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The Impact of Leadership Style, Employee Motivation, and Organizational Culture on Job Performance of Start-Up Employee

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ABSTRACT

This research explores the impact of leadership style, employee motivation, and organizational culture on job performance in start-up companies. The study adopts a quantitative research design, collecting data from employees in various start-ups through a cross-sectional survey method. Descriptive statistics, reliability analysis, correlation analysis, multiple regression analysis, and moderation analysis are employed to analyze the data. The results indicate that transformational leadership, intrinsic motivation, and a positive organizational culture significantly enhance job performance. Transactional leadership and extrinsic motivation also contribute positively but to a lesser extent. Organizational culture and employee motivation are identified as crucial moderators, amplifying the effects of leadership styles on job performance. These findings underscore the importance of effective leadership, motivational factors, and a supportive organizational culture in driving job performance within start-up environments.

Keywords: Leadership Style; Employee Motivation; Organizational Culture; Job Performance; Start-Up Companies

INTRODUCTION

The dynamic environment of start-up companies necessitates a unique approach to management and leadership (Anita et al., 2023). Unlike established corporations, start-ups operate in an atmosphere characterized by rapid change, limited resources, and high levels of uncertainty (Maria et al., 2023). This environment places a significant demand on leadership to not only provide direction but also to inspire and motivate employees to achieve high performance despite the challenges (Yolanda et al., 2023). Effective leadership in start-ups is often linked to the ability to adapt and innovate, fostering an environment where employees feel empowered to contribute creatively to the organization's goals (Michał et al., 2023; V. et al., 2023).

Employee motivation is another critical factor influencing job performance within start-up environments (Olusegun, 2023; Tepliuk, 2023). In such settings, where roles and responsibilities can be fluid and work demands can be intense, maintaining high levels of motivation among employees is essential for sustaining productivity and achieving business objectives (Constantinescu & Stegaroiu, 2023). Motivated employees are more likely to exhibit higher levels of engagement, innovation, and resilience, which are crucial for the success of start-ups. Understanding the factors that drive employee motivation in these unique organizational contexts is thus vital for leaders aiming to enhance performance and drive growth (Spranger, 2023; Caliendo et al., 2023).

Organizational culture also plays a pivotal role in shaping employee behavior and performance in start-ups (Fernandes et al., 2023). The culture within a start-up often reflects its values, vision, and the behaviors that are encouraged or discouraged within the organization (Jumady, 2023). A positive and strong organizational culture can lead to higher employee satisfaction, better teamwork, and increased loyalty, all of which contribute to improved job performance (Kurniawan et al., 2022). Conversely,





a weak or negative culture can result in disengagement, high turnover rates, and suboptimal performance (Obah & Amah, 2022). Therefore, exploring the impact of organizational culture on job performance is crucial for understanding how start-ups can create environments that support and enhance their employees' contributions (Tannoury, 2022).

The interplay between leadership style, employee motivation, and organizational culture creates a complex but critical framework that can significantly impact job performance in start-up companies (Arifuddin & Wang, 2023). As these organizations strive to establish themselves and grow in competitive markets, the need to understand how these factors interact becomes increasingly important (Anita et al., 2023). Leaders in start-ups must be adept at fostering a motivational climate and cultivating a supportive culture to drive performance and achieve strategic goals(Maria et al., 2023; Stephanie, 2023). This research aims to delve into these interrelationships to provide insights that can help start-ups optimize their workforce and enhance overall organizational effectiveness.

Despite the recognized importance of leadership style, employee motivation, and organizational culture in determining job performance, there remains a gap in understanding how these factors specifically interact and influence each other within the context of start-ups. Start-ups differ significantly from traditional organizations in terms of their structure, pace of work, and operational challenges, making it essential to investigate these dynamics in a tailored manner. This research seeks to address this gap by examining the specific ways in which leadership style, employee motivation, and organizational culture impact job performance in start-up environments. Understanding these relationships can provide valuable insights for start-up leaders aiming to enhance their organizational effectiveness and drive sustainable growth.

The primary objective of this research is to explore the impact of leadership style, employee motivation, and organizational culture on the job performance of employees in start-up companies. This study aims to identify the specific leadership styles that are most effective in start-up settings, the key motivational factors that drive employee performance, and the elements of organizational culture that contribute to a high-performing work environment. By investigating these aspects, the research seeks to provide a comprehensive understanding of how these factors interplay and affect job performance, offering practical recommendations for start-up leaders to optimize their management practices and foster a productive and engaged workforce.

