

## The Role of Transformational Leadership and Organizational Culture on Human Resource Performance Through Employee Wellbeing in the Internal Supervisory Unitpt PLN (Persero)

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**Abstract.** *This study aims to analyze the influence of transformational leadership and organizational culture on human resource performance with employee wellbeing as an intervening variable at the Internal Audit Unit of PT PLN (Persero). This research employed a quantitative approach with data collected through questionnaires from 100 respondents who are employees of the Internal Audit Unit of PT PLN (Persero). Data analysis was conducted using the Structural Equation Modeling (SEM) method with SmartPLS software. The results show that transformational leadership does not affect employee wellbeing and human resource performance. In addition, organizational culture has a positive and significant effect on employee wellbeing and human resource performance. Employee wellbeing is able to mediate the positive and significant influence of organizational culture on human resource performance. Based on these findings, it is recommended that the management of PT PLN (Persero) strengthen organizational culture and improve employee wellbeing in order to contribute to the enhancement of human resource performance.*

**Keywords:** *Employee; Leadership; Organizational; Transformational.*

### 1. Introduction

Successful companies in today's business world are not only required to create quality products or services, but also to maintain optimal human resource (HR) performance in the face of increasingly complex challenges. Good employee performance is a key factor in organizational success in achieving its goals. Various factors can influence employee performance, including transformational leadership, organizational culture, and employee well-being.

Transformational leadership plays a crucial role in influencing employee performance. Transformational leadership is a component of organizational change that is believed to significantly impact organizational performance (Yuki et al., 2001). Transformational leadership was developed to address future changes by transforming the paradigms and values of individuals within the organization to support the achievement of organizational

goals and vision. Transformational leaders, who possess the ability to inspire, provide a clear vision, and support individual development, are able to create an environment conducive to creativity, commitment, and high performance. Leaders who practice transformational leadership can boost morale and direct employees toward achieving greater goals, which in turn contributes to improved organizational performance.

Organizational culture is formed from a group of organized people who have the same goals, beliefs and values, its influence on motivation can be measured, and organizational culture has an important impact on improving performance, according to Wibowo (2007). Organizational culture in an organization is usually associated with values, norms, attitudes and work ethics that are held together by each component of the organization, these elements are the basis for monitoring employee behavior, the way they think, work together, and interact with their employees. If the organizational culture is good, it will be able to improve employee performance and will be able to contribute to employee success.

According to Wright et al., 2007, employee well-being is a subjective condition encompassing various aspects, such as physical, material, social, emotional, happiness, and the balance between positive and negative emotions. Employee well-being is becoming an increasingly important aspect for companies, as good well-being will create higher motivation and commitment to work, thereby increasing productivity and performance.

However, while numerous studies have examined the influence of transformational leadership, organizational culture, and employee well-being on employee performance, there remains a gap in research that has not examined the relationship between these four variables simultaneously within a single, integrated research framework. Previous research has focused on the relationship between just one or two variables, without considering how the interaction between the three can impact employee performance.

Several studies have examined the relationship between employee wellbeing and performance. For example, research by Danna & Griffin (1999) found that good employee wellbeing contributes to improved performance. However, not all studies show consistent results. Lee et al. (2021) in their longitudinal study found that in post-pandemic hybrid work or WFH situations, high employee wellbeing does not always have a direct impact on performance, especially when it is not supported by a clear work structure and effective communication. This study suggests that high levels of personal wellbeing can actually reduce the sense of urgency in achieving work goals.

Similarly, research by Bass & Avolio (1994) shows a strong positive relationship between transformational leadership and employee performance. Conversely, Mhatre & Riggio (2014) state that although transformational leadership is often associated with better performance, its impact may be smaller in stable organizations or under certain less supportive conditions.

According to Afriadi et al. (2017), work culture does not directly influence employee performance. This means that a person's work culture, whether good or bad, will not affect

their performance. Research conducted by Kotter & Heskett (2014) found that a strong culture will correlate with organizational performance if the values within that culture support adaptation to the environment. If a culture is strong and supports high ethical standards, it will have a very strong and positive influence on employee behavior. Thus, organizational culture plays a very strategic role in encouraging and improving the effectiveness of organizational performance, especially employee performance, both in the short and long term.

