

Research Article

Harry Simbara^{1*}, Kiki Farida Ferine², Muhammad Isa Indrawan³

The Effect of Situational Leadership Style on Employee Performance with Work Motivation as A Variable Intervening in PT PLN (Persero) Service Unit Bukit Barisan Customers

*Corresponding Author: **Harry Simbara**: Universitas Pembangunan Panca Budi, Indonesia; harry.simbara@pln.co.id

Kiki Farida Ferine: Universitas Pembangunan Panca Budi, Indonesia; kikifarida@dosen.pancabudi.ac.id

Muhammad Isa Indrawan: Universitas Pembangunan Panca Budi, Indonesia; isaindrawan@dosen.pancabudi.ac.id

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Abstract: *This study aims to analyze the influence of situational leadership style on employee performance with work motivation as a mediating variable. The research was conducted at PT PLN (Persero) Service Unit Bukit Barisan with a total of 60 respondents. A quantitative approach was applied, and data were analyzed using SmartPLS 3. The results indicate that situational leadership style does not have a direct significant effect on employee performance, but it has a positive and significant effect on work motivation. Furthermore, work motivation has a positive and significant effect on employee performance. Another finding reveals that work motivation fully mediates the relationship between situational leadership style and employee performance. These findings emphasize the importance of leadership style in shaping employee motivation, which in turn affects performance improvement. Therefore, organizations should adopt a flexible leadership approach that focuses on enhancing employee motivation to achieve optimal performance outcomes.*

Keywords: *Situational Leadership Style, Work Motivation, Employee Performance, Mediation.*

Introduction

In organizations, leadership is an essential component that influences various aspects of performance and motivation within the workforce. At PT PLN (Persero) UP3 Bukit Barisan, leadership effectiveness has become a key focus, as it plays a pivotal role in driving employee motivation and enhancing their performance. As an organization in the public service sector, PT PLN (Persero) UP3 Bukit Barisan is continuously working towards improving its internal management strategies to meet both organizational and employee needs. One of the challenges identified in internal reports is the fluctuation in employee performance, which highlights the need for a more flexible and adaptive leadership approach. Addressing this challenge is crucial to ensure a motivated and high-performing workforce that can contribute to the organization's overall goals.

Effective leadership, as defined by Hersey and Blanchard (2015), is the ability of leaders to adapt their leadership styles based on the varying levels of readiness and maturity of their subordinates. This concept, known as situational leadership, asserts that there is no one-size-fits-all approach to leadership. Instead, leaders must adjust their behaviors and strategies according to the development stage of the individuals they lead. This flexibility in leadership style is particularly important in dynamic and complex environments such as PT PLN (Persero) UP3 Bukit Barisan, where employees face a variety of challenges and tasks that require different leadership interventions. Situational leadership recognizes the diverse needs of employees and the organizational context, ensuring that leadership is more responsive and aligned with specific situations.

Situational leadership is characterized by a leader's ability to assess and respond to the maturity, experience, and competence levels of their team members. This allows leaders to provide the appropriate

level of direction and support to ensure task completion and overall performance. In organizations, leadership style is often linked to employee motivation, as the manner in which employees are led can significantly impact their enthusiasm, engagement, and work output. Motivation, according to Ferine (2020), has a direct influence on performance. When employees are motivated, they are more likely to be productive, show initiative, and contribute to the achievement of organizational objectives. This relationship between leadership, motivation, and performance underscores the importance of understanding how leadership styles can impact motivation and, subsequently, employee performance.

Employee performance is a multi-dimensional concept that reflects how well an individual or group performs their job tasks. It encompasses various factors, including the quantity and quality of work produced, efficiency, and overall effectiveness in achieving organizational goals. In any organization, improving employee performance is a priority, as it leads to higher productivity, better service delivery, and the accomplishment of business objectives. Leadership plays a significant role in influencing employee performance, both directly and indirectly. A leader's actions, decisions, and communication style can either enhance or hinder the motivation and performance of their subordinates.

