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# The Influence of Leadership Style on Managerial Performance of Village Governments with Motivation as Mediation

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## Abstract

This study aims to understand the leadership style's influence on the village government's managerial performance with motivation as mediation. This test used the village government's managerial performance as the dependent variable, transactional leadership style and transformational leadership style as independent variables, and motivation as a mediating variable. The sample employed was the village government apparatus in Sleman Regency, Indonesia, utilizing a convenience sampling method. The data type used in this study was the primary data. Based on the distributing questionnaires' process obtained a sample of 102 respondents. Hypothesis testing in this study employed simple regression and multiple regression using SPSS v.15 software applications. The results showed that transactional leadership style, transformational leadership style, and motivation positively influenced the village government's managerial performance. Meanwhile, motivation could not mediate the relationship between leadership style and managerial performance.

**Keywords:** Transactional Leadership Style, Transformational Leadership Style, Motivation, Village Government's Managerial Performance

**JEL:** M21, M41, M48

## 1. Introduction

Since the enactment of Law (UU) No. 6/2014 concerning Villages, the village government has the authority in the field of Village Government administration, development implementation, community development, and community empowerment based on community initiatives, rights of origin, and customs. This authority is given from the central government to the regions, commonly referred to as decentralization. The given authority aims to

improve services' efficiency and effectiveness to reach all Indonesian society levels and organize the village properly (Nadir, 2013). With decentralization, regional government organizations' leaders are required to make more implementation decisions to be more responsible to the central government for their performance in government organizations (Nazaruddin, 2003).

The village development objectives, as stated in the Village Law, become big expectations in improving the rural communities' welfare, reducing poverty through the basic needs' provision, developing village infrastructure, developing local economic potential, and utilizing natural resources and the environment sustainably by involving all the village community components ([www.kompasiana.com](http://www.kompasiana.com)). However, several problems still occur in the village government. Besides, the village government services' expectations are still not optimal. The village government implementation is synonymous with various complaints from the community about the village government officials' services.

Concerning weak participation from the public and a weak transparency situation, this fact is true due to the lack of open board meetings, limited public participation in budget formation and approval, and the absence of two-way communication with local residents during the internet service era and other appropriate means of interaction. (Rashid & Jaber, 2007). Practitioners are faced with multiple barriers to performance, and in the performance measurement exercise itself, they are faced with outstanding performance reports, confusion about performance measurements, lack of performance measurement, ambiguous ownership, insufficient funding, and poor administrative practices (Gaspar & Mkasiwa, 2015).

The list of village fund cases continues to grow. From 2016 to 10 August 2017, Indonesia Corruption Watch (ICW) found 110 village funds' misappropriation cases. Of these cases involved 139 actors, 107 of whom were village heads. From ICW's monitoring, there were at least five corruption-prone points in village funds: the planning process, accountability, monitoring and evaluation, implementation, procurement of goods and services in terms of channeling and managing village funds ([berdesa.com](http://berdesa.com))

Local government is one of the public sector organizations that can play a major role in improving community welfare (Ulum & Sofyani, 2016). One of the lowest levels of local government is the village government. Therefore, the village government must be balanced with a good managerial performance so that the community welfare is high, and people can receive good and effective services. Each individual's performance in the institution is reflected in the institution's performance. The institution's performance is an indication of a work performance produced by the managers in these institutions in accordance with their role in the organization (Fitria et al., 2014). Managerial performance is an indicator that shows the success or failure of the previously set organizational goals and reveals how much the existing leadership's contribution to the institution. In an ideal and conducive environment, leaders tend to influence conflict management strategies and increase people to work together effectively. It becomes essential for a leader to achieve organizational goals by focusing on the rational and emotional aspects of conflicting problems while resolving disputes or conflicts that occur at any level in the organizational hierarchy (Saeed et al., 2014). According to Mahoney (2002), in Qadari et al. (2019), managerial performance in the public sector context displays the management functions' application in government organizations that can be achieved by government officials.

