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# Analysis of The Influence of Transformational Leadership and Organizational Culture on The Performance of Civil Servants Through Public Innovation in The Pamekasan Regency Government

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## Abstract.

This study aims to analyze the influence of transformational leadership and organizational culture on the performance of Civil Servants (PNS), both directly and indirectly through public innovation in the Pamekasan Regency Government. The research method used is quantitative with a survey approach. Data were collected through questionnaires from 126 Civil Servants, who served as respondents, and analyzed using Structural Equation Modeling (SEM) with AMOS. The results prove that: (1) Transformational leadership and organizational culture have a direct positive and significant effect on Civil Servant performance; (2) Transformational leadership and organizational culture have a direct positive and significant effect on public innovation; (3) Public innovation has a direct positive and significant effect on Civil Servant performance; and (4) Public innovation partially mediates the relationship between transformational leadership and organizational culture with Civil Servant performance. The conclusion of this research affirms that to improve Civil Servant performance, the Pamekasan Regency Government needs to strengthen the application of transformational leadership, build a conducive organizational culture, and actively encourage public innovation. Public innovation serves as a strategic mechanism that translates leadership values and organizational culture into tangible performance improvements.

**Keywords:** Employee Performance, Organizational Culture, Public Innovation, Transformational Leadership.

## 1 Introduction

Job performance is a fundamental aspect of organizational management and behavior because it reflects an individual's contribution to achieving institutional goals. Griffith et al. (2008) emphasize that job performance is not only the final result, but also a series of behaviors that support organizational goals, in line with Campbell and Wiernik's (2015) perspective. Good employee performance is a prerequisite for achieving organizational effectiveness, as Mangkunegara and Huddin (2016) explain, arguing that successful human resource management reflects an organization's ability to survive and thrive.

Civil servant performance evaluation in Pamekasan Regency is conducted through Employee Performance Targets (SKP) and work behavior assessments, including service orientation, accountability, competence, harmony, loyalty, adaptability, and collaboration. All of these aspects align with the ASN BerAKHLAK Core Values, which serve as the foundation for establishing a local government work culture. According to Al Suwaidi and Rahman (2019), a strong organizational culture serves as a framework of values and norms that encourage employees to make optimal contributions.



Innovation also drives public sector performance. Damanpour and Schneider (2009) demonstrated that innovation significantly impacts service quality, while Mulgan and Albury (2003) emphasized the importance of innovation in increasing efficiency through the utilization of resources and technology. Research gaps underlying these studies include fluctuations in civil servant performance (Al Suwaidi & Rahman, 2019), inconsistent implementation of transformational leadership (Bass, 2000), a weak culture of innovation (Mangkunegara & Huddin, 2016), and minimal public service innovation (Damanpour & Schneider, 2009).

The understanding of performance has shifted from a focus on routine tasks to broader dimensions such as adaptability, proactivity, and extra-role contributions (Al Suwaidi & Rahman, 2019; Campbell & Wiernik, 2015). Individual performance is the foundation for team and organizational performance (Motowildo, Borman, & Schmit, 1997; Afzali et al., 2014). Meanwhile, Marín Idárraga and Cuartas Marín (2019) emphasized that both radical and incremental innovation contribute significantly to improving operational performance and organizational competitiveness.

The challenges faced by the Pamekasan Regency Government include demands for digitalization, changing employee characteristics, increasing task complexity, and high public expectations for service quality. Public innovation is a strategic solution because it can improve adaptability, efficiency, and service quality (Damanpour & Schneider, 2009). Nationally, the ASN performance measurement system has developed rapidly since the enactment of LAKIP (Accounting for Public Service Performance Assessment) through Presidential Instruction No. 7 of 1999. According to Rhodes et al. (2012), this system strengthens accountability for the use of public resources by establishing a vision, mission, and key performance indicators (KPI).

## 2 Method

### 2.1 Operational Definition of Variables

Transformational leadership in this study is measured by leaders' attitudes and actions that inspire, motivate, and support employees in achieving organizational goals. Assessments include the ability to convey a vision, provide emotional support, facilitate creativity, and build a positive work environment. The indicators used refer to four main dimensions: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration.

Organizational culture is defined as a set of values, beliefs, and behavioral patterns that develop within an organization and influence how employees work. The elements examined include collaboration, open communication, encouragement of innovation, and support for individual development. The indicators analyzed refer to four aspects: engagement, consistency, adaptability, and mission.