Motivation, on the other hand, is a psychological factor that drives individuals to achieve certain goals. It is often viewed as the fuel that propels employees to exert effort, stay engaged, and maintain high levels of productivity. Work motivation is considered a key factor in driving employee performance, as motivated employees are more likely to go above and beyond in their roles, demonstrating creativity, problem-solving abilities, and commitment to the organization. However, motivation is not something that can be taken for granted; it must be nurtured and maintained through various means, such as rewards, recognition, job satisfaction, and the leadership style employed by managers.

One of the core aspects of situational leadership is its ability to influence employee motivation. When leaders adapt their style to meet the individual needs of their employees, they can create an environment that fosters motivation and engagement. For example, when employees are in a development stage that requires guidance and direction, a leader's use of a more directive style can help build confidence and competence. On the other hand, when employees are more experienced and self-sufficient, a more supportive and delegating style can encourage autonomy and empowerment. In both cases, the leadership style is tailored to the needs of the employees, promoting a sense of trust and confidence, which are essential components of motivation.

This study aims to explore the relationship between situational leadership style and employee performance, with work motivation as a mediating variable. The research seeks to understand whether situational leadership style has a direct influence on employee performance, and if work motivation plays a significant role in this relationship. Specifically, this study will test whether work motivation acts as an intervening factor that enhances the effect of situational leadership on employee performance. Understanding this relationship is important for several reasons.

First, organizations such as PT PLN (Persero) UP3 Bukit Barisan must recognize the importance of adopting effective leadership strategies that align with the needs of their employees. Situational leadership provides a flexible framework that can be applied to improve employee performance and motivation. By understanding how leadership style influences motivation and performance, the organization can develop more targeted strategies for enhancing employee outcomes.

Second, this study will contribute to the existing body of knowledge on leadership and motivation in the workplace. While there is ample research on leadership and performance, the role of work motivation as a mediator has not been extensively explored, especially in the context of public service organizations

like PT PLN (Persero). The findings of this study could provide valuable insights for academics and practitioners in understanding the complexities of leadership, motivation, and performance dynamics.

Finally, the study's implications for PT PLN (Persero) UP3 Bukit Barisan will be practical and actionable. By identifying the key factors that influence employee performance, the organization can implement more effective leadership practices that not only improve motivation but also lead to better overall performance. The ability to adapt leadership styles to the needs of employees and foster motivation will enable the organization to achieve higher levels of efficiency, productivity, and service quality.

The problem formulation for this study revolves around understanding the influence of situational leadership style on employee performance, with a particular focus on work motivation as a mediating factor. The research questions are as follows:

1. Does situational leadership style have a positive and significant influence on employee performance at PT PLN (Persero) UP3 Bukit Barisan?
2. Does situational leadership style have a positive and significant influence on work motivation at PT PLN (Persero) UP3 Bukit Barisan?
3. Does work motivation have a positive and significant influence on employee performance at PT PLN (Persero) UP3 Bukit Barisan?
4. Does situational leadership style have a positive and significant influence on employee performance through work motivation at PT PLN (Persero) UP3 Bukit Barisan?

The research objectives are to test and analyze the effects of situational leadership style on employee performance, the influence of situational leadership on work motivation, and the impact of work motivation on employee performance. Additionally, this study aims to determine whether work motivation acts as a mediator in the relationship between situational leadership style and employee performance.

In conclusion, leadership effectiveness is critical to improving employee motivation and performance, particularly in organizations like PT PLN (Persero) UP3 Bukit Barisan. By examining the role of situational leadership and its impact on employee motivation and performance, this study seeks to provide valuable insights that can inform leadership practices in public service organizations. The findings will contribute to a better understanding of how leadership styles can be adjusted to enhance motivation, which ultimately leads to improved employee performance.