This phenomenon indicates a disagreement among existing studies regarding the extent to which each variable contributes to employee performance and how the two interact. Research conducted by Zhao et al. (2014) suggests that although employee wellbeing and transformational leadership have a positive relationship with performance, moderating factors such as organizational culture and individual factors may play a larger role.

PT PLN (Persero) is one of Indonesia's largest state-owned enterprises (BUMN) responsible for providing electricity throughout Indonesia. To carry out its electricity business processes, PT PLN (Persero) has several main units, including the construction unit, generation unit, transmission unit, and distribution unit. In addition to these main units, there are also supporting units that ensure the smooth running of the business processes carried out by the main units. Among these supporting units is the Internal Audit Unit (SPI), whose existence has a clear and strong legal basis, namely Law Number 19 of 2003 concerning State-Owned Enterprises. It states that every BUMN is required to have an effective internal control system. This system is then realized in the form of an internal supervisory unit that functions to audit, control, and evaluate the implementation of company activities. This regulation is strengthened through the Regulation of the Minister of BUMN Number PER-01/MBU/2011 jo. PER-09/MBU/2012 concerning the Implementation of Good Corporate Governance (GCG), which explicitly requires BUMN Directors to establish an SPI as one of the main instruments in supporting accountability and transparency in company management.

In the context of PT PLN (Persero), the existence of SPI has a strategic position, considering that this company manages the electricity sector which is vital for the lives of the people and the national economy. SPI at PLN not only plays a supervisory function, but also as a strategic partner of management in ensuring compliance with regulations, encouraging operational efficiency, increasing the effectiveness of risk control, and detecting and preventing fraud. Thus, SPI is at the forefront in maintaining organizational integrity and ensuring the implementation of good corporate governance. SPI at PT PLN (Persero) is divided into five divisions with specific areas of duty, namely the Audit Investigation Division (AIN), the Audit Strategy and Consulting Division (SAK), the Transmission and Distribution Audit Division (ATD), the Commercial, Information Technology and Enabler Audit Division (ANT), and the Construction, Power Plant and EBT Audit Division (AKP).

In 2024, the Audit Investigation Division received an award from the President Director for the best implementation of a wellbeing culture. This achievement demonstrates the company's strong human resource management, demonstrating its commitment to

employee well-being. This demonstrates that success in creating employee well-being has the potential to improve overall employee performance.

## 2. Research Methods

Quantitative research with an explanatory approach is used, which refers to the type of research that tests previous hypotheses and emphasizes causal relationships between research variables. According to Sugiyono (2018), quantitative research methods are research methods based on the philosophy of positivism, used to study specific populations or samples, data collection using research instruments, and quantitative/statistical data analysis, with the aim of testing predetermined hypotheses. In this study, the following variables will be examined: transformational leadership, organizational culture, employee wellbeing, and HR performance.

## 3. Results And Discussion

### 3.1. Description of Data Collection and Respondent Characteristics

The subjects of this study were employees of the Internal Audit Unit of PT. PLN (Persero). Data collection was conducted through a questionnaire using Google Forms distributed online via WhatsApp. The questionnaire distribution resulted in 100 respondents with the following characteristics:

Table Respondent Characteristics

Characteristics	Frequency	Percentage
<b>Gender:</b>		
Man	70	70%
Woman	30	30%
<b>Division:</b>		
AIN Division	35	35%
AKP Division	9	9%
ANT Division	11	11%
ATD Division	14	14%
SAK Division	31	31%
<b>Age:</b>		
20 – 30 years	4	4%
>30 – 40 years	73	73%
>40 – 50 years	15	15%
>50 years	8	8%
<b>Length of work:</b>		
<5 years	0	0%
5 – 10 years	18	18%
>10 – 15 years	60	60%
>15 years	22	22%
<b>Education:</b>		
Diploma	2	2%
S1	83	83%
S2	15	15%

S3	0	0%
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Table shows that 70% of PT PLN (Persero) Internal Audit Unit employees are male. This contrasts with other operational units, such as generation, distribution, and projects, where the number of male employees typically exceeds 70%. Overall, the proportion of male employees at PLN is greater than that of female employees.

