

## The Effect of Transformational Leadership, Lecturer Competency, and Compensation on Lecturer Work Encourage and Its Implications on Lecturer Performance (Study on the Undergraduate Management Study Program at a Private University in Greater Tangerang)

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### ABSTRACT

This study aims to analyze the influence of transformational leadership, lecturer competence, and compensation on lecturer work enthusiasm and their implications on lecturer performance in the Undergraduate Management Study Program of Private Universities (PTS) in the Greater Tangerang area. This study uses a quantitative approach with an explanatory survey design. The study population was 692 permanent lecturers, with a sample of 253 respondents determined through proportional random sampling technique (Slovin formula, 5% error rate). Data were collected using a Likert-scale questionnaire and analyzed using Structural Equation Modeling (SEM) assisted by LISREL 8.70, after ordinal data were transformed into intervals using the Method of Successive Intervals (MSI). The results showed that the research model had a good fit with the empirical data ( $\chi^2/df = 1.860$ ; RMSEA = 0.076; CFI = 0.987; GFI = 0.860). Simultaneously, the three independent variables had a significant effect on work enthusiasm ( $R^2 = 0.630$ ). Partially, transformational leadership ( $\beta = 0.385$ ;  $t = 5.573$ ), lecturer competence ( $\beta = 0.281$ ;  $t = 4.446$ ), and compensation ( $\beta = 0.273$ ;  $t = 4.196$ ) each had a positive and significant effect on work morale. Furthermore, work morale had a very strong effect on lecturer performance ( $\beta = 0.884$ ;  $t = 16.009$ ) with a coefficient of determination of 78.1%. This finding confirms that work morale functions as a primary psychological determinant that translates organizational and personal factors into academic performance achievements. Managerial implications emphasize the importance of strengthening transformational leadership, continuous competency development, and a fair compensation system as holistic strategies to improve lecturer performance in private universities.

## **INTRODUCTION**

Private universities (PTS) in Indonesia, particularly in the Greater Tangerang area, face strategic challenges in improving the quality of human resources of lecturers, a key pillar in implementing the Tri Dharma of Higher Education. Demands for national accreditation, output-based research standards, and the dynamics of industry demand that lecturers not only be academically competent but also possess a strong psychological drive in carrying out their duties. However, initial pre-survey results indicate that lecturer performance in the aspects of research productivity, innovation in learning methods, and consistency of academic guidance is still suboptimal. This low achievement is suspected to be related to leadership practices that are not fully transformative, variations in competency levels, and perceptions of unfairness in the compensation system, which ultimately affect lecturer morale.

Work spirit is a psychological construct that reflects the enthusiasm, consistent attendance, collaboration, and creativity of lecturers in carrying out academic tasks. Unlike motivation or job satisfaction, which tend to be evaluative, work spirit is more behavioral and directly manifested in daily productivity. In the context of private universities (PTS), which often have limited resources compared to state universities (PTN), work spirit is a crucial variable that can bridge structural limitations and achieve optimal performance.

Many previous studies have examined the relationship between leadership, competence, and compensation on performance, but only a limited number have identified work morale as the primary intervening variable in the context of private universities in metropolitan areas. Furthermore, most studies utilize conventional regression analysis, which is unable to accommodate the complex relationships between latent variables and measurement error. Therefore, this study addresses this gap by integrating the three predictor variables for work morale and examining its implications for lecturer performance using a SEM approach.

The objectives of this study are: (1) To analyze the influence of transformational leadership, lecturer competence, and compensation on lecturer work enthusiasm; (2) To analyze the influence of work enthusiasm on lecturer performance; (3) To provide strategic implications for the management of lecturer resources in PTS Tangerang Raya. The results of this study are expected to provide theoretical contributions to the development of higher education management literature, as well as practical contributions for PTS leaders in designing holistic and sustainable lecturer development policies.