Literature Review

Employee performance

According to Robbins & Judge (2017), individuals with higher job satisfaction perform better, and organizations with more satisfied employees tend to be more effective than organizations with fewer employees. For most people, work is an integral part of life, and many people derive meaning from the roles they play. Therefore, it makes sense that our overall happiness depends to a large extent on our happiness in our work (our job satisfaction).

Performance Indicators

According to Robbins & Judge (2017):

- a. Quality (quality of work)
- b. Quantity (amount of work completed)
- c. Punctuality (task completion time).
- d. Effectiveness of resource use.

- e. Independence (ability to work without supervision).
- f. Committed (dedicated to work).

Situational Leadership Style

According to Hersey & Blanchard (2015), situational leadership style is the leader's ability to adjust their style (directive, consultative, participative, delegative) based on employee readiness. Situational leadership style has a direct impact on employee work motivation and performance.

Situational Leadership Style Indicators

According to Hersey & Blanchard, (2015)

1. Telling
2. Selling
3. Participating
4. Delegating

Work motivation

According to Wibowo (2017) stated that factors in competence by providing encouragement, appreciation for the work of subordinates, providing recognition and individual attention from superiors can have a positive influence on a subordinate's motivation.

Work Motivation Indicators

According to Wibowo (2017) work motivation indicators are:

- a. Goal
- b. Drive/Desire
- c. Intensity and Persistence
- d. Arousing (Activating) Elements
- e. Elements of Directing

Conceptual Framework

The conceptual framework in this research is as follows:

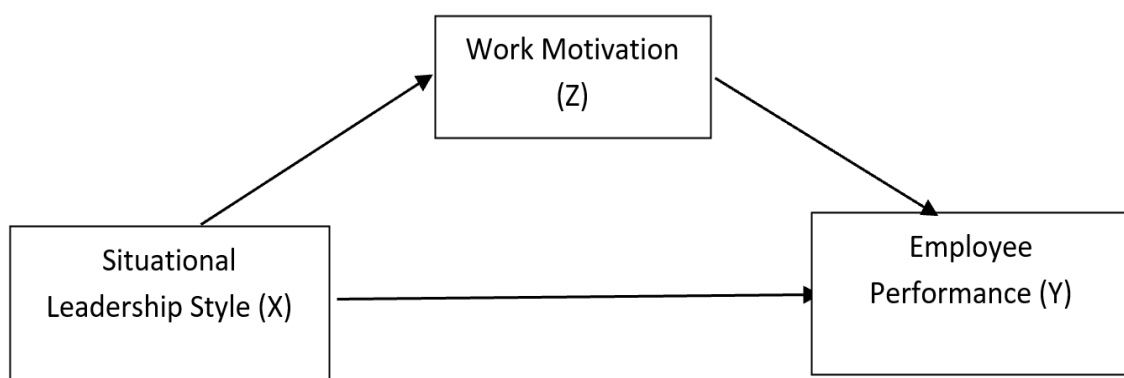


Figure 1. Conceptual Framework

Hypothesis

H₁: Situational Leadership Style has a positive and significant influence on employee performance at UP3 Bukit Barisan.

H₂: Situational Leadership Style has a positive and significant influence on work motivation at UP3 Bukit Barisan.

H₃: Work motivation has a positive and significant effect on employee performance at UP3 Bukit Barisan.

H₄: Situational Leadership Style has a positive and significant influence on Employee performance through work motivation at UP3 Bukit Barisan.

Method

Research Approach

This study uses a quantitative approach with an explanatory research approach. This approach is used to explain the causal relationship between the variables of situational leadership style, work motivation, and employee performance at PT PLN (Persero) UP3 Bukit Barisan.

Types of research

According to Sugiyono (2018), quantitative data is a research method based on positivity (concrete data), research data in the form of numbers that will be measured using statistics as a calculation test tool, related to the problem being researched to produce a conclusion.

Time and Location of Research

This research was conducted in May 2025 for 3 months at PLN UP3 Bukit Barisan Jalan Gundaling No. 1000, Berastagi, Karo Regency.

Data source

According to Sugiyono (2018), primary data sources are data sources that directly provide data to data collectors or researchers.

