

Analysis of Transactional Leadership, Motivation and Career Development on Employee Performance at PT Erajaya Medan

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Abstract

In today's highly competitive business world, the performance of employees is essential for reaching the goals of the organization. Initial observations at PT Erajaya Medan indicate gaps in the quality of work, supervision, motivation, and opportunities for career advancement, which implies that employees are not receiving sufficient support and growth prospects. These challenges underline the importance of examining key factors influencing performance, particularly leadership style, employee motivation, and career development programs. The objective of the current study was to understand how transactional leadership, motivation, and career development affect PT Erajaya Medan employees' performance. Given the limited scope of the population, a descriptive quantitative methodology was employed, examining the entirety of the population (N=40) through total sampling. Questionnaires were used to gather data, and SPSS version 25 was used for the purpose. The analysis employed multiple linear regression to investigate both the independent and combined influence of the predictor variables. The findings confirmed that employee performance was positively and significantly affected by transactional leadership. Employee performance has also been established to be positively and significantly affected by motivation. Employee performance was positively and significantly influenced by career development as well. These three causes all positively and significantly enhanced worker productivity at PT Erajaya Medan concurrently.

Keywords: Career Development, Employee Motivation, Employee Performance, Organizational Productivity, Transactional Leadership.

1. Introduction

In the view of human resource management (HRM), the most important asset of an organization is its workforce (Sedarmayanti, 2015). One important tactic to boost motivation and aid in the accomplishment of business objectives is to offer fair compensation (Sugiono & Aini, 2022). The existence of skilled human resources affects the organization's total performance in addition to managing production aspects (Sudaryana, 2020). Remarkably, performance and the realization of the company's mission are directly impacted by the caliber of human resources (Jeni, 2021).

Evaluating the job performance of employees is essential for gauging the success of HR management. Performance, according to Nurjaya (2021), is the accomplishment of a task that, in a workplace setting, is utilized to bring about the achievement of organizational goals. Therefore, a leadership style that is capable of guiding employees to perform to their full potential is required. One relevant leadership style is transactional leadership, in which



leaders reward or reward subordinates for compliance and target achievement (Suprihatin & Sunarsi, 2021). This approach emphasizes transactional relationships based on agreements on work standards, goals, and rewards (Jufrizen & Lubis, 2020). Previous research by Setiani & Rizaldy (2021) demonstrated that implementing strong transactional leadership can improve employee performance.

Besides leadership, motivation is also a crucial element in human resource management. Afandi (2021) defines motivation as an internal impulse that inspires individuals to work with enthusiasm. Employees who are motivated often achieve higher levels of performance. This finding is supported by Nainggolan & Rondonuwu (2024), who found that a strong desire to achieve goals is key to boosting how much employees accomplish. Additionally, career growth and advancement also play a key role in influencing how well employees perform in their roles. Busro (2018) states that career development is an ongoing process that aligns company needs with individual aspirations. Sembiring & Sitanggang (2022) add that career development support contributes significantly to improved performance. Therefore, organizations need to provide structured career development programs to develop quality human resources.

PT Erajaya Swasembada Tbk, also known as Erajaya Group, is a telecommunications equipment distribution and retail company that has grown rapidly since 1996. Through outlet expansion and strategic acquisitions, the company has become a major player in the Indonesian telecommunications industry. Erajaya also operates through subsidiaries such as Erafone Artha Retailindo and Teletama Artha Mandiri (TAM), and is trusted as the official distributor of various global brands, including Xiaomi. PT Erajaya's Medan branch faces challenges in optimizing employee performance to support operational effectiveness. Performance assessments are necessary to identify influencing factors and serve as a basis for managerial decisions, such as employee repositioning. Therefore, factors such as leadership, motivation, compensation, and career development require serious attention to create a productive work environment.

A pre-survey of 20 employees revealed a performance discrepancy between company standards. For example, only 40% of respondents stated they were able to meet work quality standards, while 60% stated the opposite. Regarding the accuracy indicator, 65% of respondents assessed that deficiencies still frequently occur. Similar results were also seen in the implementation of transactional leadership, where the majority of employees assessed that rewards, supervision, and attention from superiors were suboptimal. In terms of motivation, most employees felt encouraged by rewards and recognition, but work facilities were not fully supportive. Meanwhile, regarding career development, most respondents felt the company did not provide clear information and programs related to career advancement.