Managerial performance is a factor that can increase the organization's effectiveness. Situations and conditions that change every time make leaders always follow these changes. If a leader does not follow the existing changes, the decisions taken will not be in accordance with organizational goals, and organizational actions are not in accordance with organizational goals.

Leadership is a process based on social influence in which leaders strive for the voluntary participation of subordinates to achieve organizational goals (Maamari & Saheb, 2018). Leadership style is a crucial factor when associated with the organization's managerial performance process. Good and ideal leadership is needed to build loyalty and increase productivity for both managerial and parties within its scope (Ivana, 2016). The success or failure process experienced by most organizations is also determined by the leadership quality possessed by the

people in charge of leading the organization (Putri & Suparta, 2016). Thus, it is necessary to align perceptions between managerial parties and those under them to achieve perfect organizational goals.

Leadership style is closely related to performance because, often, whether someone feels comfortable or not with the job is determined by how the leader treats his subordinates to achieve a leader's goals (Nugraheni, 2015). Budiman et al. (2014) revealed that the leadership style is a method used by leaders to influence others so that the person is willing to do the leader's will to achieve goals. A leader with a leadership style that he applies makes subordinates do more to achieve organizational goals (Susanto, 2013).

Through the leader's leadership style, the leadership's performance details in carrying out their duties will be known. In carrying out their duties, knowledge, skills for innovative ideas, and the ability to filter information are needed by a leader in making the right decisions for the organization. Besides, the leadership style used by leaders to manage an organization must be able to influence and direct their subordinates so that everything done by subordinates is in accordance with the leader's wishes. Much of the literature on leadership has focused on how a leader could motivate his subordinates (Gilbert & Kelloway, 2018).

Research on leadership styles on managerial performance has previously been investigated by several researchers (Amalia et al., 2016; Ivana, 2017; Ridwan & Hamelinda, 2017; Afrizal, 2017), where there was a relationship between the influence of leadership style and managerial performance. On the other hand, research by (Nugraheni, 2015; Hakim & Asmony, 2016) suggests no relationship between leadership style and managerial performance. Looking at the previous studies, there were still inconsistencies in the relationship between leadership styles and managerial performance, investigated in this study.

## **2. Literature Review**

### **2.1. Goal-Setting Theory**

The goal-setting theory was proposed by Latham & Locke (1990), in which this theory explains the relationship between set-goals and work performance. This theory is based on what Aristotle called ultimate causality, which is an action caused by a goal (Locke, 1996). Goals can be defined as generic concepts that include the essential meanings of terms, such as intention, task, goal, objective, and purpose. However, reputation is different from goals in that they can be understood as the goals' result set by the individual and achieved, in most cases, through high-level commitment. Goal commitment is an essential motivational construct in goal-setting theory, which postulates that specific difficult but achievable goals lead to higher performance (Carroll et al., 2000), (Sholihin et al., 2011). If the leader has set goals for his actions in the future, these goals will influence his actions and behavior. The higher the goal, the higher the performance (Latham & Locke, 2006). Robbins & Judge (2015) explain that top-level managers must know the actions and efforts to achieve the desired goals, one of which is the leadership style applied to the organization. Because in essence, managerial performance cannot be separated from the leader's role.

### **2.2. Expectation Theory**

The expectation theory was proposed by Vroom (1964), where this theory puts forward the principle that individuals in an organization will be motivated to do things related to organizational goals. A worker's effort level depends on the expectation that the worker believes that the effort put in will pay off (Johnson, 2010). Expectancy theory is a cognitive process theory of motivation based on the idea that people believe a relationship exists between the effort they put in at work, the performance they achieve from that effort, and the rewards they receive for their effort and performance. In other words, people will be motivated if they believe that a strong effort will result in a good performance, and good performance will produce the desired reward (Lunenborg, 2011). Someone who can influence an individual's actions in an organization is the manager. A manager, directly or indirectly, will try to provide employees with work motivation in line with the organization's goals. The expectancy theory provides a mechanism for determining motivation through certain calculation types. The

expectation theory works by looking at the value that employees assign to work results (Parijat & Bagga, 2014). Thus, employees will feel more focused and are in line (goal congruent) with organizational goals despite their personal goals. Through the leadership style applied by a manager, it is hoped that it can motivate his subordinates to try to achieve the goals set by a manager. The more workers feel that their work in a particular task will be appreciated and that the reward is valuable to them, the more effort they will put into (Johnson, 2009).