- a. Primary Data: Collected through a questionnaire distributed to employees of PT PLN (Persero) UID North Sumatra.
- b. Secondary Data: Derived from company reports, academic literature, and previous research.

Population and Research Sample

Population is a generalization area consisting of objects/subjects that have certain qualities and characteristics that are applied by researchers to be studied and drawn conclusions (Sugiyono, 2016). The population used in this study was all employees at PLN UP3 Bukit Barisan, totaling 60 employees of PT PLN (Persero) Bukit Barisan.

Sample

According to Sugiyono (2016), a research sample is a portion of the number and characteristics of a population. The sample in this study was 60 employees of PLN UP3 Bukit Barisan (saturated sample).

Data Analysis Model

The analytical model used in this study is path analysis, a statistical technique used to examine direct and indirect relationships between variables. In this study, path analysis was used to analyze the relationship between job stress, competence, employee performance, and work motivation.

The model used in this study can be described as follows:

Path Analysis Model

1. Direct Effect:

A direct effect is an effect that occurs directly from one variable to another without going through other variables. It shows the direct effect of work stress (X1) on employee performance (Y), or the direct effect of competence (X2) on employee performance (Y).

2. Indirect Effect:

Indirect influence is an influence that occurs through the moderating variable. It shows the indirect influence of work stress (X1) on employee performance (Y) through work motivation (Z).

3. Total Effect:

The total effect is the sum of the direct and indirect effects between two variables. It shows the total effect of work stress (X1) on employee performance (Y), which is calculated from the direct and indirect effects involving work motivation (Z).

Results and Discussion

Outer Model Analysis

The details of the relationship between latent and manifest variables can be determined using measurement model testing, also known as external model testing. This test has reliability, discriminant validity, and convergent validity.

Convergent Validity

The loading factor shows this test, the limit value. Average Variance Extracted and the limit value is 0.7. (AVE) is set at 0.5; values above this indicate validity. This shows that if the indicator value > 0.7 is able to explain the construct variable, then the indicator value is considered valid. The structural model of the study is depicted in the following figure:

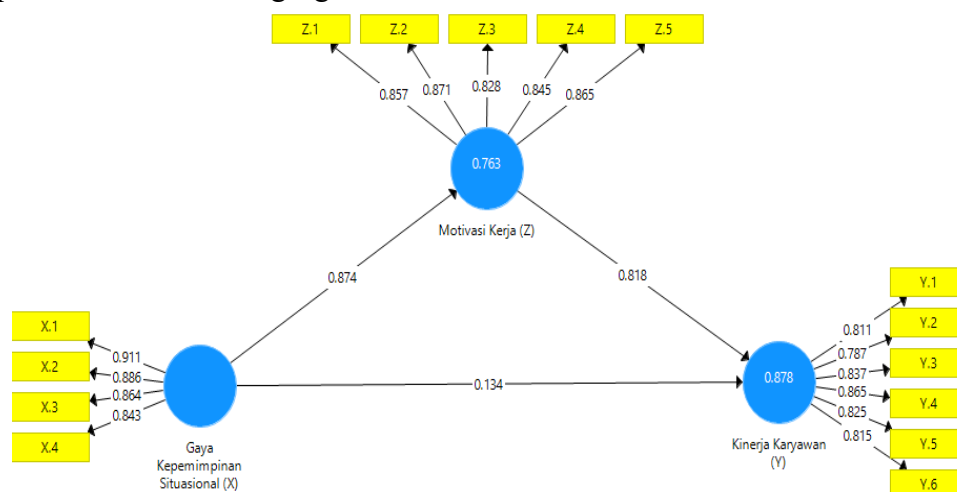


Figure 2. Outer Model

Smart PLS output for loading factor gives the results in the following table: Outer Loadings In this study there is an equation and the equation consists of two substructures for substructure 1

$$Z = b1X + e1$$

$$Z = 0.874 + e1$$

For substructure 2

$$Y = b2X1 + b3Z + e2$$

$$Y = 0.818 + 0.134 + e2$$

Table 1. Outer Loadings/Cross Loading

	Situational Leadership Style (X)	Employee Performance (Y)	Work Motivation (Z)
X.1	0.911		
X.2	0.886		
X.3	0.864		
X.4	0.843		
Y.1		0.811	
Y.2		0.787	
Y.3		0.837	
Y.4		0.865	
Y.5		0.825	
Y.6		0.815	
Z.1			0.857
Z.2			0.871
Z.3			0.828
Z.4			0.845
Z.5			0.865