Public innovation reflects the application of new ideas in public processes and services. The assessment considers the frequency of innovation, the type of innovation (product, process, or service), and its impact on service effectiveness and efficiency. The indicators are compiled based on Regulation of the Minister of Administrative and Bureaucratic Reform Number 3 of 2023 (Juklak-KIPP), namely novelty, effectiveness, benefits, ease of dissemination, and sustainability.

Civil servant performance reflects task accomplishment, contribution to organizational targets, and the quality of employee work. Aspects assessed include task completion efficiency,



accuracy of results, and work responsibility. Performance indicators are set out in the Ministerial Regulation of Administrative and Bureaucratic Reform (PermenPAN-RB) Number 6 of 2022, covering quantity, quality, timeliness, and cost.

## 2.2 Population and Sample

Referring to Sugiyono's (2017) definition, a population is the entirety of objects that possess certain characteristics and serve as the basis for drawing conclusions. All 6,555 civil servants (ASN) in Pamekasan Regency comprised the study population. Meanwhile, a sample is understood as a subset of the population that represents its characteristics (Sugiyono, 2017). The sample size was calculated using the Slovin Formula, as explained by Sugiyono (2019), with an error rate of 8.5%, yielding a sample of 126 respondents.

## 2.3 Data Analysis Techniques

The analysis method uses Structural Equation Modeling (SEM). According to Ghozali (2014), SEM is a development of multiple equation modeling that combines econometric approaches with theories in psychology and sociology. SEM allows testing complex relationships, including simultaneous relationships between variables, that ordinary linear regression cannot handle. This technique also requires an adequate sample size, as SEM combines factor analysis and regression in a single series of tests.

## 3 Result and Discussion

### 3.1 Result

The following figure presents a structural equation model (SEM) that describes the influence between latent variables and their measuring indicators, complete with path coefficients and model fit statistics to indicate the overall level of suitability of the theoretical design.

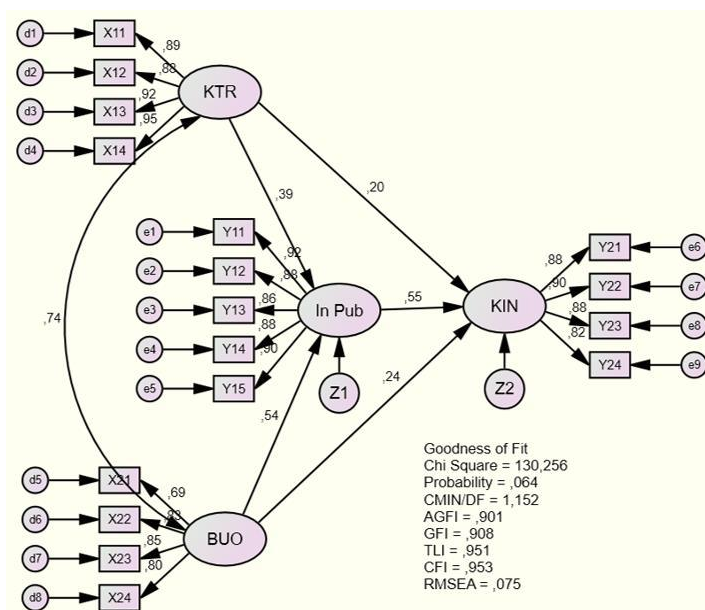


Figure 1. SEM-AMOS Analysis Results



## Hypothesis Testing Results

In this study, hypothesis testing was conducted using the probability value (p-value) as the primary benchmark. When the p-value is 0.05 or lower, the effect of one variable on another is statistically significant. In other words, a p-value less than 0.05 provides strong evidence that the tested relationship is not a random occurrence, and the proposed hypothesis can be accepted. This approach aligns with common practice in inferential analysis, where a 5% significance threshold is used to determine whether findings are credible and empirically sound.

Table 1. Hypothesis Testing

Hypothesis	Influence of Research Variables	Direct Effect	p-value	Indirect Effect	Total Effect
H1	Transformational Leadership → Public Innovation	0.20	0.012	-	-
	Organizational Culture → Public Innovation	0.24	0.024	-	-
H2	Transformational Leadership → Employee Performance	0.39	0.000	-	-
	Organizational Culture → Employee Performance	0.54	0.000	-	-
H3	Public Innovation → Employee Performance	0.55	0.000	-	-
H4	Transformational Leadership → Public Innovation → Employee Performance	0.20	-	$0.39 \times 0.55 = 0.21$	0.41
	Organizational Culture → Public Innovation → Employee Performance	0.24	-	$0.54 \times 0.55 = 0.30$	0.54

Source: Data processed 2025

The findings indicate that transformational leadership and organizational culture significantly influence public innovation and employee performance, as indicated by a p-value below 0.05. Furthermore, public innovation has been shown to significantly improve employee performance. In the mediation test, public innovation has been shown to strengthen the relationship between transformational leadership and organizational culture on employee performance, as evidenced by the larger indirect and total effects compared to the direct effects. Thus, public innovation plays a strategic role as an intermediary variable in this research model.

