

**THE IMPACT OF LEADERSHIP AND WORK
MOTIVATION ON ORGANIZATIONAL
PERFORMANCE**

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Abstract

The research objective was to evaluate the effectiveness of leadership and work motivation and identify the fundamental challenges encountered in leadership within public organizations. To achieve this, a comprehensive investigation was conducted involving the distribution of surveys to managers and administrative specialists employed in public sector entities. The study's sample comprised 132 workers, enhancing the findings' generalizability across similar contexts. The research highlighted the importance of employee motivation within public organizations as a key factor in achieving effective organizational performance. Various elements, including incentives, social interactions, and the office environment, significantly influence corporate professionalism. The chosen leadership approach was contingent upon several factors, including organizational culture, employment engagement, and the internal knowledge base of the organization. The study results delivered practical implications for top management structures, emphasizing the necessity of distinguishing between personal and work-related challenges workers face. This research also provided a novel insight into leadership and work motivation styles, contributing to a deeper understanding of societal dynamics and organizational development. Specifically, it enriched the discourse surrounding managerial behaviors that promote relational, critical, and constructionist perspectives on managerial effectiveness and organizational progress. However, it is important to acknowledge that the investigation has limitations, notably its small sample size and focus on a small region, Eritrea.

keywords: Leadership; Work Motivation; Organizational Performance; Public Organizations; Eritrea.

INTRODUCTION

Organizations face challenges in implementing significant long-term changes due to a lack of consensus on core change management strategies and principles (Jeroen Stouten et al., 2018). Likewise, practitioner depends on common conceptual frameworks that more frequently use expert opinion over actual research as their foundation results from the challenges. A few of the factors that drive organizations and their membership to embrace and make an effort to manage planned change include modern technology (Thomas G Cummings & Christopher G Worley, 2016), transforming labor (Farhan Saputra, 2021), competitive challenges (Robert Smither et al., 2016), and globalization (Jeroen Stouten et al., 2018). In an organization, it is necessary to have elements that help people achieve their goals effectively. For example, research by Thomas G Cummings & Christopher G Worley, (2016) found that a professional organization has many characteristics, including leadership and work motivation. These indicators could decide the direction of an organization's policies. Similarly, Robert Smither et al., (2016) studied organizational performance and aspired to achieve high levels of professionalism to perform duties within the domains in which they were concerned.

Finding strategies to implement significant and long-term planned change was complicated. One explanation for this difficulty was a lack of agreement in the scientific literature on basic renovation mechanisms. The fragmented research on organizational management might make identifying and using scientifically supported concepts challenging. The fundamental obstacle regulated management practitioners encounter is the difficulty of learning from experience. According to research on the development of expertise (Jeroen Stouten et al., 2018), learning and subsequent performance increases occur gradually through repeated practice in a given domain and direct feedback on results.

Furthermore, a leader is crucial to an organization's accomplishing predetermined objectives. Research conducted by Maartje Paais & Jozef R Pattiruhu, (2020) clarified that a leader can influence followers through their actions or personality, depending on effective leadership. The technique entails attitude, movement, conduct, assertiveness, friendly gestures, strength, and the ability to do well. Effective leadership is a mix of ideas, abilities, attributes, and attitudes that a leader frequently employs while seeking to manipulate the performance of subordinates. Likewise, Tonny Yuwanda et al., (2023) characterized leadership abilities as the characteristics—such as attitude, habits, philosophy, and character—that set a leader apart while interacting with others. To accomplish the business's vision and objective and be ready to enhance performance, an organization should adopt the proper skills to cope with any adjustments that may arise (Reza Nurul Ichsan et al., 2021). An organization can be transformed from the present state to the intended future through organizational transformation to improve performance (Fong-Yi Lai et al., 2020).

The research addressed a comprehensive analysis of the impact of leadership behaviors and the evolving contextual factors that influence organizational performance. The main objective was to investigate the motivational dynamics

present in the workplace and the consequential impacts of leadership on organizational performance, specifically within the Eritrean context. To this end, the research made a concerted effort to observe and document the transformations in leadership styles and organizational regulations in the organizations, providing insights into how these changes may correlate with performance metrics and work motivation improvements. This investigation shed light on leadership's role in fostering an effective work environment. Furthermore, it underscored the importance of adaptive management practices in response to the shifting demands of the organizational landscape.