All indicators in the Situational Leadership Style variable have outer loading values above 0.70. This indicates that the four indicators are valid and closely reflect the construct of the Situational Leadership Style variable. All employee performance indicators have outer loading values between 0.787 and 0.865. This means all indicators are valid in measuring the Employee Performance variable and can be used in the model. The five work motivation indicators show strong and valid outer loadings (above 0.70), so it can be concluded that these indicators accurately reflect Work Motivation. □ All indicators of the three variables have outer loadings > 0.70, indicating convergent validity. No indicators need to be eliminated from the model because all show strong contributions to the variables they measure.

Discriminant Validity

To ensure that the results of the indicators correlate strongly with their constructs, more research will use discriminatory validity to determine data validity. Specifically, the goal is to determine whether the cross-loading value is greater than that of other latent variables. The cross-loading findings from the validity test are shown in the following table:

Table 2. Discriminant Validity

	Situational Leadership Style (X)	Employee Performance (Y)	Work Motivation (Z)
X.1	0.911	0.745	0.826
X.2	0.886	0.690	0.716
X.3	0.864	0.733	0.774
X.4	0.843	0.800	0.740
Y.1	0.699	0.811	0.677
Y.2	0.706	0.787	0.743
Y.3	0.666	0.837	0.835
Y.4	0.767	0.865	0.850
Y.5	0.691	0.825	0.808
Y.6	0.659	0.815	0.680
Z.1	0.821	0.778	0.857
Z.2	0.827	0.783	0.871
Z.3	0.640	0.788	0.828
Z.4	0.733	0.868	0.845
Z.5	0.691	0.769	0.865

It can be seen in Table 2 that each loading factor indicator in each variable has a greater result than the cross loading factor variable indicator with each other so that in this study, valid results are obtained in a discriminant manner and will continue to the next stage in this study.

Composite reliability

Each variable in a composite reliability study is compared for its reliability value; if the variable's value is higher than 0.60, the study is considered reliable; if it is between 0.60 and 0.7, it is not. The table below shows the various blocks used to assess the validity and reliability of the study, including the AVE value, composite reliability, and Coranbach's alpha value:

Table 3. Construct Reliability and Validity

	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Situational Leadership Style (X)	0.899	0.930	0.768
Employee Performance (Y)	0.905	0.927	0.678
Work Motivation (Z)	0.907	0.931	0.728

The Situational Leadership Style construct has excellent reliability and convergent validity. All indicators are able to consistently and accurately represent variable X. The Employee Performance construct also has very strong internal consistency and an AVE above the threshold of 0.5, indicating that this construct is reliable and valid. The Work Motivation construct has high internal reliability and convergent validity, indicating that all indicators reflect construct Z very well. All constructs meet the

requirements of reliability and convergent validity, because Cronbach's Alpha > 0.7 , Composite Reliability > 0.7 , AVE > 0.5 .

Inner Model Analysis

To ensure the developed fundamental model is reliable and accurate, the structural model, or deep model, is evaluated. A number of markers, including the following, indicate the stages of scrutiny performed during the primary model assessment.