## 3.2 Discussion

### 3.2.1 The Influence of Transformational Leadership and Organizational Culture on Employee Performance

Transformational leadership and organizational culture have been proven to be two key elements driving employee performance within the Pamekasan Regency Government. A transformational leadership style can motivate employees through inspiration, motivation, and individual attention. Leaders act as role models, encouraging creativity, innovation, and the courage to express ideas. With a clear vision and emotional support from leaders, employees are motivated to exceed standards and demonstrate loyalty to organizational goals. This finding aligns with research by Bakker et al. (2022), Palomino et al. (2022), and Angeles (2021), which confirms that transformational leadership improves performance.

A strong organizational culture further strengthens employee performance. Consistently implemented values and norms shape professional behavior, enhance integrity, and foster a public service orientation. A culture that emphasizes transparency, accountability, and collaboration creates a work environment that supports productivity. When cultural values align with the organization's vision, employees more easily internalize long-term goals and work with



a full awareness of their responsibilities. This view is supported by Parker & Bradley (2000), Robbins & Judge (2013), Farida et al. (2022), Piwowar et al. (2022), and Malibarria & Bajaba (2022).

These two factors are mutually reinforcing. Transformational leadership fosters positive cultural values, while a solid organizational culture facilitates leadership effectiveness. The synergy between the two creates a conducive work climate, increases employee commitment, and facilitates the achievement of performance targets. In a complex public bureaucracy, the combination of visionary leadership and an adaptive organizational culture is the foundation for quality public services and continuous performance improvement.

### **3.2.2 The Influence of Transformational Leadership and Organizational Culture on Public Innovation**

Transformational leadership plays a significant role in increasing public innovation. Leaders with this style can build a shared vision, inspire employees, and encourage them to think creatively to address public service challenges. By motivating, empowering, and encouraging experimentation with new approaches, transformational leaders create an environment conducive to change. Flexibility, risk-taking, and cross-sector collaboration can flourish when leaders provide space for autonomy and encourage employee engagement. This explanation aligns with the findings of Harsanto et al. (2022), Bunjak et al. (2022), and Morfa & Bakker (2022), which confirm the influence of transformational leadership on public innovation.

A strong organizational culture also accelerates the innovation process. Values and norms that support creativity, openness, learning, and the courage to experiment encourage employees to generate new ideas. A flexible, responsive, and participatory culture creates a psychologically safe work environment, enabling employees to express ideas without fear of failure. Research by Hirose et al. (2022), Laustsen et al. (2021), and Uddin (2022) confirms that organizational culture is a crucial factor in fostering public innovation.

Organizations with an innovative culture tend to be more adaptive to the dynamics of community needs. Employees develop a sense of responsibility and commitment to improving services because the work culture encourages collaboration, open communication, and recognition of new initiatives. When the value of innovation is collectively internalized, decision-making and policy implementation become more progressive. This finding is reinforced by the view of Molenveld et al. (2021) and the emphasis of Schraeder et al. (2005) that culture is a fundamental historical and social element in determining an organization's direction.

Overall, transformational leadership and organizational culture complement each other in strengthening public innovation. Transformational leaders develop a vision for change, while organizational culture provides a foundation of values that support its implementation. The combination of the two creates an innovative ecosystem that enables local governments, such as Pamekasan Regency, to deliver more adaptive, responsive, and community-oriented public services. Public organizations that can integrate these two aspects will have greater capacity to implement bureaucratic reform and provide quality services.

### **3.2.3 The Influence of Public Innovation on Employee Performance**

Public innovation has been proven to significantly improve employee performance, particularly in government environments that are increasingly demanding of adaptation and



responsiveness. The implementation of innovation simplifies workflows, utilizes information technology, and fosters more effective service approaches. This requires employees to adapt, update their competencies, and work more efficiently, thereby improving their performance. Mulgan et al.'s (2007) asserts that public innovation aims to produce better services, more effective policies, and increased public participation. This public involvement exerts positive pressure on employees to work more professionally and accountably. Increasing public demands spur employees to improve their performance. The use of information technology is a crucial factor in public innovation. Digital systems help expedite services, provide access to more accurate data, and strengthen decision-making processes. Wibowo and Sari (2020) demonstrate that technology-based innovation improves service quality, which directly demands increased employee digital literacy. The more adept employees are at using technology, the more effective their performance will be.