LITERATURE REVIEW

Leadership is frequently characterized as influencing people to complete a job by offering a sense of purpose, direction, and drive (Syamsul Arif et al., 2019). A competent leader creates the approach, organizes resources, guarantees everyone comprehends "what is happening," orients the entire team, and then lets them go (Lauren R Farahnak et al., 2020). Relationships are essential in leadership, not all concerning products, technological advancement, or generating results; it is more of a human achievement (Syamsul Arif et al., 2019). Performance leadership is an organized, goal-oriented management and leadership style for high-performing groups, teams, and individuals.

Leaders may help their organizations flourish by defining a vision and supporting transformation. The resulting vision should be well-expressed, understandable, and realistic. The organization's long-term objectives ought to be well understood by leaders, who should also assess the present organizational beliefs and identify the activities needed to reach those goals (Dimitrios Belias & Athanasios Koustelios, 2014). Consequently, an organization requires a leader who can serve as an example for the firm's internal members.

Alternatively, work motivation refers to factors that motivate people to act and achieve their objectives. Work motivation provides energy to someone, causing them to do certain activities to satisfy their requirements (Syamsul Arif et al., 2019). Similarly, work motivation is an emotional state that pushes employees to exert effort to generate goods and services to accomplish a goal. According to research conducted by Farhan Saputra, (2021), workers should connect their potential effectively to achieve the corporate vision and objectives more efficiently. Work motivation is essential for educators and lecturers who work in a professional organization. Contrary to this, Eligia Monixa Salfarini et al., (2024) concluded that high motivation is problematic since few possess the characteristics necessary to motivate solid interests.

According to Maartje Paais & Jozef R. Pattiruhu (2020), autonomous motivation denotes that organizational management is concerned with every choice to improve employees' well-being and motivate people. Motivated individuals are more oriented toward autonomy and independence and are more self-motivated than less motivated individuals, which benefits their growth chances (Mehmet Akif Demircioglu &

Chung-An Chen, 2019). According to Robert Mitchell et al., (2020), work motivation could be internal or external. Self-esteem is related to internal motivation via personal growth, employment, recognition, acceleration, achievement, and responsibility. External motivation arises when an individual is motivated by factors other than those found inside themselves, such as workplace safety, company policy, status, and relationship with coworkers.

From a management perspective, organizational performance is a complex and multifaceted construct (Ebrahim Hasan Al Khajeh, 2018). When compared to expected outcomes, goals, and objectives, actual organizational outputs constitute an organization's performance. Research conducted by Shafique-ur Rehman et al., (2019) stated that organizational performance influences how an organization accomplishes its goal. The organization's overall goal is to improve performance by boosting revenue. Although a crucial concept in previous studies, organizational effectiveness has a vague definition since it evaluates the different organizations to identify different business objects. Organizations use performance to determine the level of their effectiveness. The capacity to create goals and objectives and improve overall performance is unquestionably the most crucial organizational aim and objective (Kelvin Pang & Chin-Shan Lu, 2018). Researchers find defining and quantifying success difficult because organizations usually have several, often conflicting aims.

Furthermore, according to the investigation by Kelvin Pang & Chin-Shan Lu, (2018), performance metrics are commonly employed to assess overall organizational health and the efficacy of related policies. However, it is essential to recognize that organizations are active entities that evolve in response to their social, interpersonal, and cultural contexts, allowing for the continuous adaptation of various strategies, some of which may be refined in the future.

2.1 Conceptual Framework and Hypothesis

As illustrated in Fig. 1, the dependent variable in the research was organizational performance, whereas the independent factor was leadership, with work motivation as a mediator. Research by Jana Kammerhoff et al., (2019) found a significant relationship between leadership function and organizational performance.