Coefficient of Determination (R²)

Based on the data processing that has been carried out using the SmartPLS 3.0 program, the R Square value is obtained as follows:

Table 4. R Square Results

	R Square	Adjusted R Square
Employee Performance (Y)	0.878	0.874
Work Motivation (Z)	0.763	0.759

87.8% of the variation in Employee Performance can be explained by the combination of Situational Leadership Style (X) and Work Motivation (Z) variables. Only 12.2% is explained by factors outside the model. This is a very high value, indicating that the model has very strong predictive power for employee performance. 76.3% of the variation in work motivation can be explained by situational leadership style (X). The remaining 23.7% is explained by other variables outside the model. This is also an excellent value, indicating that variable X significantly predicts work motivation.

Hypothesis Testing

As suggested by this review, the next step is to evaluate the relationship between idle builds after evaluating the deep model. To conduct speculative testing in this review, T-Statistics and P-Values were examined. It is open if P-Values are less than 0.05 and T-Insights values are greater than 1.96. The following is the direct impact of the Path Coefficient:

Table 5. Path Coefficients (Direct Effect)

	Original Sample (O)	T Statistics (O/STDEV)	P Values	Results
Situational Leadership Style (X) -> Employee Performance (Y)	0.134	1,362	0.087	Rejected
Situational Leadership Style (X) -> Work Motivation (Z)	0.874	29,139	0,000	Accepted
Work Motivation (Z) -> Employee Performance (Y)	0.818	9,213	0,000	Accepted

In table 5 there are the results of the direct influence and they will be explained one by one as follows:

1. Situational Leadership Style has a direct influence on Employee Performance."Based on the test results, a coefficient value of 0.134 was obtained, with a T-statistic = 1.362 and a p-value = 0.087. Since the p-value is greater than 0.05 and the T-statistic value is less than 1.96, this hypothesis is rejected. This means

that Situational Leadership Style does not directly have a significant effect on Employee Performance. In other words, the application of a situational leadership style does not necessarily automatically improve employee performance, if it is not accompanied by other factors such as work motivation.

2. Situational Leadership Style has a direct influence on Work Motivation. The analysis results show a coefficient value of 0.874, with a T-statistic of 29.139 and a p-value of 0.000. Since the p-value is less than 0.05 and the T-statistic far exceeds 1.96, this hypothesis is accepted. This indicates that Situational Leadership Style has a positive and significant effect on Work Motivation. This means that the more appropriate a leader applies a leadership style that suits the situation, the higher the employee work motivation will be.
3. Work motivation has a direct impact on employee performance. The statistical test yielded a coefficient of 0.818, with a T-statistic of 9.213 and a p-value of 0.000. Since the p-value is <0.05 and the T-statistic is >1.96 , this hypothesis is accepted. Therefore, it can be concluded that work motivation has a positive and significant influence on employee performance. This means that the higher an employee's work motivation, the higher their performance level.

Table 6. Path Coefficients (Indirect Effect)

	Original Sample (O)	T Statistics (O/STDEV)	P Values	Results
Situational Leadership Style (X) -> Work Motivation (Z) -> Employee Performance (Y)	0.715	8,494	0,000	Accepted

4. Situational Leadership Style has an indirect effect on Employee Performance through Work Motivation. Based on the test results, the indirect path coefficient value was 0.715, with a T-statistic = 8.494 and a value = 0.000. Since the p-value <0.05 and the T-statistic >1.96 , this hypothesis is accepted. This indicates that Situational Leadership Style indirectly has a positive and significant effect on Employee Performance through the mediating role of Work Motivation.

Closing

Conclusion

1. Situational leadership style does not have a significant direct effect on employee performance.
2. Situational leadership style has a positive and significant effect on work motivation.
3. Work motivation has a positive and significant effect on employee performance.
4. Situational leadership style has an indirect and significant influence on employee performance through work motivation.

Suggestion

1. Focus on Improving Work Motivation Because work motivation has been proven to have a direct and significant influence on employee performance, the company/organization.
2. Optimizing Situational Leadership Style Although it does not have a direct effect on performance, situational leadership style has a strong influence on motivation.

3. Building a Supportive Work Environment Work motivation does not only come from within the employee, but is also influenced by the work environment and the treatment of superiors.

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