The findings of this pre-survey illustrate the existence of problems in three main aspects: transactional leadership, motivation, and career development, which impact employee performance. Thus, this research endeavors to investigate the impact of transactional leadership, motivation, and career development on employee performance at PT Erajaya Medan. The outcomes are projected to enrich empirical data on these three factors' influence while providing strategic guidance to support the organization's human resource performance optimization initiatives.

2. Literature Review

2.1. Employee Performance

Performance is quantified as the degree of individual success in completing predetermined task parameters and specified objectives. In particular, employee performance is the degree to which a worker's efforts help the organization reach its objectives (Nurjaya, 2021). Further, Nurjaya (2021) posits that employee performance can be evaluated using several key indicators, encompassing the standard of work, volume of output, adherence to deadlines, resourcefulness, autonomy in task completion, and dedication to the organization.

2.2. Transactional Leadership

A leader that practices transactional leadership explains duties, goals, and tasks to be completed in order to foster an exchange relationship with their subordinates. By offering incentives based on the degree of productivity attained, leaders with this leadership style encourage followers to meet objectives (Jufriksen & Lubis, 2020). According to Jufriksen and Lubis (2020), transactional leadership can be gauged through various factors including contingent rewards, active management by exception, and passive management by exception.

2.3. Motivation

Motivation is defined as an internal drive within an individual that makes them passionate, sincere, and enthusiastic in carrying out an activity, in order for tasks to be executed effectively and yield high-quality results (Afandi, 2021). According to Afandi (2021), motivation indicators include aspects of rewards, working conditions, work performance, and the work itself.

2.4. Career Development

Career development is seen as a continuous process undertaken by individuals to achieve their career goals while adapting to the needs and demands of the organization (Busro, 2018). According to Busro (2018), career development indicators include career clarity, self-development, and performance improvement.

3. Methods

To find and examine the connections between the variables under investigation, this study employs a descriptive quantitative methodology (Sugiyono, 2015). There were forty permanent employees at PT Erajaya Medan, where the study was carried out. Due to the constrained population size, a comprehensive sampling approach was implemented, incorporating all population members and resulting in 40 respondents. The research drew upon primary and secondary data sources. Through management and staff conversations, questionnaires given to respondents, and interviews, primary data was gathered directly from field sources. In the meantime, secondary data pertinent to the research subject was gathered from a variety of literature, corporate records, and organizational structures.

There were multiple steps involved in the data analysis process. The questionnaire instrument's ability to measure the desired variables was first evaluated using a validity test. Second, the consistency of the research tool was assessed by a reliability test. Prior to conducting regression analysis, conventional diagnostic evaluations, including assessments of normal distribution, intercorrelation among predictors, and homogeneity of variance, were carried out to verify the suitability of the data for the chosen statistical method. Subsequently, multivariable linear regression modeling was utilized to explore relationships among variables. The hypothesis testing framework utilized t-tests for individual effect analysis, F-

tests for combined effect evaluation, and the coefficient of determination (R^2) for measuring IV contributions to the DV.

4. Results and Discussion

4.1. Research Results

4.1.1. Validity Test

Table 1. Validity Test Results

Variables	Statement Items	Corrected Item Correlation	r-mean
Transactional Leadership (X1)	X1.1	0.618	0.30
	X1.2	0.834	
	X1.3	0.666	
	X1.4	0.762	
	X1.5	0.662	
	X1.6	0.682	
Motivation (X2)	X2.1	0.832	0.30
	X2.2	0.506	
	X2.3	0.525	
	X2.4	0.634	
	X2.5	0.618	
	X2.6	0.792	
	X2.7	0.786	
	X2.8	0.660	
Career Development (X3)	X3.1	0.618	0.30
	X3.2	0.451	
	X3.3	0.815	
	X3.4	0.612	
	X3.5	0.740	
	X3.6	0.730	
Employee Performance (Y)	Y1	0.746	0.30
	Y2	0.579	
	Y3	0.525	
	Y4	0.669	
	Y5	0.605	
	Y6	0.658	
	Y7	0.741	
	Y8	0.553	
	Y9	0.537	
	Y10	0.541	
	Y11	0.572	
	Y12	0.679	

Source: SPSS Ver. 25 data processing (2025)

As illustrated in Table 1 indicate that all statement items across variables produced correlation values exceeding 0.30. This outcome establishes that each statement item applied in the research instrument fulfilled validity standards. Hence, the questionnaire was approved for continuation to the following stages of reliability testing and statistical examination.