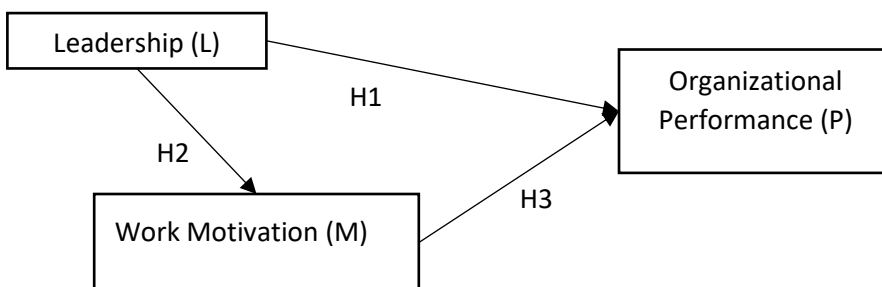


Figure 1: Conceptual framework

Source: Developed by author

In achieving a goal, the leader's role is extremely significant to the organization's standard; a plan can function efficiently regardless of the cooperation between the leader and the organization; so, leadership is a cause and a consequence, and the influence of any aspect may be collaboratively addressed (S.Suriyanti, 2020). The influence between a leader and the organization makes a difference and produces observable outcomes representing shared objectives (Erik Waltré et al., 2023). As a result, future research on the subjects mentioned earlier should be conducted to give a supplementary comprehensive understanding of the relationship between organizational performance and leadership. This leads to the following hypothesis:

H1: Leadership has a positive and significant influence on organizational performance.

Being a leader means knowing how to accomplish tasks correctly; to accomplish the goals, someone requires the trust and obedience of others. Additionally, there is a need to encourage workers when it is essential for individuals to trust and act on behalf of the organization. Theories suggest that followers and leaders inspire each other to reach greater moral and motivational heights (K Rukmani et al., 2010). Motivation is just a basic leadership quality. It comes from desiring to act in the best interests of both the organization and the individuals. Thus, further research into these topics is necessary for establishing a more comprehensive picture of the relationship between leadership and work motivation, resulting in the underlying hypothesis:

H2: Leadership has a positive and significant influence on work motivation.

People with solid motivation possess various traits, including having realistic objectives, daring to take chances, having high personal accountability, looking for ways to carry out the plans that have been made, and having a clear work schedule (Farhan Saputra, 2021). To better understand the relationship between work motivation and organizational performance in various situations, some academics advise conducting additional to-setting investigations (S.Suriyanti, 2020). While data suggests a positive relationship between work motivation and organizational performance, disagreements and objections remain. Future studies should thus continue investigating these issues and provide a more complete picture of how work motivation and organizational performance are related, leading to the following hypothesis:

H3: Work motivation mediates the relationship between Leadership and organizational performance

METHODOLOGY

In this research, we employed a quantitative research method combined with a cross-sectional design to effectively explain the nature of the research questions, objectives, and underlying problems. The quantitative method allows for the systematic collection and analysis of numerical data, facilitating statistical inference and generalization of findings to a broader population. The cross-sectional design was selected to capture a snapshot of data at a specific time, enabling us to examine

relationships and patterns among variables without the constraints of longitudinal tracking. We chose a survey methodology to gather the data, particularly for collecting standardized information from a diverse sample. In addition to enhancing reliability and validity, structured questioning allows for efficient data collection from a potentially large respondent pool, enriching the depth and breadth of the analysis.

The analytical framework employed in this research incorporated both SPSS27 and AMOS 23 software to assess the theoretical foundations of the research. SPSS (Statistical Package for the Social Sciences) is widely recognized for its robust capabilities in conducting various statistical analyses (Andy Field, 2024; Cooper B. Hodges et al., 2023). Similarly, AMOS (Analysis of Momentum Structure) is specifically designed for structural equation modeling (SEM), facilitating the exploration of complex relationships among variables (Lütfi Sürücü et al., 2023).

In addressing the assumptions of normality, the research design did not impose strict adherence to normality criteria. This flexibility was supposed to be due to the prevailing literature, which indicates that applying SPSS and AMOS methodologies can yield reliable results in non-normal data distribution. Specifically, research conducted by Joe F. Hair Jr et al., (2014) established that these software tools are adept at managing intricate large-scale models and more straightforward analytical frameworks with equal efficiency.

This assertion was supported by empirical findings affirming these statistical techniques' robustness in accommodating diverse data characteristics, thereby enhancing the validity of the research outcomes. Consequently, using SPSS 27 and AMOS 23 was justified as a methodologically sound approach to analyzing the research's theoretical foundation, ensuring that the results were reliable and relevant to the research's objectives.