Public innovation also shifts organizational work culture from a bureaucratic pattern to a more open, collaborative, and solution-oriented one. A work environment that supports change encourages employees to be more proactive and provides room for growth, resulting in higher work performance. Furthermore, innovation increases transparency and accountability through a more objective performance monitoring system. This mechanism encourages employees to work with greater discipline, measurement, and responsibility. Innovation also strengthens employees' problem-solving and critical thinking skills, making them agents of change in public services. Collaboration between sectors and units is also strengthened through innovation. More intensive collaboration facilitates knowledge exchange, improves coordination, and enhances the effectiveness of task execution. All of these factors directly contribute to improving overall employee performance. The results of this study align with those of Fareed et al. (2021), Sudibjo & Prameswari (2021), and Jha et al. (2022), who found that public innovation has a significant impact on employee performance.

### **3.2.4 The Influence of Transformational Leadership, Organizational Culture on Employee Performance through Public Innovation**

Transformational leadership influences employee performance through public innovation by creating a work environment that encourages creativity, learning, and positive change. Transformational leaders provide inspiration, intellectual stimulation, and emotional support that enable employees to boldly try new approaches to carrying out their duties. When employees are given space to explore ideas and develop more efficient ways of working, public innovation emerges more consistently. This innovation then speeds up processes, improves service quality, and enhances work accuracy, thus impacting employee performance.

According to Mulgan et al. (2007), "public innovation is about finding new ways to deliver better services, deliver more effective policies, and enhance citizen engagement in the processes of governance." This quote emphasizes that public innovation is not only about technology but also about transformations in how organizations work and engage the public. Transformational leaders who foster a culture of openness will encourage employees to develop innovations relevant to public needs. When innovation is supported by leadership, employee performance improves through more effective work systems and higher professional standards. Transformational leaders also strengthen public innovation by instilling trust and motivation in employees. This support fosters a culture of adaptability, encouraging employees to continuously improve services. Implemented innovations, such as service digitization or procedural simplification, enable employees to work more quickly and accurately. This is why



innovation is a key intermediary in the relationship between transformational leadership and employee performance.

On the other hand, organizational culture has also been shown to influence employee performance through public innovation. An open, collaborative, and learning-supportive organizational culture encourages employees to develop new ideas. When organizational values emphasize creativity and adaptation, employees are more likely to take the initiative to improve work processes. Schraeder et al. (2005) explain that organizational culture is holistic, historically based, and socially constructed, so values that support innovation can shape consistent behavioral patterns over the long term. Such a culture makes it easier for organizations to produce innovations that directly improve performance.

Furthermore, an adaptive culture enables organizations to respond more quickly to community needs. Molenveld et al. (2021) state that government organizations with strong cultural support tend to be more responsive to customer demands. This responsiveness is reflected in the resulting innovations, such as improving the quality of digital services, reducing bureaucracy, or strengthening intersectoral coordination. When these innovations are implemented, employees work within a more efficient, focused system, resulting in improved performance across both productivity and service quality.

#### 4 Conclusion

Research results show that transformational leadership and organizational culture significantly contribute to improving employee performance. Leaders who are able to mobilize, inspire, and build a conducive work environment, supported by an organizational culture that emphasizes collaboration, innovation, and accountability, have been proven to improve the performance of civil servants.

Transformational leadership and organizational culture influence public innovation. Vision oriented leadership and an organizational culture that adapts to change facilitate the emergence of new ideas, more efficient work methods, and services that are more responsive to public needs.

Public innovation plays a direct role in improving employee performance. Innovation developed in government agencies not only speeds up workflows and increases efficiency but also provides creative space for employees, thereby improving service quality.

Transformational leadership and organizational culture are strategic factors in boosting employee performance, especially when their benefits are amplified through public innovation. Visionary leaders can foster a spirit of renewal, while an open and adaptive organizational culture provides a foundation for the emergence of innovative ideas. Public innovation then acts as a catalyst that transforms work systems, accelerates service delivery, and increases bureaucratic effectiveness. In the context of the Pamekasan Regency Government, the integration of transformational leadership, positive organizational culture, and public innovation is key to developing professional, high performing employees who are in tune with the needs of the community



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