4.1.2. Reliability Test

Table 2. Reliability Test Results

Variables	Cronbach's Alpha	N of Items
Transactional Leadership (X1)	0.763	6
Motivation (X2)	0.817	8
Career Development (X3)	0.743	6
Employee Performance (Y)	0.843	12

Referring to the table 2, all of the research variables including Transactional Leadership, Motivation, Career Development, and Employee Performance obtained Cronbach's Alpha > 0.60, according to the analysis's findings. As a result, it can be said that every variable is trustworthy, which validates the questionnaire as a study data collection tool.

4.1.3. Normality Test

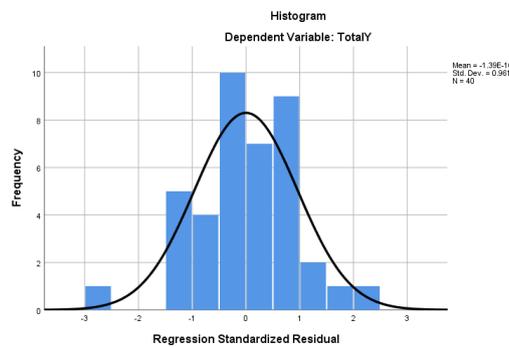


Figure 1. Histogram Test Results
Source: SPSS Ver. 25 data processing (2025)

The histogram test results show a symmetrical distribution pattern resembling a bell curve, with most values centered around zero. The mean of $-1.39E-16$ is close to zero, while the standard deviation of 0.961 is within a reasonable range. With a sample size of 40, this visualization supports the assumption of normality.

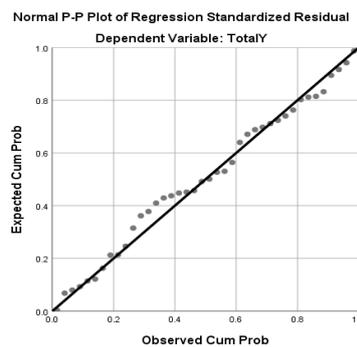


Figure 2. PP Plot Test Results
Source: SPSS Ver. 25 data processing (2025)

The residual spots are close to one another and dispersed along a diagonal line, according to the PP Plot graph. Given this observed distribution pattern, the residuals approximate a normal distribution. Therefore, it can be deduced that the regression model satisfies the assumption of a normal distribution of errors.

Table 3. Kolmogorov-Smirnov Test Results
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		40
Normal Parameters ^{a,b}	Mean	.0000000
	Standard Deviation	2.40272225
Most Extreme Differences	Absolute	.081
	Positive	.058
	Negative	-.081
Test Statistics		.081
Asymp.Sig. (2-tailed)		.200 ^{c,d}

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.
- d. This is a lower bound of the true significance.

Source: SPSS Ver. 25 data processing (2025)

Kolmogorov-Smirnov testing produced a significance value (Asymp. Sig. 2-tailed) = 0.200. Since this value > 0.05, the residuals of the model of regression are found to be normally distributed. Therefore, the data of the study are adequate for the linear regression analysis test of normality.

4.1.4. Multicollinearity Test

Table 4. Multicollinearity Test Results

		Coefficients ^a	
Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Transactional Leadership (X1)	.441	2.267
	Motivation (X2)	.304	3.285
	Career Development (X3)	.390	2.565

a. Dependent Variable: Employee Performance (Y)

Source: SPSS Ver. 25 data processing (2025)

VIF values of the independent variables of Transactional Leadership, Motivation and Career Development were discovered to be < 10, with tolerance values > 0.10. This means that the variables that stand alone are not closely related in the model. Results confirm the regression model applied demonstrates absence of multicollinearity violations, thus indicating that the independent variables are appropriate for additional examination.

4.1.5. Heteroscedasticity Test

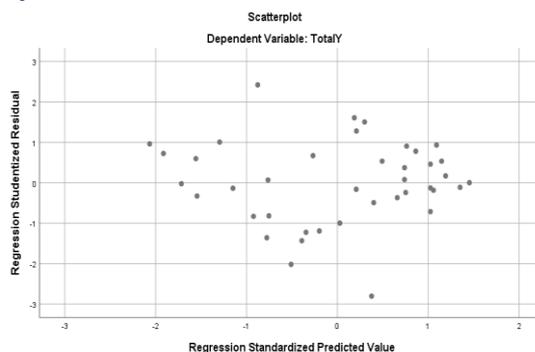


Figure 3. Heteroscedasticity Test Results

Source: SPSS Ver. 25 data processing (2025)

From the scatterplot results in figure 3, there is no obvious or systematic pattern that results from the residual points, which occur randomly over and under the zero line. This pattern of randomly distributed data implies that the model employed in this regression does not reflect any heteroscedasticity. Therefore, data employed in the research satisfy the traditional homoscedasticity assumptions.