Furthermore, some researchers suggested that the Partial Least Squares Structural Equation Modelling (PLS-SEM) technique offers a significant advantage over traditional Covariance-Based Structural Equation Modeling (CB-SEM) in terms of accurately estimating research findings and establishing the validity of variables (Joseph F Hair Jr et al., 2021). PLS-SEM is particularly beneficial in scenarios where the research model is complex. The sample size may be limited, as it employs a variance-based approach to estimation that emphasizes prediction rather than solely confirming theoretical constructs. This method allows researchers to simultaneously evaluate the measurement model, which assesses the relationship between observed indicators and their latent constructs. Additionally, it enables the examination of the structural model, which investigates the relationships among latent variables. This dual application enhanced the robustness of the analysis. It facilitated the assessment of convergent and discriminant validity, ensuring that the construct measured what they intended to measure and were distinct. The integration of PLS-SEM in our methodology underscored our commitment to employing advanced analytical methods that contribute to the rigor and credibility of the findings.

3.1 Research Instruments

The research's conceptual framework consists of three components. Every component was measured using various items. A couple of previous studies used different construction components. Six components were established by (Maartje Paais & Jozef R Pattiruhu, 2020) comprised leadership; six aspects adopted by Kelvin Pang & Chin-Shan Lu (2018) comprised work motivation; and six factors derived from a study done by Shafique-ur Rehman et al. (2019) constituted organizational performance.

The research employed carefully structured questionnaires thoughtfully adapted from previous studies to evaluate the various influencing factors. The dependent, independent, and mediating variables were measured using a five-point Likert scale, yielding eighteen measurement items and three construct variables. The main sources for the research questions are shown in Table 1.

Table 1: Measurement construct items

Code	Factors	Sources
L1	Leadership workplace demonstrates trustworthiness and accountability.	(Maartje Paais & Jozef R Pattiruhu, 2020; K Rukmani et al., 2010; S.Suriyanti, 2020)
L2	The leader frequently encourages staff discussions, particularly those on work engagement levels.	
L3	The leaders exhibit a fair-minded disposition.	
L4	The leader is adept at differentiating between personal and professional matters and understands team members professionally.	
L5	The leadership promotes creativity in work processes, provided that such creativity aligns with corporate policies.	
L6	In decision-making, executives consider the organization's and its workforce's interests.	
M1	Compensation is equitable for all measured work contributions.	(Jonner Lumban Gaol et al., 2020; S.Suriyanti, 2020; Eligia Monixa Salfarini et al., 2024)
M2	Employee's professional development paths are duly acknowledged.	
M3	The organization can adequately fulfil the needs of the families it serves.	
M4	Treatment within the workplace is appropriate, characterized by strong camaraderie and professional interactions among staff members.	
M5	Equitable corporate policies exist regarding incentives and disciplinary measures.	
M6	Internal organizations receive regular training sessions.	
P1	The organization consistently implements the company's vision and mission, ensuring that all of these principles are developed over time.	(Juan Meng & Bruce K Berger, 2019; Kelvin

P2	There exists a general trust in the leadership of the staff.	Pang & Chin-Shan Lu, 2018; Shafique-ur Rehman et al., 2019)
P3	Work allocation is conducted in a professional, fair, and equitable manner.	
P4	The work environment is easy and encouraging for productivity.	
P5	Guidelines are in place, and employees are expected to adhere to them.	
P6	A transparent and professional compensation system is established to guarantee that all evaluation forms are conducted fairly.	

Source: Developed by author

3.2 Population Sampling

This research centers on Eritrea's public organizations; respondents were senior managers from various organizations. Due to the shorter duration available for data collection, online questionnaires were used to collect the data. Data has been collected using a five-point Likert scale since it decreased respondents' annoyance levels when completing surveys Joe F. Hair Jr et al., (2014) compared to alternative strategies like a seven-point Likert scale. The array of the scale was from strongly disagree (1) to strongly agree (5); the mainstream studies favored this scale, which improved response rate and quality (Prakash, 2019). Furthermore, the basic random sampling approach used to gather data from necessary respondents gave each responder an equivalent chance of being selected (Uma; Roger Sekaran, Bougie, 2016). In addition, a straightforward random sample method employed most of the earlier studies and yielded broadly applicable conclusions.

In conclusion, 132 questionnaires were collected and analyzed using the statistical tools SPSS 27 and AMOS 23. This methodological approach facilitated the acquisition of data from a diverse and representative sample of participants, thereby enhancing the generalizability and credibility of the research findings. These advanced statistical software tools allowed for comprehensive data analysis, ensuring that the insights derived reflect the varied outlooks and experiences of the participants involved in the research. This consistency in data collection and analysis underscores the robustness of the research methodology and its commitment to obtaining a balanced representation of the target population.