### 3. Hypothesis Development

#### 3.1. The Influence of Transactional Leadership Style on Managerial Performance

The goal-setting theory was proposed by Latham & Locke (1990), in which this theory explains the relationship between set-goals and work performance. If the leader has set goals for his actions in the future, these goals will influence his actions and behavior. Robbins & Judge (2015) explicate that top-level managers must know the actions and efforts to achieve the desired goals, one of which is the leadership style applied to the organization. Because in essence, managerial performance cannot be separated from the leader's role. The transactional leadership style is a leadership style based on exchanges between leaders and subordinates, where a leader gives an award to his subordinates if the subordinate can meet his expectations. The transactional leadership style allows leaders to achieve their performance goals, complete required tasks, maintain the current organizational situation, motivate subordinates through contractual agreements, direct subordinates' behavior towards the set goals' achievement, emphasize extrinsic rewards, avoid unnecessary risks, and focus on improving organizational efficiency (McCleskey, 2014). This transactional leadership style positively affected managerial performance (Amalia et al., 2016; Ivana 2016; Katim & Wiliyawati 2016; Bawarodi et al., 2017; Rorimpandey, 2013; Vigoda, 2007; Ejere & Abasilim, 2013; Masa'deh et al., 2016; Samson & Ayodeji, 2019; Kalsoom et al., 2018). It means that the more effective a leader is in applying this transactional leadership style, the higher the resulting performance. Based on the description above, the hypothesis of the relationship between transactional leadership style and managerial performance is:

**H1:** The transactional leadership style positively and significantly affects the Village Government's managerial performance.

#### 3.2. The Influence of Transactional Leadership Style on Motivation

Individuals in an organization will be motivated to do things related to organizational goals (Vroom, 1964). Someone who can influence an individual's actions in an organization is the manager. A manager, directly or indirectly, will try to provide employees with work motivation in line with the organization's goals. Through the leadership style applied by a manager, it is hoped that it can motivate his subordinates to try to achieve the goals set by a manager. The transactional leadership style is a leadership style based on exchanges between leaders and subordinates. Transactional leaders focus on the right resources' exchange (Judge & Piccol, 2004). It is where a leader gives an award to his subordinates if the subordinate can meet his expectations. Transactional leadership is described as a leader who provides subordinates explanation of responsibilities or duties and the rewards they can expect if the expertise standard is attained (Putu et al., 2019). To make transactional leadership more effective, appropriate use of contingent rewards is vital feedback to gather expectations with followers in terms of their performance (Paracha et al., 2012). Barbuto (2005) uncovered that this transactional leadership style could increase his subordinates' motivation externally. Transactional leadership style applied effectively could affect his subordinates' work motivation (Amalia et al., 2016; Tatengkeng & Andreani, 2019; Rosiana & Safitri, 2015; Puspitasari & Minarsih 2018; Nielsen et al., 2019). A leader who uses a transactional leadership style effectively can increase his subordinates' work motivation. Based on the description above, the hypothesis of the relationship between transactional leadership style and motivation is:

**H2:** Transactional leadership style positively and significantly affects the Village Government employees' motivation.