4.1.6. Multiple Linear Regression Analysis

Table 5. Multiple Linear Regression Analysis Results

Model	Coefficients ^a			t	Sig.
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta		
1 (Constant)	3.725	4.515		.825	.415
Transactional Leadership (X1)	.675	.267	.314	2.524	.016
Motivation (X2)	.475	.203	.350	2.340	.025
Career Development (X3)	.536	.238	.298	2.258	.030

a. Dependent Variable: Employee Performance (Y)

Source: SPSS Ver. 25 data processing (2025)

The subsequent regression equation was generated through the data analysis process:

$$Y = 3.725 + 0.675 X_1 + 0.475 X_2 + 0.536 X_3 + e$$

- a) Since the constant (3.725) is positive, Employee Performance will stay at 3.725 as long as Transactional Leadership, Motivation, and Career Development do not alter.
- b) A significant correlation is indicated by the Transactional Leadership (X1) regression coefficient of 0.675. An increase in transactional leadership leads to a 67.5% improvement in employee performance.
- c) Motivation (X2) is shown to have a direct impact on employee performance with a regression coefficient of 0.475, meaning that a single unit increase in motivation leads to a 0.475 increase in employee productivity.
- d) Career Development (X3) exhibits a positive regression coefficient of 0.536. This indicates that an increment in career development is associated with an estimated increase of 0.536 units in employee performance.

4.1.7. Partial Test (t-Test)

Table 6. Partial Test (t-Test) Results

Model	Coefficients ^a			t	Sig.
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta		
1 (Constant)	3.725	4.515		.825	.415
Transactional Leadership (X1)	.675	.267	.314	2.524	.016
Motivation (X2)	.475	.203	.350	2.340	.025
Career Development (X3)	.536	.238	.298	2.258	.030

b. Dependent Variable: Employee Performance (Y)

Source: SPSS Ver. 25 data processing (2025)

Parameters: $n = 40$, $k = 3$, $df = n - k - 1 = 36$. Critical t-value ($df = 36$, $\alpha = 0.05$, two-tailed) = 2.028094. Test results follow:

- a) With a t-statistic of 2.524 greater than the critical value of 2.028094 and a p-value of 0.016 below 0.05, the null hypothesis was rejected. The findings clearly demonstrate that transactional leadership significantly improves worker productivity.
- b) The statistical evidence supports the rejection of the null hypothesis, given that the computed t-statistic (2.340) exceeded the critical value (2.028094). These results confirm that employee drive significantly enhances work output. The p-value of 0.025 showed statistical significance below the alpha level of 0.05, indicating that employee drive has a positive impact on performance.
- c) Statistical testing shows that professional development significantly enhances worker effectiveness. The null hypothesis was rejected since the observed t-statistic of 2.258 was greater than the critical threshold of 2.028094, thereby supporting the alternative hypothesis. The significance level of 0.030 was lower than the threshold of 0.05. Overall, there is evidence of a significant and beneficial connection between career advancement programs and employee performance.

4.1.8. Simultaneous Test (F-Test)

Table 7. Simultaneous Test (F-Test) Results

ANOVA						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1389.213	3	463.071	36.918	.000 ^b
	Residual	451.562	36	12.543		
	Total	1840.775	39			

a. Dependent Variable: Employee Performance (Y)
 b. Predictors: (Constant), Career Development (X3), Transactional Leadership (X1), Motivation (X2)

Source: SPSS Ver. 25 data processing (2025)

Based on the analysis of variance, the residual degrees of freedom were determined using the formula $df = n - k - 1$, resulting in a value of 36 ($40 - 3 - 1$). The critical F-value obtained from the F-distribution table was 2.87. Since the observed significance level ($p = 0.000$) remains below the established alpha criterion of 0.05 and the computed F-statistic (36.918) exceeds the critical F-value (2.87), the alternative hypothesis (H_4) is confirmed and the null hypothesis (H_0) is rejected. Joint analysis indicates that transactional leadership, motivation, and career development significantly and positively contribute to enhancing employee performance.

