

The Impact of Transformational Leadership and Readiness for Change on Employee Performance at the Higher Education Service Institution Region II Palembang

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Abstract

This study aims to examine the influence of transformational leadership and readiness for change on employee performance at LLDIKTI Region II during the ongoing digital transformation process. A quantitative approach was employed, with data collected through questionnaires distributed to 60 respondents. The data were analyzed using multiple linear regression with the help of SPSS version 27. The results indicate that both transformational leadership and readiness for change have a positive and significant impact on employee performance, both partially and simultaneously. The t-test results show that both variables are statistically significant (t-value of 3.667 for transformational leadership and 2.838 for readiness for change), with a significance level below 0.05. The F-test result shows an F-value of 22.487, which is greater than the F-table value of 3.15, with a significance level of 0.000. The R² value of 0.441 indicates that these two variables explain 44.1% of the variance in employee performance. These findings carry practical implications for LLDIKTI Region II, particularly in supporting digital transformation. It is recommended that LLDIKTI develop leadership training and mentoring programs to promote the consistent application of transformational leadership principles. Moreover, the organization should enhance employee readiness for change by providing technological training, clear change communication, and reward systems. This approach will help the institution improve adaptability and support optimal employee performance in the digital era.

Keywords: Transformational Leadership; Readiness for Change; Employee Performance

INTRODUCTION

In the rapidly evolving era of digitalization, various industrial sectors and organizations face significant challenges in adapting to technological changes. Digital transformation, which is a key component of the Fourth Industrial Revolution, not only impacts the manufacturing sector but also influences education and public service sectors, including Higher Education Service Institutions (LLDIkti). According to Tulungen et al. (2022), information and communication technology has now become the backbone of institutional operations, enabling greater efficiency, transparency, and accountability in various processes, ranging from administration to public service delivery.

However, the implementation of new technologies does not always proceed smoothly. One significant challenge is employee resistance to change, especially from those who feel technologically unskilled or who are comfortable with traditional work systems. Employees accustomed to manual or conventional methods often struggle to operate digital systems. Hakim et al. (2024) emphasize that employee readiness for change is a critical factor in the successful adoption of technology within an organization. Additionally, leadership style particularly transformational leadership plays a central role in providing direction, support, and motivation to employees during times of change.

This phenomenon is highly relevant to the current situation at LLDIKTI Region II Palembang, which is undergoing a process of digital transformation. Previously, most administrative processes at the institution were still conducted manually. Today, LLDIKTI has adopted a more modern and integrated digital system. This transformation demands not only technical adjustments but also mental and cultural readiness from employees. One of the major challenges lies in the high number of digital applications that employees must master in a short period sometimes up to five to seven different

systems simultaneously—which creates a heavy adaptation burden. This condition highlights an urgent need for leaders who can effectively motivate and guide employees through these changes while ensuring individual readiness to embrace and engage with the digital transformation.

Several studies have attempted to analyze the relationship between transformational leadership, readiness for change, and employee performance. Research by Dewanti et al. (2023) shows that both transformational leadership and readiness for change have a positive and significant impact on performance. However, other studies, such as that by Negoro et al. (2023), report contrasting findings where transformational leadership has a negative effect on performance, and readiness for change shows no significant impact. This inconsistency points to a research gap that warrants further exploration.

Therefore, it is important to conduct a study that considers the specific context, such as LLDIKTI Region II Palembang. This research offers novelty through its focus on a public sector organization undergoing an intense digital transformation—a context that has not been extensively studied. The study not only examines the relationships between variables but also explores how leadership and employee readiness can tangibly support the success of the digitalization process. This is crucial, as the findings may provide more practical insights for policymakers in higher education institutions.

Hence, this study aims to provide a deeper understanding of the impact of transformational leadership and readiness for change on employee performance at LLDIKTI Region II Palembang. It is expected that the research will contribute theoretically to the development of management science and practically by offering recommendations for public sector organizations in designing effective leadership and change management strategies in the digital era.

METHOD

This study employs a quantitative approach with an associative method to determine and analyze the influence of transformational leadership and readiness for change on employee performance at the Higher Education Service Institution (LLDIKTI) Region II Palembang. The study population consists of 60 employees. Given the relatively small number, a saturated sampling technique was applied, whereby the entire population was used as the research sample. Data collection was carried out using four methods: questionnaires, interviews, observation, and literature review. The primary focus was on a closed-ended questionnaire based on a Likert scale, which was developed using theories and indicators derived from previous research, particularly Dewanti et al. (2023). The questionnaires were distributed directly to respondents as well as online via Google Forms. According to the researcher's report, all respondents completed the questionnaire accurately and within the allotted time.