Based on division of origin, the respondents to this study were dominated by employees from the Audit Investigation Division (AIN) with a percentage of 35%. Next, employees from the Audit Strategy and Consulting Division (SAK) came in second with 31%. Respondents from the Transmission and Distribution Audit Division (ATD) contributed 14%, followed by the Commercial, Information Technology and Enabler Audit Division (ANT) with 11%. Meanwhile, the smallest number of respondents came from the Construction, Power and Renewable Energy Audit Division (AKP) with a percentage of 9%. This indicates that the research sample is quite diverse because it involves employees from various divisions, although there are differences in proportions between divisions.

In terms of age, 73% of Internal Audit Unit employees are between 30 and 40 years old, which is considered a productive and mature age. Meanwhile, educational characteristics indicate that the majority of respondents (83%) have a bachelor's degree, thus concluding that the majority of employees in this unit have a high level of education.

In terms of length of service, as many as 60% of employees have worked for more than 10 to 15 years, which shows that respondents have quite a long work experience at PT PLN (Persero).

The variable description is intended to translate respondents' responses based on the results obtained from the answers of 100 employees of the Internal Audit Unit of PT PLN (Persero) regarding the measuring indicators for each variable (transformational leadership, organizational culture, employee wellbeing, HR performance) whether they are in the medium, low or high category.

In answering questions about the transformational leadership variable, respondents were asked four questions. The following table presents the average results for each question.

Table Description of Transformational Leadership

Indicator	Question	Mean
KT1	I see KSPI setting a good example in implementing organizational values in the Internal Audit Unit.	4.23
KT2	KSPI motivates me to give my best performance	4.10
KT3	KSPI encourages me to learn new things in my work.	4.18
KT4	KSPI treats employees as individuals who each have different needs, abilities and aspirations.	3.97
Transformational Leadership		4.12



In answering questions about the organizational culture variable, respondents were asked six questions. The following table presents the average results of respondents' answers to each question.

Table Compensation Description

Indicator	Question	Mean
BO1	I fulfill my promises and commitments in doing my work.	4.50
BO2	I try to improve my competence to answer the challenges of work that are always changing.	4.45
BO3	I respect everyone in the work environment, regardless of their background.	4.71
BO4	I maintain the good name of fellow employees, management and the company.	4.66
BO5	I quickly adapted to get better	4.35
BO6	I give various parties the opportunity to contribute	4.51
Organizational culture		4.53

Based on table, it can be seen that the majority of respondents answered the questions from the Organizational Culture variable with an average of 4.53 and this value is close to 5, indicating that the majority of questions given to respondents describe the answer "Strongly Agree". The lowest value of the respondents' answers is on the statement "I quickly adapted to get better", with an average answer value of 4.35, which means that the majority of respondents are able to adapt to become better at work. Meanwhile, the highest response of respondents was to the statement "I respect everyone in the work environment, regardless of their background," with an average answer value of 4.71 and this value is close to the number 5 which describes the answer "Strongly Agree". This value explains that respondents feel harmonious with colleagues in the work environment.

The F2 value criteria consist of three classifications: 0.02 (small/poor); 0.15 (moderate/sufficient); and 0.35 (large/good) (Setiaman, 2023). The following are the results of the F-square test in this study:

Table F-Square Value

Variable Relationship	<i>f-Squares</i>	Substantive influence
Organizational Culture -> Employee Wellbeing	0.428	Big
Organizational Culture -> Human Resource Performance	0.547	Big
Employee Wellbeing -> HR Performance	0.191	Enough
Transformational Leadership -> Employee Wellbeing	0.042	Small
Transformational Leadership -> Human Resource Performance	0.000	Small

Based on the table above, it can be seen that the organizational culture variable has a significant substantive influence on employee wellbeing (0.428), organizational culture on HR performance (0.547), and employee wellbeing on HR performance (0.191). Meanwhile, the

transformational leadership variable has a small substantive influence on employee wellbeing (0.042) and transformational leadership on HR performance (0.000).