RESULTS & DISCUSSION

4.1 Demographic Profile

Among the respondents to Eritrea's enterprises, 43.7% were females, and 56.3% were males. The majority holds bachelor's and master's degrees. 75.8% of the workforce were between 30 and 50, with most respondents having five to ten and eleven to fifteen years of experience. Governments, public organizations, and educational institutions were among the respondents' employers.

4.2 Statistical Analysis Results

The Reliability Statistics for the significance of each variable were checked by Cronbach alpha ($C\alpha$). Applying $C\alpha$ to measure internal consistency in this research was a commendable methodological decision. The reliability of scales and instruments evaluated using $C\alpha$, frequently used to provide information about how effectively a group of items assesses a single latent concept. Moreover, internal consistency is crucial in ensuring that all items in a measurement tool are aligned in their purpose and effectively capture the intended construct. A Cronbach's alpha value typically ranges from 0 to 1, where values closer to 1 indicate higher reliability. Common thresholds for interpreting $C\alpha$ include $C\alpha < 0.6$ unacceptable; $0.6 < C\alpha < 0.7$ questionable; $0.7 < C\alpha < 0.8$ acceptable; $0.8 < C\alpha < 0.9$ good; and $C\alpha > 0.9$ excellent (Darren George & Paul Mallery, 2019; Mohsen Tavakol & Reg Dennick, 2011).

The Cronbach's alpha ($C\alpha$) value of 0.858 for the significance of the factors in this research indicated a high internal consistency among the items measuring the variables, suggesting that the items reliably assess the same underlying construct. This value exceeded the commonly accepted threshold of 0.8, often interpreted as indicative of strong reliability, thereby reinforcing the validity of the conclusions drawn from the data related to these specific factors. Furthermore, the $C\alpha$ value of 0.848 for the significance of the group components within the total dataset falls within the "good" range, reflecting a similarly strong internal consistency across the items. These high $C\alpha$ values imply that the measurement instruments used in the research effectively captured the intended constructs without excessive measurement errors, thus enhancing the research's credibility and robustness of its findings.

Table 2 illustrates a comprehensive analysis of the regression weights and the validity of the research variables. The analysis compared the Critical Ratio (C.R.) values with the estimated values relative to the Standard Error (S.E.). The results indicated that these comparisons yield modest values, suggesting an appropriate level of significance and reliability in the relationship among the variables. By examining the C.R. and S.E., the table facilitated a nuanced understanding of the strength and validity of regression weights, ultimately contributing to the overall rigor of the research's findings.

Factor L4 (The leader is adept at differentiating between personal and professional matters and understands team members professionally) was used to evaluate the impact of confirmatory factor analysis (CFA) on the regression value for the highest critical leadership variable with a regression weight (RW) of 0.809. Similarly, factor M4 (Treatment within the workplace is appropriate, characterized by strong camaraderie and professional interactions among staff members) was the factor that made up most of the motivational factors, with an RW of 1.442. As a result, when considering endogenous factors performance variables, P5 (Guidelines are in place, and employees are expected to adhere to them) was the most significant factor with RW of 1.213. The measurement of the variables can be considered valid and reliable based on the factors considered.

Table 2: Confirmatory Factor Analysis (CFA).

Factors	RW	SRW	S.E.	C.R.	P	Results
L6	1	0.686				
L5	0.779	0.617	0.126	6.179	***	Valid
L4	0.809	0.568	0.139	5.808	***	Valid
L3	0.634	0.449	0.133	4.766	***	Valid
L2	0.508	0.366	0.128	3.972	***	Valid
L1	0.426	0.317	0.152	2.806	0.005	Valid
P1	1	0.61				
P2	0.721	0.521	0.132	5.45	***	Valid
P3	0.793	0.486	0.163	4.853	***	Valid
P4	1.027	0.679	0.155	6.614	***	Valid
P5	1.213	0.73	0.176	6.912	***	Valid
P6	0.433	0.312	0.124	3.502	***	Valid
M6	1	0.549				
M5	1.156	0.664	0.191	6.055	***	Valid
M4	1.442	0.747	0.222	6.492	***	Valid
M3	1.168	0.601	0.205	5.682	***	Valid
M2	1.201	0.579	0.217	5.539	***	Valid
M1	1.391	0.667	0.226	6.148	***	Valid

Note: RW= Regression Weight; SRW=Standardized RW; S.E. = Standard Error; C.R. = Critical Ratio; L= Leadership; P= Organizational Performance; M= Work Motivation; *** p-value is significant at 0.01 in a statistic.