### 3.3. The Influence of Transformational Leadership Style on Managerial Performance

Latham & Locke (1990) proposed goal-setting theory in which this theory explains the relationship between set-goals and work performance. Thus, a leader can influence performance. Transformational leadership occurs when leaders and followers raise each other to higher levels of motivation and value (Naderi et al., 2019). If the leader has set goals for his actions in the future, these goals will influence his actions and behavior. In a stable setting, transactional leaders manage what they find and ignore what they discover as they progress. Nevertheless, today's competitive settings require a new leadership style to ensure organizational performance and survival, namely transformational leadership (Mahdinezhad et al., 2013). A leader's style in an organization is a description of the work steps for employees under him. Robbins & Judge (2015) elucidate that top-level managers must know the actions and efforts to achieve the desired goals, one of which is the leadership style applied to the organization. Because in essence, managerial performance cannot be separated from the leader's role. Transformational leadership style positively impacted performance (Italiani, 2014; McMurray et al., 2012; Rorimpandey, 2013; Vigoda, 2007; Masa'deh et al., 2016; Nguyen et al., 2017; Samson & Ayodeji, 2019; Ejere & Abasilim, 2013; İşcan et al., 2014; Samson & Ayodeji, 2019; Andriani et al., 2018). It denotes that the more effective a leader is in applying this transactional leadership style, the higher the resulting performance. Based on the description above, the hypothesis of the relationship between transformational leadership style and performance is:

**H3:** The transformational leadership style positively affects the Village Government's managerial performance.

### 3.4. The Influence of Transformational Leadership Style on Motivation

Based on the expectation theory suggested by Vroom (1964), this theory also puts forward the principle that individuals in an organization will be motivated to do things related to organizational goals. A manager, directly or indirectly, will try to provide employees with work motivation in line with the organization's goals. Through the leadership style applied by a manager, it is hoped that it can motivate his subordinates to try to achieve the goals set by a manager. Transformational leadership is a model used to motivate and inspire subordinates to achieve results that exceed those previously planned or set. The transformational leaders' impact on their followers is ascribed to their ability to maintain their needs, empower them, and give them a sense of mission toward broad and ethical goals beyond their own (Eyal & Roth, 2011). Findings by Ayoko et al. (2003) demonstrated that transformational leadership was more strongly associated with extra effort and subordinate satisfaction with officers' focus and effectiveness perceptions. Transformational leaders can smooth the progress of these changes by adding value to expanding the vision and by encouraging subordinates to pursue that vision. It affirms the four leadership scales: charisma, inspiration, individual consideration, and intellectual stimulation (Paracha et al., 2012). Motivation is the follower's interest in the task, and belief is the follower's sense of security or self-confidence, the extent to which the follower believes he can work independently and perform well (Thompson & Glasø, 2018). The transformational leadership style had a positive relationship with motivation (Amalia et al., 2016; Ayoko et al., 2003; Tatengkeng & Andreani, 2019; Rosiana & Safitri, 2015; Alghazo & Meshal, 2016). Based on the description above, the hypothesis of the relationship between transformational leadership style and performance is:

**H4:** Transformational leadership style positively affects motivation.

### 3.5. The Influence of Motivation on Managerial Performance

Managerial performance is managerial skills in carrying out managerial activities of planning, investigation, coordination, supervision, staff placement, negotiation, and representation (Bone, 2017). Managers who have goals and objectives to be achieved will have high motivation for themselves. Motivation can be formed because of the various desires and expectations within the personal manager (Robbins & Judge 2015). Useful information can help managers make effective decisions, which improve managerial performance (Ghasemi et al., 2016). The manager's strengths, desires, and expectations ultimately lead the manager to strive to maximize his performance (Robbins & Judge, 2015). Managers will be motivated to achieve company goals because performance appraisals

and awards for managers' achievements will be assessed on the goals' achievements that have been accomplished (Agusti et al., 2013). Thus, managers who have goals to be achieved will work better and more optimally than managers with low motivation (Widyastuti, 2013). Motivation could positively and significantly impact performance (Katim & Wiliyawati, 2016; Rismayadi, 2018; Qadari et al., 2019; Nielsen et al., 2019; Putu et al., 2019; Andriani et al., 2018). It signifies that the higher a person's motivation to work, the performance will increase. Based on the description above, the hypothesis of the relationship between motivation and performance is:

**H5:** Work motivation positively affects the Village Government's managerial performance.

### 3.6. The Influence of Transactional Leadership Style on Managerial Performance through Motivation

A leader who understands the goals will indirectly be affected by his work behavior. If the leader has set goals for his actions in the future, these goals will influence his actions and behavior. Robbins & Judge (2015) describe that top-level managers must know the actions and efforts to achieve the desired goals, one of which is the leadership style applied to the organization. Because in essence, managerial performance cannot be separated from the leader's role. Vroom (1964) disclosed that individuals in an organization would be motivated to do things related to organizational goals if they feel confident in their actions, which are expected to achieve them. Transactional leadership is described as a leader who provides subordinates explanation of responsibilities or duties and the rewards they can expect if the expertise standard is attained (Putu et al., 2019). Managers who have goals and objectives to be achieved will have high motivation for themselves. Motivation can be formed because of the various desires and expectations within the personal manager (Robbins & Judge, 2015). The manager's strengths, desires, and expectations ultimately lead the manager to strive to maximize his performance (Robbins & Judge, 2015). According to Amalia et al. (2016), a leader must listen more to his subordinates' aspirations with the aim that his subordinates feel more valued and more motivated to work better. Moreover, later, if subordinates are motivated to work well or actively, managerial performance will increase. Research conducted by Amalia et al. (2016), Soewarto et al. (2011), and Putu et al. (2019) showed that motivation mediated the relationship between leadership style and performance. Based on the description above, the hypothesis of the relationship between transactional leadership style and performance through motivation is:

**H6:** Motivation mediates the relationship between transactional leadership style and the Village Government's managerial performance.

### 3.7. The Influence of Transformational Leadership Style on Managerial Performance through Motivation

A study by Ayoko et al. (2003) illustrated that transformational leadership was more strongly related to extra effort and subordinate satisfaction with officers' focus and effectiveness perceptions. Robbins & Judge (2015) explain that top-level managers must know the actions and efforts to achieve the desired goals, one of which is the leadership style applied to the organization. Because in essence, managerial performance cannot be separated from the leader's role. Vroom (1964) exposed that individuals in an organization will be motivated to do things related to organizational goals if they feel confident in their actions, which are expected to achieve them. Managers who have goals and objectives to be achieved will have high motivation for themselves. Motivation can be formed because of the various desires and expectations within the personal manager (Robbins & Judge, 2015). The manager's strengths, desires, and expectations ultimately lead the manager to strive to maximize his performance (Robbins & Judge, 2015). As stated by Tucunan et al. (2014), a leader will be able to direct employees to get better performance if he focuses on achieving the values of beliefs, attitudes, behaviors, and subordinates' needs towards better changes. Besides, his attitude that can foster awareness and high commitment from groups of employees can increase work motivation. Therefore, managerial performance will increase. Research conducted by Amalia et al. (2016) and Soewarto et al. (2011) showed that motivation mediated the relationship between leadership style and performance. Based on the description above, the hypothesis of the relationship between transformational leadership style and performance through motivation is:

**H7:** Motivation mediates the relationship between transformational leadership style and village government's managerial performance.

Based on the theoretical review and hypothesis development, the variables in this study were transactional leadership style and transformational leadership style as independent variables, motivation as a mediating variable, and managerial performance as the dependent variable, as described in Figure 1.