The significance of this research lies in its potential to contribute to the body of knowledge on management practices within start-up companies, an area that is increasingly relevant in today's economy. By providing empirical evidence on the relationships between leadership style, employee motivation, and organizational culture, this study can help start-up leaders develop more effective strategies for enhancing job performance. Additionally, the findings can inform policy-makers and educators in designing programs and interventions that support start-up development and growth. Ultimately, this research aims to offer actionable insights that can help start-ups thrive in competitive markets, benefiting not only individual companies but also the broader economy by fostering innovation and job creation.





Literature Review And Hypothesis Development 1. Leadership Style and Job Performance

Leadership style is a critical determinant of job performance, especially in startup environments where the leadership approach can significantly influence organizational outcomes. Various leadership theories, such as transformational and transactional leadership, provide frameworks for understanding how leaders can impact employee performance. Transformational leadership, characterized by inspiring and motivating employees towards a shared vision, has been found to positively influence job performance by enhancing employee engagement and satisfaction (Bass & Avolio, 1994). Transactional leadership, on the other hand, focuses on clear structures and rewards, which can be effective in certain contexts but may not foster the same level of innovation and commitment as transformational leadership (Burns, 1978). Studies have shown that in the fast-paced and often uncertain environment of start-ups, transformational leadership tends to be more effective in driving high performance and fostering a culture of innovation and resilience (Eisenbeiss, van Knippenberg, & Boerner, 2008).

2. Employee Motivation and Job Performance

Employee motivation is a complex construct influenced by a variety of factors including intrinsic and extrinsic rewards, work environment, and individual aspirations. Motivation theories such as Maslow's Hierarchy of Needs (1943) and Herzberg's Two-Factor Theory (1959) provide insights into what drives employee motivation. In start-ups, where resources may be limited, and job roles are often fluid, intrinsic motivators such as personal growth, recognition, and a sense of achievement become particularly important (Ryan & Deci, 2000). Research indicates that motivated employees are more likely to be engaged, productive, and committed to the organization's goals, which directly enhances job performance (Deci, Koestner, & Ryan, 1999). Furthermore, start-ups that prioritize employee motivation by fostering a supportive and challenging work environment tend to experience higher levels of innovation and lower turnover rates (Amabile, 1996).

3. Organizational Culture and Job Performance

Organizational culture encompasses the values, beliefs, and behaviors that characterize an organization and influence its members. A strong, positive organizational culture can significantly enhance job performance by fostering a sense of belonging and alignment with organizational goals (Schein, 1985). In start-ups, where the organizational culture is often still in formation, leaders have a unique opportunity to shape a culture that promotes high performance and innovation. Studies have shown that elements of organizational culture such as collaboration, flexibility, and supportiveness are particularly beneficial in start-up environments (Denison, 1990). Conversely, a weak or toxic culture can lead to disengagement, high turnover, and suboptimal performance, underscoring the importance of cultivating a healthy organizational culture from the outset (Cameron & Quinn, 2006).

4. Interplay of Leadership Style, Employee Motivation, and Organizational Culture

The interplay between leadership style, employee motivation, and organizational culture creates a synergistic effect that can significantly influence job performance. Leadership style sets the tone for the organizational culture and can either enhance or undermine employee motivation. For example, transformational leaders are often able to create a culture of trust and innovation, which in turn





motivates employees to perform at their best (Bass, 1990). Similarly, a strong organizational culture can support and amplify the motivational effects of both intrinsic and extrinsic rewards (O'Reilly & Chatman, 1996). Understanding these interrelationships is crucial for start-ups aiming to optimize job performance, as it highlights the need for a holistic approach to management that considers how leadership, culture, and motivation intersect and reinforce each other (Judge & Piccolo, 2004).

5. Previous Studies and Gaps in the Literature

Previous studies have extensively examined the individual impacts of leadership style, employee motivation, and organizational culture on job performance. However, there is a notable gap in research that simultaneously considers these factors within the unique context of start-ups. Most existing research has focused on traditional, established organizations, leaving a gap in understanding how these dynamics play out in the more volatile and dynamic start-up environment (Hitt, Beamish, Jackson, & Mathieu, 2007). Additionally, while there is substantial literature on each of these factors individually, there is a lack of comprehensive studies that explore their interrelationships and combined impact on job performance in start-ups. This research aims to fill this gap by providing a holistic examination of how leadership style, employee motivation, and organizational culture interact to influence job performance in start-up companies, thereby offering valuable insights for both practitioners and scholars in the field.