Hypothesis testing in this context aims to validate or refute the researcher's initial assumptions regarding the relationship between variables. Hypothesis testing is conducted by examining the structural path coefficients. Hypothesis testing in this study was conducted by examining the T-statistics, P-values, and original sample values through a bootstrapping procedure.

Table Testing the Direct Effect Hypothesis (Path Coefficient)

Hypothesis				Original Sample (O)	T Statistics	P values	Decision
H1	Organizational Culture	->	Employee Wellbeing	0.563	7,163	0.000	H1 accepted
H2	Organizational Culture	->	Human Resource Performance	0.573	7,128	0.000	H2 accepted
H3	Employee Wellbeing	->	HR Performance	0.329	3,925	0.000	H3 is accepted
H4	Transformational Leadership	->	Employee Wellbeing	0.177	1,769	0.077	H4 is rejected
H5	Transformational Leadership	->	Human Resource Performance	0.004	0.051	0.959	H5 is rejected

Based on the data presented in table above, it can be seen that of the five hypotheses proposed in this study, as follows:

a) The Influence of Organizational Culture on Employee Wellbeing

The results of the hypothesis test show that the P-values that determine the influence of organizational culture on employee well-being are  $0.000 < 0.05$  and the T-Statistics value (7.163)  $> 1.96$ . Meanwhile, the original sample has a value of 0.563 (positive). These results support the first hypothesis, namely that organizational culture has a positive and significant effect on employee well-being, which means H1 is accepted.

b) The Influence of Organizational Culture on HR Performance

The results of the hypothesis test show that the P-values that determine the influence of organizational culture on HR performance are  $0.000 < 0.05$  and the T-Statistics value (7.128)  $> 1.96$ . Meanwhile, the original sample has a value of 0.573 (positive). These results support the second hypothesis, namely that organizational culture has a positive and significant effect on HR performance, which means H2 is accepted.

c) The Influence of Employee Wellbeing on HR Performance

The results of the hypothesis test show that the P-values that determine the influence of employee wellbeing on HR performance are  $0.000 < 0.05$  and the T-Statistics value (3.925)  $>$

1.96. Meanwhile, the original sample has a value of 0.329 (positive). These results support the third hypothesis, namely that employee wellbeing has a positive and significant effect on HR performance, which means H3 is accepted.

d) *Influence* Transformational Leadership towards Employee Wellbeing

The results of the hypothesis test show that the P-values that determine the influence of transformational leadership on employee well-being are  $0.077 > 0.05$  and the T-Statistics value ( $1.769 < 1.96$ ). Meanwhile, the original sample has a value of 0.177 (positive). These results do not support the fourth hypothesis, namely that transformational leadership has a positive and significant effect on employee well-being, which means H4 is rejected.

e) *Influence* Transformational Leadership on HR Performance

The results of the hypothesis test show that the P-values that determine the influence of transformational leadership on HR performance are  $0.051 > 0.05$  and the T-Statistics value ( $0.959 < 1.96$ ). Meanwhile, the original sample has a value of 0.004 (positive). These results do not support the fifth hypothesis, namely that transformational leadership has a positive and significant effect on HR performance, which means H5 is rejected.

To see the effect of the mediating variable, we use the results of the specific indirect effect. The following table shows the intervening effect.