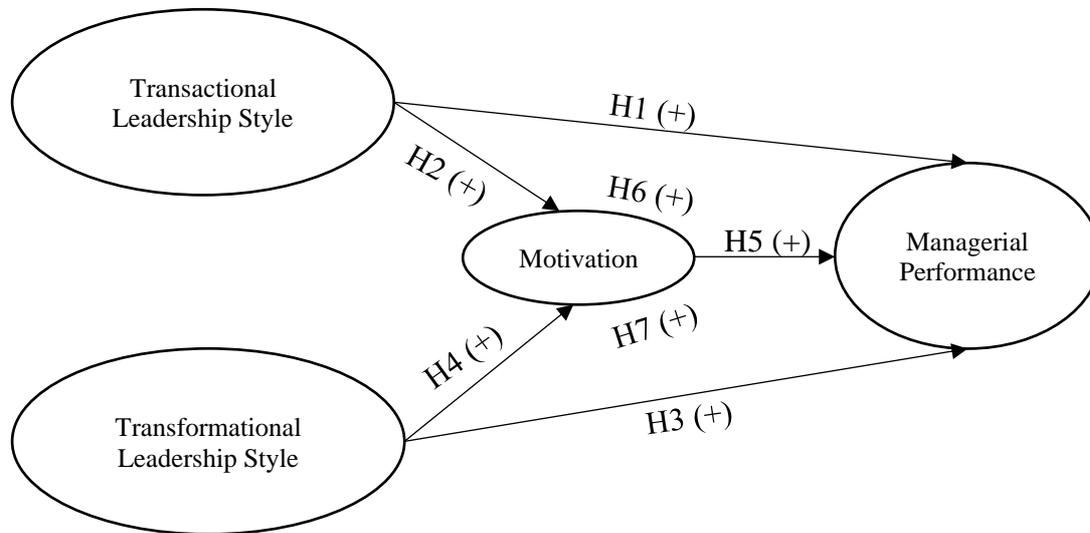


Figure 1: Research Model

**4. Methodology**

**4.1. Data**

In this study, the data used are primary data obtained directly from respondents. The data collection technique employed was a survey method by distributing questionnaires to be filled in or answered by respondents. The primary data in this study were in the form of scores on respondents’ answers to the questions in the questionnaire. The questionnaire utilized was a closed question model. The respondents chose answers from the available alternative answers.

**4.2. Population and Sample**

In accordance with this study’s objectives, this study’s population was village officials in the village government in Sleman Regency, Indonesia. Given the large enough population, this study employed a representative sample of the population as a whole. The sample collection technique used was convenience sampling. This study took two villages from each sub-district in Sleman district, so a total of 34 villages were obtained. Respondents for each village were the village secretary, head of government, head of development, head of finance, head of general, and head of public welfare.

**4.3. Data Analysis**

The data collected from distributing questionnaires were tabulated and tested using the SPSS V15.0 application. Hypothesis testing utilized path analysis. Path analysis is an extension of multiple linear regression analysis.

The regression equation in Figure 1

$MO = \alpha + \beta_1 TSK + \varepsilon_1$  ..... Regression Equations 1

$KM = \alpha + \beta_2 TSK + \beta_3 MO + \varepsilon_2$  ..... Regression Equations 2

The regression equation in Figure 2

$MO = \alpha + \beta_4 TRF + \varepsilon_3$  ..... Regression Equations 3

$KM = \alpha + \beta_5 TRF + \beta_6 MO + \varepsilon_4$  ..... Regression Equations 4

Explanation:

KM	=	Managerial Performance
TSK	=	Transactional Leadership Style
TRF	=	Transformational Leadership Style
MO	=	Motivation
$\beta$	=	Direction of Regression
$\varepsilon_1$	=	Residual Motivation
$\varepsilon_2$	=	Residual Managerial Performance
$\varepsilon_3$	=	Residual Motivation
$\varepsilon_4$	=	Residual Managerial Performance

Hypotheses 1-5 used simple linear regression, while hypotheses 6 and 7 employed path analysis as an intervening. The hypothesis can be accepted if the path analysis results show a significance level below 0.05 ( $p < 0.05$ ), and the hypothesis will be rejected if the regression results indicate a significance above 0.05 ( $p > 0.05$ ) (Nazaruddin & Basuki, 2019).

## 5. Results and Discussion

This research was conducted on 102 respondents, consisting of village government officials in Sleman Regency. In this study, the data collection technique was to use a survey method by distributing the questions' list in the form of a questionnaire. The questionnaires in this study were distributed directly to the respondents. However, not all returned questionnaires in this study could be used. The number of questionnaires that could be used was 95 questionnaires, or the response rate obtained was 93.14% of the target. The distribution of the questionnaire response rates based on the target respondents is shown in Table 1.