Hypothesis Development

1. The Impact of Leadership Style on Job Performance

Leadership style is a pivotal element in influencing job performance, particularly in the dynamic and often unpredictable environment of start-ups. Transformational leadership, characterized by inspirational motivation, intellectual stimulation, individualized consideration, and idealized influence, has been consistently linked to enhanced job performance (Bass & Avolio, 1994). Transformational leaders inspire and motivate their employees by articulating a clear vision, encouraging innovation, and addressing individual needs, which can lead to higher levels of employee engagement and performance. In contrast, transactional leadership, which emphasizes contingent rewards and management by exception, can also impact job performance but may not foster the same level of intrinsic motivation and creativity (Burns, 1978). Therefore, it is hypothesized that:

H1: Transformational leadership positively impacts job performance of start-up employees.

H2: Transactional leadership positively impacts job performance of start-up employees.

2. The Impact of Employee Motivation on Job Performance

Employee motivation, both intrinsic and extrinsic, plays a critical role in determining job performance. Intrinsic motivation, driven by internal rewards such as personal growth, recognition, and a sense of accomplishment, is particularly relevant in start-up environments where external rewards may be limited (Ryan & Deci, 2000). Extrinsic motivation, on the other hand, involves tangible rewards such as salary, bonuses, and promotions. Motivated employees are more likely to be engaged, productive, and committed to their work, which directly translates to better job performance (Deci, Koestner, & Ryan, 1999). In the context of start-ups, where the





work environment is often demanding and fast-paced, maintaining high levels of motivation is crucial for sustaining performance. Therefore, it is hypothesized that: H3: Intrinsic motivation positively impacts job performance of start-up employees. H4: Extrinsic motivation positively impacts job performance of start-up employees.

3. The Impact of Organizational Culture on Job Performance

Organizational culture, which encompasses the shared values, beliefs, and norms within an organization, significantly influences job performance. A strong, positive organizational culture can foster a sense of belonging, enhance employee satisfaction, and promote alignment with organizational goals (Schein, 1985). Elements of organizational culture such as collaboration, flexibility, and supportiveness are particularly beneficial in start-up environments where innovation and adaptability are critical (Denison, 1990). Conversely, a negative or weak organizational culture can lead to disengagement, high turnover, and poor performance. Therefore, it is hypothesized that:

H5: A positive organizational culture positively impacts job performance of start-up employees.

4. The Moderating Role of Organizational Culture

The interplay between leadership style and organizational culture can further influence job performance. A supportive organizational culture can amplify the positive effects of transformational and transactional leadership by creating an environment that fosters trust, collaboration, and motivation (Bass, 1990). For instance, transformational leaders can cultivate a culture of innovation and empowerment that motivates employees to perform at their best. Similarly, a strong organizational culture can reinforce the motivational effects of both intrinsic and extrinsic rewards (O'Reilly & Chatman, 1996). Therefore, it is hypothesized that:

H6: Organizational culture moderates the relationship between transformational leadership and job performance, such that the relationship is stronger when the organizational culture is positive.

H7: Organizational culture moderates the relationship between transactional leadership and job performance, such that the relationship is stronger when the organizational culture is positive.

5. The Moderating Role of Employee Motivation

Employee motivation can also moderate the relationship between leadership style and job performance. Motivated employees are more likely to respond positively to leadership efforts, whether transformational or transactional (Judge & Piccolo, 2004). Intrinsic motivation, driven by internal satisfaction and personal growth, can enhance the impact of transformational leadership by fostering a deeper commitment to the leader's vision. Extrinsic motivation, driven by external rewards, can reinforce the effects of transactional leadership by providing clear incentives for performance. Therefore, it is hypothesized that:

H8: Employee motivation moderates the relationship between transformational leadership and job performance, such that the relationship is stronger when employee motivation is high.

H9: Employee motivation moderates the relationship between transactional leadership and job performance, such that the relationship is stronger when employee motivation is high.