Reliability testing was conducted using the Cronbach's Alpha method. The results showed that the alpha values for each variable were: 0.720 for transformational leadership, 0.811 for readiness for change, and 0.758 for employee performance. These values indicate that all research instruments are considered reliable, as they exceed the threshold of 0.60. Once the data were collected, analysis was carried out through several stages: validity and reliability tests, classical assumption tests (including normality, multicollinearity, and heteroscedasticity tests), and multiple linear regression analysis to determine the influence of transformational leadership and readiness for change on employee performance. A t-test was used to assess the partial influence of each independent variable, while the F-test was applied to examine the simultaneous influence. The coefficient of determination (R^2) was calculated to measure the extent to which the two independent variables explain the variance in the dependent variable.

RESULTS and DISCUSSION

Results of Multiple Linear Regression Analysis

This study employed multiple linear regression analysis to evaluate the effect of transformational leadership (X1) and readiness for change (X2) on employee performance (Y). The complete results of the regression analysis are presented in Table 1 below:

Tabel 1. Results of Multiple Linear Regression Analysis

Variabel	Koefisien Regresi	t_{hitung}	Sig.
Kepemimpinan Transformasional	0,447	3.667	0,001
Kesiapan Untuk Berubah	0,339	2.838	0,006

Based on the results in Table 1, the multiple linear regression analysis produces the following regression equation: $Y = 17.042 - 0.447 \text{ IKT} - 0.339 \text{ KUB}$

1. Constant Coefficient (α): The constant value is 17.042, indicating that if transformational leadership (X_1) and readiness for change (X_2) are both zero, the employee performance (Y) would remain at 17.042.
2. Transformational Leadership Coefficient (β_1): The coefficient is 0.447, which means that a one-unit increase in transformational leadership will increase employee performance by 0.447 units, assuming other variables remain constant. The positive value suggests that better transformational leadership is associated with higher employee performance. This effect is statistically significant, as the significance value is $0.001 < 0.05$.
3. Readiness for Change Coefficient (β_2): The coefficient is 0.339, indicating that a one-unit increase in readiness for change will increase employee performance by 0.339 units. This positive value shows that employees' readiness to embrace change has a positive impact on their performance. This effect is statistically significant, with a significance value of $0.006 < 0.05$.

Hypothesis Testing Results

Partial Test or t-Test

The t-test is used to determine whether the independent variables have a significant partial effect on the dependent variable in the regression model (Mardiatomoko, 2020). The t-test results indicate the individual influence of each independent variable on the dependent variable. A detailed summary of the test results is presented in Table 2 below:

Tabel 2. Partial Test or t-Test

Variabel	Koefisien Regresi	t_{hitung}	Sig.
Kepemimpinan Trasformasional	0,447	3.667	0,001
Kesiapan Untuk Berubah	0,339	2.838	0,006

Based on Table 2, the results of the partial test (t-test) indicate that transformational leadership has a significant effect on employee performance. The calculated t-value for transformational leadership is 3.667, while the critical t-table value with 57 degrees of freedom and a significance level of 0.025 is 2.002. Since the calculated t-value is greater than the t-table value and the significance value is $0.001 < 0.05$, the null hypothesis (H_0) is rejected and the alternative hypothesis (H_1) is accepted. This means that transformational leadership has a significant partial effect on employee performance. The positive coefficient of 0.447 indicates that higher levels of transformational leadership are associated with improved employee performance.

In addition, readiness for change also shows a significant influence on employee performance. The calculated t-value for readiness for change is 2.838, with the same t-table value of 2.002 ($df = 57$, $\alpha = 0.025$). Since the calculated t-value exceeds the t-table value and the significance value is $0.006 < 0.05$, the null hypothesis is again rejected, and the alternative hypothesis is accepted. This implies that readiness for change has a significant partial effect on employee performance. The positive coefficient of 0.339 suggests that greater readiness to embrace change leads to better employee performance.

Results of Simultaneous Test (F-Test)

The F-test is used to assess the validity of the research hypothesis, particularly to determine the extent to which the independent variables can explain the dependent variable (Bala Tukan et al., 2023).

Tabel 3. Results of Simultaneous Test (F-Test)

Variabel	Koefisien Regresi	t_{hitung}	Sig.	F	Signifikansi
Kepemimpinan Trasformasional	0.447	3.667	0.001	22.487	0.000
Kesiapan Untuk Berubah	0.339	2.838	0.006		

Based on the results of the F-test in Table 3, the calculated F-value is 22.487, which is greater than the F-table value (with degrees of freedom 2 and 57) of 3.15. Additionally, the significance value

of 0.000 is less than 0.05. These results indicate that transformational leadership and readiness for change have a significant simultaneous effect on employee performance.

Results of the Coefficient Test

The next step involves conducting inferential analysis to test the relationships among variables. The strength of these relationships was analyzed using SPSS version 27 through the Pearson product-moment correlation method.