Table 1: Questionnaire Return Rate

Explanation	Total	Percentage
Distributed questionnaires	102	100%
Questionnaires returned	95	93,14%
Non-return questionnaire	7	6,86%
Unprocessed questionnaire	4	4,21%
Processable questionnaire	91	95,79%

Source: Results of Data Processing, 2019

Table 1 presents this study's descriptive statistics. Before testing the hypothesis, it is necessary to test the classical assumptions. The normality test results obtained by the Kolmogorov-Smirnov (K-S) significance value were  $0.422 > 0.05$ ,  $0.654 > 0.05$ ,  $0.531 > 0.05$  and  $0.980 > 0.05$ , so it could be seen that the data in this study were normally distributed. The multicollinearity test showed that none of the independent variables had a tolerance value of less than 0.10 and a VIF value of more than 10. It indicated that the two multiple linear regression models were free from the multicollinearity assumption. Meanwhile, for the heteroscedasticity test, the results revealed that all independent variables had a significance above the 5% confidence level, so it could be concluded that the regression model in this study was free from heteroscedasticity.

Table 2: Descriptive Statistics Test Results

	N	Minimum	Maximal	Mean	Std. Deviation
Transactional Style	91	10,00	27,00	19,7802	3,78242
Transformational Style	91	12,00	50,00	37,2637	5,96254
Motivation	91	31,00	47,00	39,6813	3,68745
Managerial Performance	91	29,00	45,00	36,2747	3,52473

Source: SPSS v.15, 2019 output

The test results with simple and multiple regression analyses that have been carried out can be seen in Table 3. The regression analysis results for hypothesis 1 concluded that H1 was supported. This study supports several

previous studies, such as research by Amalia et al. (2016), Ivana (2016), Katim & Wiliyawati (2016), Bawarodi et al. (2017), Rorimpandey (2013), Vigoda (2007), and Masa'deh et al. (2016), which proved that the transactional leadership style affected performance. From the test results, it could be seen that the transactional leadership style had a positive and significant effect on the village government's managerial performance, which in this study was the Village Government's structural apparatus in Sleman Regency. It implied that the more effective a leader was in applying a transactional leadership style, the higher the Village Government's resulting managerial performance in Sleman Regency would increase so that services to the community would also increase.

Table 3: Summary of Hypothesis Test Results

Hypothesis	Direction	t	Coefficient	Sig.	Conclusion
TSK-KM	+	2,603	0,234	0,011	Supported
TSK-MO	+	4,330	0,417	0,000	Supported
TRF-KM	+	3,306	0,290	0,000	Supported
TRF-MO	+	4,281	0,413	0,000	Supported
MO-KM	+	2,603	0,509	0,000	Supported
TSK-M-KM	+		0,212	0,000	Rejected
TRF-M-KM	+		0,201	0,000	Rejected

The regression analysis results also concluded that H2 was supported. This research supports several previous studies, such as research by Amalia et al. (2016), Tatengkeng & Andreani (2019), and Rosiana & Safitri (2015), which verified that transactional leadership style influenced motivation. The results showed a positive and significant influence on the transactional leadership style on motivation. It indicated that the more effective a leader was in applying a transactional leadership style, the higher the village officials' motivation in completing their work at the Village Government in Sleman Regency.

Furthermore, H3 from this study was also supported. This study's results support previous research, which stated that there was a significant positive effect of transformational leadership on performance, for example, research by Italiani (2014), McMurray et al. (2012), Rorimpandey (2013), Vigoda (2007), Masa'deh et al. (2016), and Nguyen et al. (2017). It exhibited that the more effective a leader was in applying a transformational leadership style, the higher the managerial performance produced in the village government in Sleman Regency would also increase service to the community.

Moreover, H4 from this study was also supported. These results support previous research, such as research by Amalia et al. (2016), Ayoko et al. (2003), Tatengkeng & Andreani (2019), and Rosiana & Safitri (2015), which proved that transactional leadership style impacted motivation. It demonstrated that the more effective a leader was in applying a transformational leadership style, the higher the village officials' motivation in the Village Government in Sleman Regency.

The regression analysis results for hypothesis 5 found that motivation influenced managerial performance. These results support previous research, such as research by Qadari et al. (2019), Katim & Wiliyawati (2016), and Rismayadi (2018), which confirmed motivation affected managerial performance. It illustrated that to improve the Village Government's managerial performance in Sleman Regency, increasing structural officials' motivation in the village government could be done. With the increased motivation of structural officials in the village government, it is hoped that the leaders' managerial performance will further improve so that service to the community will also increase.