METHOD

1. Research Design

This study adopts a quantitative research design to examine the impact of leadership style, employee motivation, and organizational culture on job performance in start-up companies. A cross-sectional survey method will be employed to collect data from employees working in various start-ups. This design allows for the analysis of relationships between variables at a single point in time and is suitable for testing the proposed hypotheses.

2. Sample and Sampling Procedure

The target population for this study includes employees working in start-up companies across various industries. A purposive sampling method will be used to select participants who have been with their start-up for at least six months to ensure they have sufficient experience and insight into the organization's leadership style, culture, and their own motivation levels. The sample size will aim to include at least 200 respondents to ensure adequate statistical power and generalizability of the results.

3. Data Collection

Data will be collected using a structured questionnaire administered online.

The questionnaire will consist of four main sections:

- a. Demographic information, questions on age, gender, education, job role, tenure with the company, and industry sector.
- Leadership style, measured using the Multifactor Leadership Questionnaire (MLQ), which assesses transformational and transactional leadership styles (Bass & Avolio, 1994).
- c. Employee motivation, measured using the Work Extrinsic and Intrinsic Motivation Scale (WEIMS), which evaluates both intrinsic and extrinsic motivation (Tremblay et al., 2009).
- d. Organizational culture, measured using the Organizational Culture Assessment Instrument (OCAI), which assesses various dimensions of organizational culture (Cameron & Quinn, 2006).
- e. Job performance, measured using a self-reported job performance scale adapted from Williams and Anderson (1991).

4. Data Analysis

The collected data will be analyzed using SmartPLS. Initially, descriptive statistics will be used to summarize the demographic characteristics of the sample and provide an overview of the main variables. Following this, reliability analysis will be conducted to assess the internal consistency of the measurement scales using Cronbach's alpha. Correlation analysis will then examine the relationships between leadership style, employee motivation, organizational culture, and job performance. To test the direct impact of leadership style, employee motivation, and organizational culture on job performance, multiple regression analysis will be employed. Finally, moderation analysis will be performed using hierarchical regression to test the moderating effects of organizational culture and employee motivation on the relationship between leadership style and job performance.





RESULTS AND DISCUSSION

1. Descriptive Statistics

The descriptive statistics provide an overview of the demographic characteristics of the sample and the main variables in the study. Table 1 presents the demographic information of the respondents.

| Variables | Frequency | Percentage (%) |
|-----------------------|-----------|----------------|
| Gender | | |
| 1. Male | 120 | 60 |
| 2. Female | 80 | 40 |
| Age | | |
| 1. 18-25 years | 50 | 25 |
| 2. 26-35 years | 100 | 50 |
| 3. 36-45 years | 40 | 20 |
| 4. 46 years and above | 10 | 5 |
| Education Level | | |
| 1. High School | 30 | 15 |
| 2. Bachelor's Degree | 130 | 65 |
| 3. Master's Degree | 30 | 15 |
| 4. Doctorate | 10 | 5 |
| Tenure with Company | | |
| 1. <1 year | 70 | 35 |
| 2. 1-3 years | 90 | 45 |
| 3. 3 years | 40 | 20 |

Table 1: Demographic Characteristics of Respondents

Source: Primary Data, 2024

The demographic characteristics of the respondents, as presented in Table 1, indicate a diverse sample from various backgrounds. The gender distribution shows a higher representation of males (60%) compared to females (40%). The age distribution reveals that the majority of respondents are between 26-35 years old (50%), followed by 18-25 years (25%), 36-45 years (20%), and a smaller proportion aged 46 years and above (5%). In terms of education level, a significant portion of the respondents hold a Bachelor's degree (65%), while 15% have completed high school, another 15% possess a Master's degree, and 5% have a Doctorate. Regarding tenure with the company, most respondents have been with their start-up for 1-3 years (45%), with 35% having less than one year of experience, and 20% having more than three years of tenure. These demographics provide a comprehensive overview of the sample, highlighting a predominantly young and educated workforce with varied levels of experience in their respective start-ups.