Table Specific Indirect Effects

Hypothesis	Original Sample (O)	T Statistics	P values	Decision
H6 Organizational Culture -> Employee Wellbeing -> HR Performance	0.185	3,268	0.001	H6 is accepted
H7 Transformational Leadership -> Employee Wellbeing -> Human Resource Performance	0.058	1,602	0.109	H7 rejected

Based on the data presented in the table above, it can be seen that the two hypotheses proposed in this study are explained as follows:

a. The Influence of Organizational Culture on HR Performance through Employee Wellbeing

The results of the hypothesis test show that the specific indirect effect P-Value is  $0.001 < 0.05$  with a positive T-Statistic value ( $3.268 > 1.96$ ) and the original sample has a value of 0.185 (positive). These results support the sixth hypothesis, namely that employee wellbeing is able to mediate the positive and significant influence of organizational culture on HR performance, which means H6 is accepted.

b. The Influence of Transformational Leadership on HR Performance through Employee Wellbeing



The results of the hypothesis test show that the specific indirect effect P-Values are  $0.109 > 0.05$  with a positive T-Statistic value  $(1.602) < 1.96$  and the original sample has a value of 0.058 (positive). These results do not support the sixth hypothesis, namely that employee wellbeing is able to mediate the positive and significant influence of Transformational Leadership on HR performance, which means H7 is rejected.

### Discussion:

#### 1) The Influence of Organizational Culture on Employee Wellbeing

The results of the study indicate that organizational culture has a positive and significant effect on employee wellbeing. This is indicated by a P-value of 0.000 ( $< 0.05$ ), a T-statistic of 7.163 ( $> 1.96$ ), and an Original Sample value of 0.563 (positive). These findings indicate that the better the organizational culture implemented, the higher the level of employee wellbeing perceived by employees.

In the context of PT PLN (Persero), organizational culture is reflected through the values of AKHLAK (Trustworthy, Competent, Harmonious, Loyal, Adaptive, and Collaborative), which serve as the primary guideline for attitudes and actions. The implementation of AKHLAK in the Internal Audit Unit (SPI) serves not only as a motto but also shapes work patterns, ethos, and social interactions among employees.

- a. Trust: Internal auditors who uphold integrity feel more psychologically calm because they work according to the principles of honesty and responsibility, thus fostering self-confidence and mental well-being.
- b. Competent: A work environment that encourages capacity building through continuous training and learning makes employees feel developed and valued.
- c. Harmonious: Mutually respectful and inclusive working relationships create a conducive working atmosphere, reduce conflict, and improve employee social well-being.
- d. Loyal: A loyal attitude towards an organization fosters a sense of belonging that strengthens emotional well-being.
- e. Adaptive: The ability to face regulatory changes and audit challenges with flexibility helps employees reduce work stress.
- f. Collaborative: The spirit of cooperation strengthens team solidarity in facing the complexities of investigative audits, which ultimately improves collective well-being.

These findings align with Robbins & Judge's (2017) theory, which states that a strong organizational culture can create a sense of identity, commitment, and clear direction for employees. These results are also consistent with research by Xanthopoulou et al. (2009), which emphasizes the importance of a positive work environment in building employee well-being.

In daily practice at PT PLN's Internal Audit Unit (SPI), the consistent application of AKHLAK values helps employees cope with high-pressure workloads, such as investigative audits and fraud cases. With an organizational culture rooted in these values, employees feel more supported, more motivated, and happier at work. This demonstrates that an AKHLAK-based organizational culture serves as a crucial foundation for maintaining employee well-being and, in turn, enhancing the effectiveness of the company's internal oversight.

## 2) The Influence of Organizational Culture on HR Performance

The results of the study indicate that organizational culture has a positive and significant effect on human resource (HR) performance. This is indicated by a P-value of 0.000 ( $<0.05$ ), a T-statistic of 7.128 ( $>1.96$ ), and an Original Sample value of 0.329 (positive). This means that the stronger the organizational culture implemented in the work environment, the higher the resulting employee performance.

In practice, internal auditors at PT PLN's Internal Audit Unit face highly complex work challenges, ranging from compliance audits and fraud investigations to strategic oversight. This pressure can undermine morale if not supported by a strong organizational culture. However, by consistently implementing AKHLAK values, employees are able to maintain their motivation, focus, and work quality. This demonstrates that organizational culture is not merely a norm but a key foundation for supporting employee performance at PT PLN's Internal Audit Unit.