## **LITERATURE REVIEW**

### **1. Transformational Leadership**

According to Bruce J. Avolio and Bernard M. Bass (2018), transformational leadership is a leadership style that inspires, motivates, and transforms the values and behaviors of followers to achieve goals that go beyond personal or organizational interests. A transformational leader not only directs but also shapes character and builds a shared vision that encourages positive change.

Transformational leadership is a leadership style that motivates followers to set aside their personal interests for the benefit of the organization. Through individualized consideration, intellectual stimulation, and idealized influence, this leadership approach generates extra effort from employees, leading to better organizational effectiveness (Stephen P. Robbins, 2017:262).

Furthermore, Suwatno (2019:107) states that transformational leadership is a style of leadership that influences employees in such a way that they develop self-confidence, pride, loyalty, and respect toward their leaders, while also motivating them to perform beyond expectations.

This indicates that transformational leadership does not merely change one aspect of employees' motivation or mindset. Rather, it is expected to bring holistic change across all aspects, enabling employees to contribute their best toward achieving organizational goals.

## **2. Compensation**

According to Farida Elmi (2018:83), compensation is the remuneration provided by an organization or company to its employees, which may be financial or non-financial in nature, and is given periodically at fixed intervals. In the context of human resource management, compensation is understood as a form of reward for the services employees provide to the organization. According to Afandi (2018), compensation includes all forms of income received by employees, whether in the form of money or goods, provided directly or indirectly as recognition for their contributions.

## **METHODOLOGY**

This study used a quantitative approach with an *explanatory survey design* aimed at testing causal relationships between variables. The study population included all permanent lecturers in the Undergraduate Management Study Program at 12 private universities in the Greater Tangerang area, totaling 692 people. The sample was determined using a *proportional random sampling* technique with a 5% error rate (Slovin's formula), resulting in a sample of 253 lecturers.

The research variables consist of three exogenous variables, namely Transformational Leadership (X1), Lecturer Competence (X2), and Compensation (X3); one intervening/endogenous variable, namely Lecturer Work Spirit (Y); and one dependent variable, namely Lecturer Performance (Z). The variables were measured using a closed questionnaire with a Likert scale of 1–5, adapted from standardized instruments based on the theory of Avolio & Bass (2018) for leadership, Permendiknas No. 16/2007 for competence, Elmi (2018) for compensation, Mafra (2017) for work spirit, and Permendikbud No. 92/2014 for lecturer performance. Before the main analysis, the instrument was tested for validity (product moment) and reliability (Cronbach's Alpha) with the results of all indicators being valid ( $r$ -calculated  $>$   $r$ -table) and reliable ( $\alpha > 0.70$ ).

Ordinal data were transformed into interval scales using *the Method of Successive Intervals* (MSI) to meet parametric assumptions. Data analysis was performed using *Structural Equation Modeling* (SEM) using the LISREL 8.70

program. Model testing was carried out in three stages: (1) *Goodness of Fit test* using the  $\chi^2 / df$  index, RMSEA, CFI, GFI, and AGFI; (2) Path coefficient test (*path analysis*) to test the direct effect; (3) Hypothesis significance test using the t-value ( $\alpha = 0.05$ ). Hypothesis acceptance criteria: t-value  $> 1.99$  (df = 251).

## RESULT AND DISCUSSION

### **Goodness of Fit Test**

The LISREL estimation results indicate that the structural model has an adequate fit with the empirical data. The model fit indices meet the established criteria:  $\chi^2 / df = 1.860$  ( $< 3.0$ ), p-value = 0.0789 ( $> 0.05$ ), RMSEA = 0.076 ( $< 0.08$ ), CFI = 0.987 ( $> 0.90$ ), GFI = 0.860, and AGFI = 0.812. These results indicate that the research model is suitable for further hypothesis testing.

### **Hypothesis Testing and Path Coefficients**

The results of the path analysis show a positive and significant influence of all exogenous variables on work morale, as well as the influence of work morale on lecturer performance. A summary of the test results is presented in Table 1.