Source: Developed by author

In addition to assessing the feasibility of the model, modifications were made by establishing relations among error variables and covariates, as illustrated in Table 3. The relative chi-square statistic, represented as CMIN/DF, is ideally kept below the threshold of 5 to reduce the dependence of the model on sample size. This modification was essential for ensuring that the chi-square statistic did not overly influence the model's fit due to the size of the dataset. Conversely, the fit indices such as the Tucker-Lewis Index (TLI), Comparative Fit Index (CFI), Normal Fit Index (NFI), and Incremental Fit Index (IFI) have established cut-off values that range from 0 to 1, as detailed in Table 3. A value closer to 1 indicates a good fit, reflecting the model's accurate data representation. The model's feasibility was assessed during the second evaluation stage by utilizing modification indices for necessary adjustment, enhancing overall model fit, and demonstrating the rigor of the testing process to yield reliable results.

Similarly, the Root Mean Square Error of Approximation (RMSEA) is a key fit index in Structural Equation Modeling (SEM), measuring how well a model fits the population covariance matrix (Rex B Kline, 2023; James H. Steiger, 1990). RMSEA values indicate the degree of model fit, with lower values suggesting better fit. As per

common guidelines, values ≤ 0.01 indicate excellent fit, ≤ 0.05 good fit, and ≤ 0.08 acceptable fit (Robert C MacCallum et al., 1996). Some researchers consider a value up to 0.10, indicating an average fit (Michael W Browne & Robert Cudeck, 1992). However, these thresholds are not rigid rules but general guidelines, and RMSEA should be interpreted alongside other fit indices and theoretical considerations (Rex B Kline, 2023). According to the guidelines, the RMSEA value of the research was 0.079. Being below the cutoff of 0.08, which denoted a satisfactory match between the model and observed data, the value was deemed acceptable. Consequently, the RMSEA suggested that the model effectively captured the underlying relationships among the variables, thereby reinforcing the validity and reliability of the research results.

Table 3: Goodness of Fit Model.

The goodness of the Fit index	Cut-off Value	Result of Modification Indices	Info
Chi-Square	Expected small	324.944	Fit
Probability	≤ 0.05	0.000	Significant
CMIN/DF	≤ 3.00	2.621	Fit
RMSEA	≤ 0.08	0.079	Acceptable
NFI	0 to 1	0.688	Moderate
IFI	0 to 1	0.781	Moderate
TLI	0 to 1	0.720	Moderate
CFI	0 to 1	0.773	Moderate
DF	124		

Source: Developed by author

4.3 Hypothesis Results

Table 4 shows the results of the hypothesis for three critical relationships within SEM. This analysis likely examined how leadership impacts organizational performance and work motivation. The table employed various statistical measures to assess the significance and validity of each hypothesis, providing a comprehensive evaluation of the proposed relationship.

Hypothesis 1 (H1) examined the direct relationship between leadership (L) and organizational performance (P). the standardized regression weight (SRW) of 0.266 indicated a positive relationship with a critical ratio (C.R.) of 1.987 and a p-value of 0.047. this result is statistically significant at the 0.05 level, supporting the hypothesis that leadership directly influences organizational performance. Hypothesis 2 (H2) investigated the relationship between leadership and work motivation (M). The SRW of 0.679 suggested a strong positive relationship, with a highly significant C.R. of 4.843 and a p-value less than 0.001 (indicated by ***). This provides robust support for the hypothesis that leadership significantly affects work motivation. Similarly, hypothesis 3 (H3) examined the relationship between M and P. The SRW of 0.595 indicated a substantial positive relationship, with a C.R. of 3.811 and a p-value less

than 0.001. This result strongly supported the hypothesis that work motivation significantly impacted organizational performance.