## 3) The Influence of Employee Wellbeing on HR Performance

The results of the study indicate that employee wellbeing has a positive and significant impact on HR performance. This is evidenced by a P-value of 0.000 ( $<0.05$ ), a T-Statistics value of 3.925 ( $>1.96$ ), and an Original Sample value of 0.329 (positive). This means that the higher the level of employee wellbeing, the better the performance demonstrated by employees in the Internal Audit Unit (SPI) of PT PLN (Persero).

*Employee wellbeing* This study measured four indicators: physical wellbeing, mental wellbeing, social wellbeing, and work-life balance. These four indicators have been shown to play a significant role in supporting employee performance, particularly in terms of work quality, punctuality, adherence to the code of ethics, and discipline.

*Wellbeing Physical* – Employees who are physically fit are better able to complete audits and investigations with high quality and on time. Good physical condition reduces fatigue, thereby increasing work productivity.

*Mental Wellbeing*– Stable mental health allows auditors to be more focused, thorough, and objective in conducting audits. This directly impacts the quality of audit results and compliance with the code of ethics.

*Social Wellbeing*– Harmonious working relationships between SPI employees encourage the creation of effective collaboration, thus facilitating the achievement of work targets in a disciplined and scheduled manner.

*Work Life Balance*– A balance between work and personal life helps employees maintain motivation and reduce stress. With a good work-life balance, employees are more consistent in maintaining discipline and work performance.

#### 4) The Influence of Transformational Leadership on Employee Wellbeing

The results of the study indicate that transformational leadership does not have a positive and significant effect on employee wellbeing. This is evidenced by the P-Values of 0.077 ( $> 0.05$ ), the T-Statistics value of 1.769 ( $< 1.96$ ), although the Original Sample value is 0.320 (positive). This means that although the direction of the relationship shows a positive tendency, the influence of transformational leadership on employee wellbeing of employees in the Internal Audit Unit (SPI) of PT PLN (Persero) is not proven statistically significant.

Theoretically, transformational leadership is believed to improve employee well-being through inspiration, individual attention, and high motivation (Bass & Riggio, 2006). However, the results of this study contradict this theory. There are several possible reasons why transformational leadership has not been proven significant in improving employee well-being at PT PLN's SPI, including:

##### a. Job Characteristics at SPI

The work of internal auditors, who focus on investigations, compliance audits, and strategic oversight, tends to be stressful, formal, and procedure-based. This situation limits the direct impact of transformational leadership on employee well-being, as well-being is more influenced by other factors such as workload, work-life balance, and organizational support.

##### b. Wellbeing is More Influenced by Structural Factors

Based on well-being indicators (physical, mental, social, and work-life balance), SPI employees require greater support in the form of a healthy work system, a proportional workload, healthcare facilities, and flexibility in balancing work and personal life. These factors cannot be fully addressed by a transformational leadership style, thus weakening its impact on well-being.

##### c. A More Dominant Moral Organizational Culture

At PT PLN (Persero), the implementation of the AKHLAK organizational culture has a more significant impact on employee well-being than any particular leadership style. This is because AKHLAK has become a shared value embedded in daily work behavior, making it more directly felt by employees in improving their well-being.

##### d. Employee Perception

It's possible that employees don't directly associate transformational leadership with their personal well-being, but rather with work motivation or performance. Therefore, even if leaders provide inspiration or individual attention, employee well-being doesn't necessarily improve.

These findings suggest that, in the context of PT PLN (Persero)'s SPI, efforts to improve employee well-being should focus more on strengthening organizational culture, compensation systems, workload management, and welfare support facilities. Transformational leadership remains important, but its primary impact may be felt more on motivation and performance, rather than directly on well-being.

#### 5) The Influence of Transformational Leadership on HR Performance

The results of the study indicate that transformational leadership does not have a positive and significant effect on HR performance. This is evident from the P-Values of 0.051 ( $> 0.05$ ), the T-Statistics value of 0.959 ( $< 1.96$ ), although the Original Sample value is 0.004 (positive). Thus, although the direction of the relationship shows a positive tendency, statistically the effect of transformational leadership on HR performance in the Internal Audit Unit (SPI) of PT PLN (Persero) is not proven to be significant.