Besides, the regression analysis results for hypothesis 6 showed that the direct effect of transactional leadership (TSK) on managerial performance (KM) was 0.234. Meanwhile, the indirect effect of transactional leadership style through motivation (MO) on managerial performance was the multiplication of the TSK beta value against M with the M beta value for KM, namely  $0.417 \times 0.509 = 0.212$ . Based on the above calculation results, it was known that the direct effect value was 0.234, and the indirect effect was 0.212, which indicated that the direct

effect value was higher than the indirect effect value. These results signified that motivation could not mediate the relationship between transactional leadership styles and the village government's managerial performance. Finally, the regression analysis results for hypothesis 7 displayed that the direct effect of transformational leadership (TRF) on managerial performance (KM) was 0.290. Meanwhile, the transformational leadership style's indirect effect through motivation (MO) on managerial performance was the multiplication of the TRF beta value against M with the M beta value for KM, namely  $0.413 \times 0.487 = 0.201$ . Based on the above calculation results, it was known that the direct effect value was 0.290, and the indirect effect was 0.201, meaning that the direct effect value was higher than the indirect effect value. These results denoted that motivation could not mediate the relationship between transformational leadership styles and the village government's managerial performance.

Table 4: The Magnitude of Direct and Indirect Influence on Hypothesis Testing

No.	Path	Coefficient
1.	TSK→KM	0,234
2.	TSK→MO→KM	$0,417 \times 0,509 = 0,212$
3.	TRF→KM	0,290
4.	TRF→MO→KM	$0,413 \times 0,487 = 0,201$

Source: Output SPSS v.15, 2019

Table 4 presents the coefficient values' comparison of direct and indirect effects of the relationship between the variables tested. From Table 4, it is shown that the indirect effect of transactional leadership on managerial performance through motivation (0.212) was smaller than the direct influence of transactional leadership on managerial performance (0.234). The same results were obtained for testing the relationship between transformational leadership style and managerial performance with motivation as a mediator. The path analysis result showed that the magnitude of the indirect effect (0.201) was smaller than the direct effect (0.290). Based on these findings, it could be seen that motivation could not mediate the relationship between transactional leadership styles and transformational leadership styles on managerial performance, indicating that the indirect effect of transactional leadership on managerial performance through motivation was smaller than the direct influence of transactional leadership styles on managerial performance. Based on this description, it could be seen that motivation could not be a mediating variable (intervening) of transactional leadership styles and transformational leadership styles on managerial performance.

## 6. Conclusion

This study examined the relationship between transactional leadership styles and transformational leadership styles on the village government's managerial performance through motivation as a mediator. This study was conducted on village administrations in Sleman Regency. This study's results indicated that transactional leadership styles, transformational leadership styles, and motivation had a direct positive effect on managerial performance. It showed that the more effective a leader was in applying a transactional and transformational leadership style, the higher the managerial performance and motivation generated in the Village Government in Sleman Regency, so that services to the community would also increase. Besides, increasing the structural officials' motivation in the village government could improve leaders' managerial performance in the Village Government in Sleman Regency. Other results obtained from this study demonstrated that the indirect effect of the relationship between transactional leadership and transformational leadership styles on managerial performance through motivation had a smaller coefficient value than the direct effect. Therefore, it could be said that motivation could not mediate the relationship between transactional leadership styles and transformational leadership styles on managerial performance.

Departing from these findings, village heads in the Village Government, especially in Sleman Regency, should make effective application of transactional leadership styles and transformational leadership styles so that the village government's managerial performance increases; thereby, services to the community will be more effective and efficient.

## 6.1. Limitation and Recommendation for Further Research

This research has limitations, which was only conducted in the Sleman District Government. Studies on village governments in other areas are essential for further research to increase this study findings' validity. Furthermore, further research also needs to consider using other approaches to find more substantial empirical evidence.

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