Table 3. Results of the Coefficient Test

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.664 ^a	.441	.421	2.737

Based on the coefficient test results presented in Table 3 (Model Summary), the R value obtained is 0.664, indicating a strong relationship between the independent variables (transformational leadership and readiness for change) and the dependent variable (employee performance). The R Square value of 0.441 indicates that 44.1% of the variation in employee performance can be explained by transformational leadership and readiness for change, while the remaining 55.9% is explained by other factors not included in this model.

Meanwhile, the Adjusted R Square value of 0.421 reflects the R Square value adjusted for the number of independent variables and sample size, still demonstrating a substantial contribution of the two independent variables to employee performance. The Standard Error of the Estimate value of 2.737 describes the magnitude of prediction error in the regression model. This value is relatively low, suggesting that the model's predictions are fairly accurate.

Discussion

The Influence of Transformational Leadership on Employee Performance

The results of this study indicate that transformational leadership has a positive and significant effect on employee performance. This means that the higher the implementation of transformational leadership style within the organization, the better the performance demonstrated by employees. Leaders who are able to inspire, motivate, and pay attention to individual needs create a conducive work environment, boost work morale, and drive the achievement of organizational goals.

These findings are consistent with studies by Khotijah et al. (2022), Savira et al. (2022), and Tucunan et al. (2024), which found that transformational leadership fosters optimal performance achievement. In the context of LLDIKTI Region II Palembang, this highlights the need for leaders who act as agents of change, especially during the transition toward a digital work system.

Managerially, LLDIKTI Region II should develop transformational leadership training programs for structural officials, including visionary communication, staff empowerment, and personal coaching to help employees feel supported and well-guided. However, a limitation of this study is that the data were collected solely through questionnaires, which may introduce respondent subjectivity bias regarding their supervisors' leadership style. Therefore, future research should incorporate direct observation and in-depth interviews to enrich the perspectives.

The Influence of Readiness for Change on Employee Performance

This study also confirms that readiness for change positively and significantly affects employee performance. Employees who demonstrate openness, self-confidence, and high motivation in facing changes tend to be more adaptive to emerging challenges, including digital transformation in the workplace.

This finding aligns with the results of Listiyono et al. (2023), Anggita Temesvari et al. (2022), and Masduki et al. (2020), which reveal that readiness for change plays a crucial role in improving productivity and work effectiveness.

The implication is that LLDIKTI Region II should enhance employee readiness through technology-based training, technical guidance on new applications, and continuous socialization of the importance of digital transformation. Implementing peer mentoring systems can also facilitate faster and more comfortable adaptation. The limitation here is that not all aspects of readiness for change such as psychological factors or organizational culture were explored deeply, as the study relied solely on

individual perception-based questionnaires that might be affected by respondents' momentary emotional states.

The Simultaneous Influence of Transformational Leadership and Readiness for Change on Employee Performance

The analysis shows that transformational leadership and readiness for change simultaneously exert a positive and significant effect on employee performance. The combination of leaders who inspire and facilitate change and employees who are ready to embrace change creates a more responsive and productive work environment.

This study reinforces findings by Dewanti et al. (2023), Savira et al. (2022), and Asbari et al. (2021), which conclude that the synergy between leadership quality and change readiness is key to organizational success, especially in facing digital disruption.

From a managerial perspective, LLDIKTI Region II should foster synergy between leaders and employees through more structured change management strategies, such as developing a digital transformation roadmap involving all employee levels, encouraging participation in change planning, and promoting open two-way communication. However, this study's limitations include a relatively small sample size (60 respondents) and being limited to one institution, which requires caution in generalizing the findings to other organizations. Additionally, data collection was limited to questionnaires without data triangulation.

For future research, it is recommended to expand the study to other higher education institutions, employ mixed methods, and explore additional factors such as organizational culture, managerial support, or technological innovation impacting employee performance.

CONCLUSION

Based on the findings, transformational leadership has a proven positive and significant effect on employee performance, indicating that the higher the level of transformational leadership in an organization, the better the employees' performance. Likewise, readiness for change also has a positive and significant impact on employee performance; the more prepared employees are to face change, the better their performance. Simultaneously, transformational leadership and readiness for change contribute to enhancing employee performance, demonstrating that their combination plays a crucial role in creating an adaptive and productive work environment. This study confirms that effective leadership and employee readiness for change are key factors in improving employee performance at LLDIKTI Region II Palembang. Practically, organizations need to focus on developing transformational leadership and preparing their employees for change to improve overall organizational performance. For further research, it is recommended to use different research methods such as in-depth interviews and to add other relevant variables, such as organizational culture or technological support, to gain a more comprehensive understanding of factors influencing employee performance.

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