In theory, transformational leadership is believed to improve employee performance by providing vision, inspiration, motivation, and individual attention (Bass & Riggio, 2006). However, the results of this study contradict this theory and indicate that in the context of PT PLN's SPI, transformational leadership has not been directly able to improve employee performance.

There are several factors that may explain these results:

##### a. Performance is More Influenced by Structural Factors

Human resource performance at PT PLN's Internal Audit Unit (SPI) is measured using indicators such as work quality, punctuality, adherence to the code of ethics, and discipline. These indicators are more influenced by work systems, formal regulations, and standard operating procedures (SOPs) than by specific leadership styles. Therefore, transformational leadership does not directly influence performance.

##### b. A More Determining Moral Organizational Culture

The implementation of the AKHLAK (Trustworthy, Competent, Harmonious, Loyal, Adaptive, and Collaborative) culture is more clearly felt by employees in shaping their daily work behavior. This culture guides employees to work with discipline, obey rules, and maintain the quality of their work, thus having a stronger impact on performance than transformational leadership.

##### c. Employee Perception of the Role of Leadership

In an SPI work environment, which is rife with rules and procedures, employees may not view transformational leadership as a key factor in improving performance. They assess performance more in terms of objective appraisal systems, reward and punishment, and supportive work facilities.

d. More Indirect Leadership Roles

Another possibility is that transformational leadership has a more indirect effect, for example through work motivation or employee well-being, which then impacts employee performance. Because this study only tested direct effects, their significance was not established.

These findings indicate that at PT PLN's Internal Audit Unit (SPI), improving HR performance should not rely solely on transformational leadership, but also be supported by a strong organizational culture, clear work systems, workload management, and objective performance evaluation mechanisms. Transformational leadership remains relevant, but its role is more effective when combined with structural and cultural factors.

6) The Influence of Organizational Culture on HR Performance through Employee Wellbeing

The results of the study indicate that employee wellbeing is able to mediate the influence of organizational culture on HR performance. This is evidenced by the P-Values of 0.001 ( $<0.05$ ), T-Statistic 3.268 ( $>1.96$ ), and the original sample 0.185 (positive). This means that the better the organizational culture implemented, the higher the level of employee wellbeing; in turn, high employee wellbeing can encourage improved HR performance at SPI PT PLN (Persero).

Conceptually, this finding aligns with the theory that a strong organizational culture creates a supportive, harmonious work environment and fosters a sense of belonging (Robbins & Judge, 2019). A positive culture not only influences work behavior but also creates a climate conducive to employee well-being, including physical, mental, social, and work-life balance.

#### 4. Conclusion

Based on several analysis studies and discussions, the following conclusions can be drawn: To improve HR performance in the Internal Audit Unit of PT PLN (Persero), this can be done by improving employee wellbeing through strengthening organizational culture. This study only examines 3 variables regarding factors that influence HR performance, and can be further developed by adding other variables. This study only used a small sample in future it is possible to take more samples to provide maximum impact. This research is limited to the Internal Audit Unit of PT. PLN (Persero), so it is possible that it is less representative to be generalized to PT PLN throughout Indonesia. Based on research findings, there are several suggestions for company progress, including: Strengthening Organizational Culture The research results show that organizational culture has a positive and significant impact on employee well-being and HR performance. Therefore, PLN needs to continue strengthening the implementation of AKHLAK (Trustworthy, Competent, Harmonious, Loyal, Adaptive, and



Collaborative) values in all organizational activities. SPI, as the vanguard in maintaining organizational governance and integrity, needs to be a role model in the implementation of organizational culture. Optimizing the Employee Wellbeing Program Because employee wellbeing has been shown to improve human resource performance while mediating the influence of organizational culture on performance, PLN management needs to develop more comprehensive employee welfare programs. These programs should encompass not only physical aspects (such as health and sports facilities), but also psychological aspects (counseling, stress management, and coaching), and social aspects (joint activities, recreation, and employee family involvement).

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