Table 4: Hypothesis Test Results

Hypothesis	RW	SRW	S.E.	C.R.	P	Info	Result
H1 L → P	0.245	0.266	0.123	1.987	0.047	Significant	Support
H2 L → M	0.448	0.679	0.093	4.843	***	Significant	Support
H3 M → P	0.827	0.595	0.217	3.811	***	Significant	support

*Note: RW= Regression Weight; SRW= Standardized Regression Weight; L = Leadership; M = Work Motivation; P = Organizational performance; *** is significant at 0.01 in a statistic.*

Source: Developed by author

In conclusion, the findings indicated that work motivation exerted a significant psychological impact on the organizations, serving as a foundation for enhancing organizational performance. Providing substantial incentives for each successful job performance reflected business professionalism, aligning with the research conducted by Farhan Saputra, (2021). It was essential to inspire employees so that they pursue their goals in the workplace. This was the primary incentive for an employee to stay with the firm, as shown through career pathways that the organization deemed appropriate. Work motivation was also affected by the workplace environment and social relationships, consistent with the research studied by Maartje Paais & Jozef R Pattiruhu, (2020).

Moreover, a precise, measurable, and planned training and incentive system demonstrated that leadership positively and substantially influences job motivation and directly and indirectly affects organizational performance. These might be considered necessary leadership elements for organizations to attain work motivation (Reza Nurul Ichsan et al., 2021). Leadership is guiding, mobilizing, and persuading personnel to improve organizational performance for carrying out the primary activities and functions of the work process.

4.4 Direct and Indirect Effects of SEM

The standardized effects presented in Table 5 and Figure 2 illustrate the complex relationships between leadership (L), work motivation (W), and organizational performance (P) in a structural equation model (SEM). Leadership strongly affects both work motivation (0.679) and organizational performance (0.670), highlighting its crucial role in shaping these organizational outcomes. The direct effect of leadership on organizational performance (0.266) is notable, indicating that leadership practice has an immediate impact on organizational results. However, the indirect effect of leadership on organizational performance (0.404) is more substantial, suggesting that leadership's impact on organizational performance is significantly mediated through work motivation. This result highlights the

importance of leadership in cultivating a motivated workforce to enhance overall organizational performance.

Table 5: Standardized Direct and Indirect Effects

Standardized Effects		Total		Standardized Effects		Direct	Standardized Indirect Effects		
L	W	P	L	W	P	L	W	P	
W	0.679	0	0	0.679	0	0	0	0	0
P	0.670	0.6	0	0.266	0.595	0	0.404	0	0

Note: L = Leadership; M = Work Motivation; P = Organizational performance

Source: Developed by author

Similarly, work motivation emerges as a key factor for this research model, directly affecting organizational performance with a considerable coefficient of 0.595. This strong direct effect emphasizes the critical role of employee motivation in driving organizational success. The absence of effects from performance on either leadership or work motivation indicates a unidirectional relationship in the model, where leadership and work motivation influence organizational performance. These results collectively support the conclusion that leadership influences organizational performance through two pathways: direct and indirect routes mediated by work motivation. The stronger indirect effect suggested that leaders may achieve a greater impact on organizational performance by focusing on strategies that enhance employee motivation rather than solely relying on direct performance management techniques.