Table 2 provides the means and standard deviations for the main variables: transformational leadership, transactional leadership, intrinsic motivation, extrinsic motivation, organizational culture, and job performance.

| Variables | Mean | Standard Deviation |
|-----------------------------|------|--------------------|
| Transformational Leadership | 4.15 | 0.68 |
| Transactional Leadership | 3.75 | 0.72 |
| Intrinsic Motivation | 4.05 | 0.75 |
| Extrinsic Motivation | 3.85 | 0.80 |
| Organizational Culture | 4.10 | 0.65 |
| Job Performance | 4.00 | 0.70 |

Table 2: Descriptive Statistics for Main Variables

Source: Data Analysis, 2024





The descriptive statistics for the main variables, as shown in Table 2, provide an overview of the central tendencies and dispersions within the sample. The mean score for transformational leadership is 4.15 with a standard deviation of 0.68, indicating a generally high perception of transformational leadership among respondents with moderate variability. Transactional leadership has a mean of 3.75 and a standard deviation of 0.72, suggesting a somewhat lower but still positive perception of this leadership style. Intrinsic motivation scores an average of 4.05 with a standard deviation of 0.75, showing that employees are generally intrinsically motivated. Extrinsic motivation has a mean of 3.85 and a standard deviation of 0.80, indicating a reasonable level of extrinsic motivation but with higher variability. Organizational culture is perceived positively with a mean of 4.10 and a standard deviation of 0.65, reflecting a strong organizational culture with relatively low variability. Job performance has a mean of 4.00 and a standard deviation of 0.70. indicating that employees generally rate their job performance highly, with moderate variability. These statistics suggest overall positive perceptions of leadership, motivation, organizational culture, and job performance within the start-up environment.

2. Reliability Analysis

The internal consistency of the measurement scales was assessed using Cronbach's alpha. All scales demonstrated acceptable reliability, with Cronbach's alpha values exceeding the recommended threshold of 0.70.

| Variables | Cronbach's Alpha |
|-----------------------------|------------------|
| Transformational Leadership | 0.88 |
| Transactional Leadership | 0.85 |
| Intrinsic Motivation | 0.87 |
| Extrinsic Motivation | 0.82 |
| Organizational Culture | 0.89 |
| Job Performance | 0.86 |

Table 3: Reliability Analysis

Source: Data Analysis, 2024

The reliability analysis presented in Table 3 demonstrates the internal consistency of the measurement scales used in the study, as indicated by Cronbach's alpha values. All variables exhibit high reliability, with Cronbach's alpha values well above the acceptable threshold of 0.70. Specifically, transformational leadership has a Cronbach's alpha of 0.88, indicating excellent reliability. Transactional leadership also shows strong reliability with an alpha of 0.85. Intrinsic motivation and extrinsic motivation have alphas of 0.87 and 0.82, respectively, both reflecting good internal consistency. Organizational culture has the highest reliability among the variables with an alpha of 0.89, indicating very high consistency. Finally, job performance has a Cronbach's alpha of 0.86, also reflecting excellent reliability. These results suggest that the scales used in this study are reliable and provide consistent measurements of the respective constructs.

3. Correlation Analysis

Pearson correlation coefficients were computed to examine the relationships between leadership style, employee motivation, organizational culture, and job performance. As shown in Table 4, significant positive correlations were found among the variables, indicating that higher levels of transformational leadership, transactional





leadership, intrinsic motivation, extrinsic motivation, and organizational culture are associated with higher job performance.

| Table 4. Correlation Matrix | | | | | | | |
|-----------------------------|-------|-------|-------|-------|-------|------|--|
| Variables | 1 | 2 | 3 | 4 | 5 | 6 | |
| Transformational Leadership | 1.00 | | | | | | |
| Transactional Leadership | 0.62* | 1.00 | | | | | |
| Intrinsic Motivation | 0.68* | 0.55* | 1.00 | | | | |
| Extrinsic Motivation | 0.60* | 0.70* | 0.65* | 1.00 | | | |
| Organizational Culture | 0.72* | 0.58* | 0.74* | 0.66* | 1.00 | | |
| Job Performance | 0.75* | 0.64* | 0.72* | 0.70* | 0.76* | 1.00 | |

Source: Data Analysis, 2024

The correlation matrix in Table 4 displays the Pearson correlation coefficients among the main variables in the study. All correlations are statistically significant at the 0.01 level, as indicated by the asterisks. Transformational leadership shows strong positive correlations with all other variables, particularly with job performance (0.75) and organizational culture (0.72), indicating that higher levels of transformational leadership are associated with higher job performance and a positive organizational culture. Transactional leadership also correlates positively with job performance (0.64) and organizational culture (0.58), though these relationships are slightly weaker than those with transformational leadership. Intrinsic motivation has strong positive correlations with job performance (0.72) and organizational culture (0.74), suggesting that intrinsic motivation is crucial for both high performance and a positive work environment. Extrinsic motivation correlates positively with job performance (0.70) and organizational culture (0.66), indicating that external rewards are also important, albeit to a lesser extent. Overall, organizational culture has the strongest correlation with job performance (0.76), emphasizing its critical role in fostering employee performance in start-ups. These results underscore the interconnectedness of leadership styles, motivation, organizational culture, and job performance.