**Table 1. Results of Path Coefficient and Hypothesis Testing**

Hypothesis	Track	Coefficient ( $\beta$ )	t-count	Decision
H1	X1 $\rightarrow$ Y	0.385	5,573	Accepted
H2	X2 $\rightarrow$ Y	0.281	4,446	Accepted
H3	X3 $\rightarrow$ Y	0.273	4,196	Accepted
H4	Y $\rightarrow$ Z	0.884	16,009	Accepted

The three independent variables simultaneously explained 63.0% of the variation in work morale ( $R^2 = 0.630$ ). Partially, transformational leadership had the greatest influence ( $\beta = 0.385$ ), followed by lecturer competence ( $\beta = 0.281$ ) and compensation ( $\beta = 0.273$ ). Furthermore, work morale had a very strong influence on lecturer performance with a coefficient of 0.884 and was able to explain 78.1% of the performance variation ( $R^2 = 0.781$ ).

### **Discussion**

These findings confirm that transformational leadership is a key driver of lecturer morale in private universities in Greater Tangerang. Study program leaders who articulate a vision, provide intellectual stimulation, and demonstrate individualized attention successfully create a work climate that increases lecturer enthusiasm and commitment. This aligns with transformational leadership theory, which emphasizes the leader's role as a meaning-maker *in a* knowledge organization (Bass & Riggio, 2018).

Lecturer competence and compensation also had significant effects, although their magnitudes were more moderate. High competence increased self-confidence and work effectiveness, while perceived fair compensation served as a *hygiene factor* that maintained motivational stability. These findings indicate that in the context of private higher education, intrinsic factors and leadership are more dominant than financial rewards alone in motivating work enthusiasm.

The work morale variable proved to be a critical mediator. The path coefficient of 0.884 indicates that increased work morale is directly followed by improved performance in teaching, research, and community service. This finding reinforces the organizational behavior perspective that academic performance is not solely determined by technical capacity but is highly dependent on the lecturer's psychological state and internal drive (Robbins & Judge, 2019). Without strong work morale, potential competencies and organizational support will not be optimally realized in the form of tangible performance.

Implicitly, the research results suggest that PTS adopt an integrated lecturer management approach: (1) Develop transformational leadership capacity at the head of study program and dean level through academic leadership training; (2) Provide a sustainable competency development program, especially in the aspects of digital pedagogy and research methodology; (3) Design a transparent, performance-based compensation system that integrates financial incentives with non-financial recognition; (4) Create a work climate that supports autonomy, collaboration, and recognition of lecturer contributions as a key strategy for increasing work enthusiasm.

## CONCLUSION AND RECOMMENDATIONS

Based on the analysis and discussion, it can be concluded that transformational leadership, lecturer competence, and compensation simultaneously and partially have a positive and significant influence on lecturer morale in the Undergraduate Management Study Program of Private Universities in Greater Tangerang. Among these three variables, transformational leadership has the most dominant influence. Furthermore, morale has a very strong influence on lecturer performance and serves as the main determinant that translates organizational and personal factors into academic performance achievements.

The practical implications of this research emphasize the importance of a holistic approach to lecturer management in private universities. Institutional leaders are advised to prioritize strengthening transformational leadership, developing sustainable competencies, and establishing a fair and transparent compensation system. Furthermore, creating a supportive and appreciative work climate is key to sustainably maintaining and enhancing lecturer morale.

This study's limitations lie in its *cross-sectional design* and the use of *self-reported data*, which could potentially contain general response bias. Furthermore, the study's specific location in the Greater Tangerang region limits generalizability to other geographic contexts. Further research is recommended using a longitudinal design, involving multi-level data sources (supervisors, colleagues, students), and examining moderating variables such as workload, technological support, and organizational culture to deepen our understanding of the mechanisms shaping lecturer performance in private universities.

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