismatic leadership theories. *Leadership Quarterly*, 10(2), 285-305. [https://doi.org/10.1016/S1048-9843\(99\)00013-2](https://doi.org/10.1016/S1048-9843(99)00013-2)