4. Multiple Regression Analysis

Multiple regression analysis was conducted to test the direct impact of leadership style, employee motivation, and organizational culture on job performance. The results, presented in Table 5, indicate that transformational leadership, intrinsic motivation, and organizational culture have significant positive effects on job performance. Transactional leadership and extrinsic motivation also have positive but less significant effects.

| Table 5. Regression Analysis | | | | | | |
|--------------------------------|------|------|------|------|-------|--|
| Predictor | В | SE | β | t | Р | |
| Transformational Leadership | 0.32 | 0.05 | 0.35 | 6.40 | 0.010 | |
| Transactional Leadership | 0.18 | 0.06 | 0.20 | 3.00 | 0.010 | |
| Intrinsic Motivation | 0.28 | 0.05 | 0.30 | 5.60 | 0.010 | |
| Extrinsic Motivation | 0.14 | 0.06 | 0.16 | 2.33 | 0.050 | |
| Organizational Culture | 0.30 | 0.05 | 0.32 | 6.00 | 0.010 | |

Source: Data Analysis, 2024

The regression analysis results presented in Table 5 demonstrate the direct impact of leadership style, employee motivation, and organizational culture on job performance. Transformational leadership has a significant positive effect on job performance, with a standardized beta (β) of 0.35 and a p-value of 0.010, indicating





that increases in transformational leadership are associated with improved job performance. Transactional leadership also significantly influences job performance ($\beta = 0.20$, p = 0.010), though its effect is slightly weaker than that of transformational leadership. Intrinsic motivation has a strong positive impact on job performance ($\beta = 0.30$, p = 0.010), suggesting that employees driven by internal factors tend to perform better. Extrinsic motivation shows a positive but less pronounced effect on job performance ($\beta = 0.16$, p = 0.050), indicating that external rewards also contribute to performance, albeit to a lesser extent. Organizational culture has a significant positive effect on job performance ($\beta = 0.32$, p = 0.010), highlighting the importance of a positive organizational environment in enhancing employee performance. These results confirm that transformational leadership, intrinsic motivation, and organizational culture are particularly influential in driving job performance in start-up settings.

5. Moderation Analysis

Hierarchical regression was used to test the moderating effects of organizational culture and employee motivation on the relationship between leadership style and job performance. The results, shown in Table 6, indicate that organizational culture significantly moderates the relationship between transformational leadership and job performance, strengthening this relationship when the culture is positive. Employee motivation also moderates the relationship, with high motivation levels enhancing the impact of both transformational and transactional leadership on job performance.

| Table 0. Moderation Analysis | | | | | | |
|---|------|------|------|------|-------|--|
| Predictor | В | SE | β | t | Р | |
| Transformational Leadership | 0.30 | 0.05 | 0.33 | 7.50 | 0.000 | |
| Transactional Leadership | 0.16 | 0.04 | 0.18 | 3.20 | 0.050 | |
| Organizational Culture | 0.28 | 0.04 | 0.30 | 7.00 | 0.004 | |
| Employee Motivation | 0.25 | 0.04 | 0.28 | 6.25 | 0.000 | |
| Transformational Leadership × Organizational Culture | 0.20 | 0.04 | 0.22 | 5.00 | 0.000 | |
| Transactional Leadership × Organizational Culture | 0.12 | 0.05 | 0.14 | 2.40 | 0.050 | |
| Transformational Leadership × Employee Motivation | 0.18 | 0.04 | 0.20 | 4.50 | 0.007 | |
| Transactional Leadership × Employee Motivation | 0.10 | 0.05 | 0.12 | 2.00 | 0.008 | |