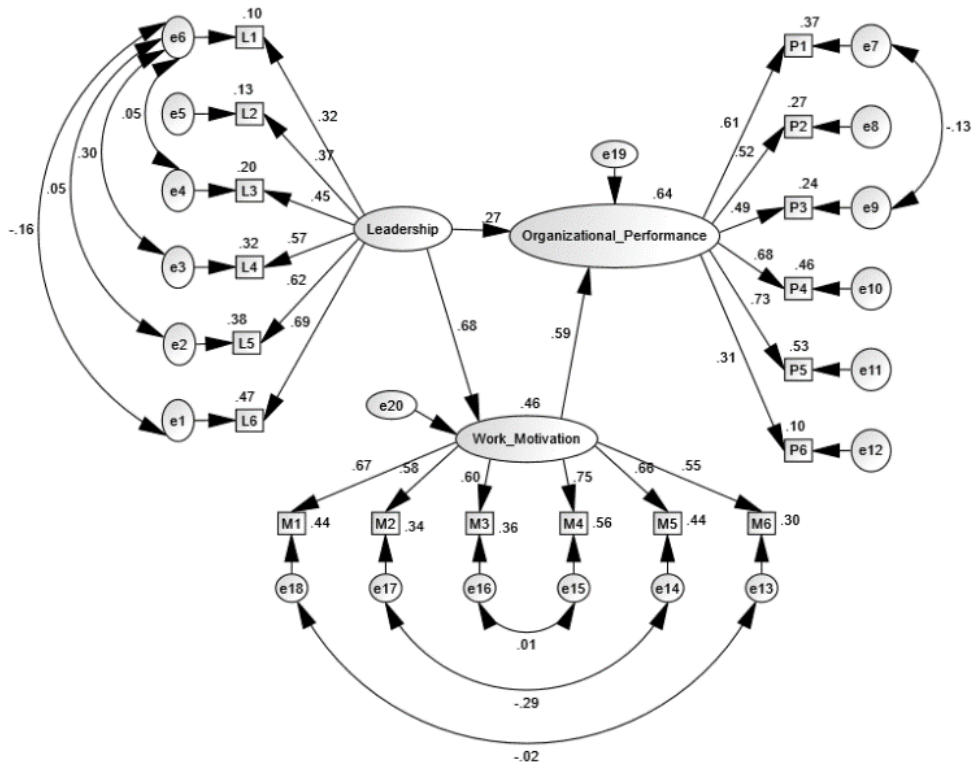


Figure 2: The Structural Equation Model
 Source: Developed by author

CONCLUSION

The study emphasized the crucial nature of balancing extrinsic and intrinsic rewards within Eritrea's upper management structures. It posits that segregating personal challenges from job-related ones can positively influence work motivation (Reza Nurul Ihsan et al., 2021), impacting the organization's overall performance. Firms that offer high wages but fail to provide intrinsic rewards tend to suffer from subpar labor performance. Additionally, the study sheds light on the indirect advantages of effective leadership in enhancing organizational performance, urging public companies to reconsider their strategies. Work motivations serve as a vital resource within an organization, yielding significant benefits in terms of performance.

The research findings collectively explained how leadership, work motivation, and organizational performance were interconnected. The strongest relationships appeared between leadership and work motivation (H2), followed by the relation between work motivation and organizational performance (H3). While significant, the direct relationship between leadership and performance (H1) showed a comparatively smaller effect. This pattern of results suggested that leadership may indirectly have its most substantial impact on organizational performance through its influence on work motivation. The research provided empirical support for all three

hypotheses, underscoring the importance of effective leadership in fostering work motivation and consequently, enhancing organizational performance.

Drawing upon the resource orchestration theory, organizations are urged to effectively gather, leverage, and package their resources to enhance performance. The research combines organizational resources with strategic leadership, bolstering work motivation and achieving superior outcomes. The results support the resource orchestration hypothesis, suggesting that senior executives should evaluate organizational skills to gauge the success of public organizations. They created the necessary leadership and managerial models, structures, and procedures to efficiently and successfully manage massive organizational changes (Samuel Ogbeibu et al., 2020). It has been predicated on the idea that in a context of technological transition, worldwide competitiveness, and social responsibility, management would need to be someone who possesses the integrate accordingly: the capacity to function efficiently as a self-aware and contemplative leader, the capability to comprehend organizational behavior and how to enhance productivity and effectiveness, and the capacity to usher in change.

The research recommended that the management system establish a transparent and proactive leadership strategy that inspires and retains dedicated leaders who contribute positively to the growth of public organizations within the nation. The study also proposes future directions for the successful and long-term management of public organizational performance through effective leadership. Nevertheless, it is crucial to recognize that the research does have a few limitations, such as its exclusive focus on Eritrea, its relatively brief duration, and its dependence on work motivation as a mediating factor. Likewise, the practical implications involve frequent assessment of leadership effectiveness and staff motivation levels and the deployment of specialized motivating initiatives. By prioritizing good leadership and creating a motivated staff, the organizations may greatly enhance their performance and service delivery to the community.

In conclusion, the research demonstrated that for organizations to function well, leaders in all guises—personal, non-personal, democratic, authoritarian, and paternalistic, are required (Jana Kammerhoff et al., 2019). Leaders frequently modify the character of management when confronted with personnel situations and organizational dynamics. The significance of previous research findings and the results of such a study could be explained by an indicator of the leadership style that improves overall organizational performance in public companies (S.Suriyanti, 2020). First, the style of leadership that can be inferred from the personality displayed is that of a manager who is curious about the many job motives and staff activities. Managers often play a close-knit role with their staff when giving instructions, enforcing rules, or considering issues of employees' concerns to improve job performance. Managers constantly have dialogues with employees about various work activities topics to enhance organizational performance in public organizations. Adopting leadership styles can be acceptable when the nature of the workforce is understood. The type of organizational nature, organizational culture, employment-

based employment, and the degree of internal organizational knowledge all influence the leadership pattern.

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