4.1.9. Coefficient of Determination Test (R^2)

Table 8. Coefficient of Determination Test (R^2) Results

Model Summary					
Model	R	R Square	Adjusted R Square	Standard Error of the Estimate	Durbin-Watson
1	.869 ^a	.755	.734	3.542	2.269

a. Predictors: (Constant), Career Development (X3), Transactional Leadership (X1), Motivation (X2)
 b. Dependent Variable: Employee Performance (Y)

The model summary assessment demonstrated an R^2 coefficient of 0.755, establishing that 75.5% of employee performance variation is accounted for by transactional leadership, career development, and motivation factors. The residual 24.5% represents influence from variables outside this study's scope, such as job satisfaction, work environment, and additional business-related elements.

4.2. Discussion

4.2.1. The Influence of Transactional Leadership on Employee Performance

Transactional leadership was found to be a key driver of improved employee performance at PT Erajaya Swasembada Tbk Medan. This means that the more transactional leadership is implemented, the better the performance of employees will be. Leaders who are able to provide clear direction, conduct supervision, and provide rewards according to work results have been proven to encourage increased productivity and work commitment. This finding is in line with the opinion of Jufrizen and Lubis (2020), who emphasized that transactional leadership emphasizes role clarity, task demands, and the provision of rewards as a form of encouragement for followers. These findings are also in line with Anggini (2018) research, which found that transactional leadership meaningfully boosts employee performance in a favorable and significant manner.

4.2.2. The Influence of Motivation on Employee Performance

The study shows that motivation strongly and positively correlates with employee performance indicators. Data indicates employees with elevated motivational parameters, spanning intrinsic and extrinsic variables, demonstrate optimized performance outputs. Motivated individuals tend to be enthusiastic about their work, proactive in completing tasks, and committed to achieving company targets. These results are in line with Afandi (2021), which describes motivation as an internal drive that encourages individuals to work sincerely, enthusiastically, and diligently, thereby producing quality outcomes. The findings of this study also reinforce Anggini (2018), which demonstrated that motivation is a key driver that positively and significantly boosts employee performance.

4.2.3. The Influence of Career Development on Employee Performance

The results of the study offer evidence that advancement in one's profession has a noteworthy and beneficial effect on worker productivity. This suggests that organizational support for competency enhancement, well-defined career pathways, and opportunities for self-development can foster greater employee dedication and productivity. A clear career development program makes employees more motivated to contribute optimally to their work. These findings are consistent with Busro (2018) perspective, which highlights that career development is an ongoing process that links an individual's objectives with the requirements of the company. The results of Anwar (2020), who claimed that career development significantly and favorably affects employee performance, are also supported by this study.

4.2.4. The Influence of Transactional Leadership, Motivation and Career Development on Employee Performance

The research outcomes indicate that transactional leadership, motivation, and career development jointly generate significant and positive influences on employee performance. This demonstrates that integrating effective transactional leadership, elevated work motivation, and comprehensive career development programs establishes a supportive work environment that optimizes employee performance achievements. Therefore, it is impossible

to separate the functions of these three components because they all play a key part in the effective and long-term accomplishment of business objectives.

5. Conclusion

Following a thorough investigation into the effects of transactional leadership, motivation, and career advancement opportunities on staff productivity at PT. Erajaya Swasembada Tbk Medan, the ensuing determinations were formulated based on data interpretation and deliberative findings. First, employee performance improves under effective transactional leadership, which works by ensuring clear instructions, follow-up on work completion, and rewards for success, ultimately boosting productivity and business results. Second, employee performance is greatly influenced by motivation, which can have a positive effect. Employees who are motivated, whether it be internally or externally, are likely to be enthusiastic, responsible, and go above and beyond to achieve the objectives of the company.

Third, employee performance is greatly enhanced by the influence of career development. Long-term competency, loyalty, and performance growth among employees can be achieved through planned career development interventions like training, promotions, and well-designed career paths. Lastly, transactional leadership, motivation, and career development all significantly and favorably affect employee performance at the same time. This demonstrates that the combination of these three factors is essential for raising employee productivity and effectiveness, necessitating a thorough approach to human resource management in order to best support the accomplishment of corporate objectives.

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