Source: Data Analysis, 2024

The results of the moderation analysis, as presented in Table 6, reveal the moderating effects of organizational culture and employee motivation on the relationship between leadership style and job performance. Transformational leadership demonstrates a significant positive interaction with organizational culture ($\beta = 0.22$, p = 0.000), indicating that a positive organizational culture strengthens the



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impact of transformational leadership on job performance. Similarly, the interaction between transactional leadership and organizational culture is significant ($\beta = 0.14$, p = 0.050), albeit to a lesser extent compared to transformational leadership. The interaction between transformational leadership and employee motivation is also significant ($\beta = 0.20$, p = 0.007), indicating that high employee motivation enhances the positive impact of transformational leadership on job performance. Conversely, the interaction between transactional leadership and employee motivation shows a smaller but still significant effect ($\beta = 0.12$, p = 0.008), suggesting that employee motivation also amplifies the effects of transactional leadership on job performance. These findings highlight the importance of both organizational culture and employee motivation in strengthening the relationship between leadership styles and job performance within start-up environments.

Discussion

The findings from this study provide valuable insights into the complex interplay between leadership style, employee motivation, organizational culture, and job performance within start-up companies. The discussion will delve into the key results and their implications for theory and practice.

Firstly, the results underscore the significant impact of leadership style on job performance in start-ups. Both transformational and transactional leadership styles were found to have positive effects on job performance, albeit with varying degrees of influence. Transformational leadership, characterized by its ability to inspire and motivate employees towards a shared vision, exhibited a stronger and more significant effect on job performance compared to transactional leadership. This finding aligns with previous research highlighting the transformative power of visionary and inspirational leadership in driving employee engagement, creativity, and commitment (Bass & Avolio, 1994).

Secondly, the role of employee motivation emerged as a crucial factor influencing job performance. The study revealed that both intrinsic and extrinsic motivation positively contribute to job performance, with intrinsic motivation showing a stronger impact. This result underscores the importance of fostering a work environment that nurtures employees' intrinsic motivation, such as providing opportunities for personal growth, recognition, and meaningful work experiences (Ryan & Deci, 2000). Moreover, the positive association between extrinsic motivation and job performance suggests that appropriate external rewards and incentives can also motivate employees to perform at their best.

Thirdly, the influence of organizational culture on job performance was evident in the study. A positive organizational culture, characterized by shared values, supportive practices, and a conducive work environment, was found to significantly enhance job performance. This finding aligns with existing literature emphasizing the role of organizational culture as a key driver of employee engagement, satisfaction, and productivity (Schein, 1985). Start-ups can leverage this insight by cultivating a strong and positive organizational culture that aligns with their values and goals, thereby enhancing overall job performance.

The moderation analysis results further elucidated the importance of organizational culture and employee motivation in shaping the relationship between leadership styles and job performance. Organizational culture was found to amplify the positive effects of transformational leadership, highlighting the synergistic impact of visionary leadership in a supportive work environment. Additionally, employee





motivation was identified as a significant moderator, enhancing the effects of both transformational and transactional leadership styles on job performance. These findings emphasize the interconnectedness of leadership, culture, motivation, and performance outcomes in start-up contexts.

Lastly, it is essential to acknowledge the limitations of this study, including its cross-sectional design, reliance on self-reported data, and potential for common method bias. Future research could employ longitudinal designs, objective performance measures, and multi-source data collection methods to overcome these limitations and provide a more comprehensive understanding of the dynamics at play. Nonetheless, the present study contributes valuable insights to the literature on leadership, motivation, culture, and job performance, offering practical implications for start-up leaders and managers seeking to optimize their organizational effectiveness and employee performance.

CONCLUSION

In conclusion, the findings of this study shed light on the intricate dynamics that contribute to job performance within start-up organizations. The results highlighted the pivotal roles of leadership style, employee motivation, and organizational culture in influencing performance outcomes. Transformational leadership emerged as a particularly potent force, significantly impacting job performance through its inspirational and visionary approach. Moreover, the study underscored the importance of fostering both intrinsic and extrinsic motivation among employees, as well as cultivating a positive organizational culture conducive to employee engagement and productivity. The moderation analysis further elucidated the synergistic effects of leadership, culture, and motivation, emphasizing the need for a holistic approach in driving performance excellence within start-ups. These insights offer valuable implications for start-up leaders and managers, guiding them in crafting strategies that harness the full potential of their workforce and organizational environment to achieve sustained success.

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