The Influence of Transformational Leadership and Kaizen Culture on Employee Performance at PT Asia Sakti Wahid Foods Manufactures

Luis Figo Wijaya[a], Fajar Rezeki Ananda Lubis[a], Elly Romy[a]
[a]Universitas Prima Idonesia

ABSTRACT

The objective of this research is to examine how transformational leadership and Kaizen culture impact employee performance at PT Asia Sakti Wahid Foods Manufacturers. The analysis utilizes the SmartPLS-SEM method with data collected from 60 respondents. The findings indicate that transformational leadership has a significant positive effect on employee performance (coefficient 0.564, p-value 0.000), while the implementation of Kaizen culture also significantly impacts employee performance improvement (coefficient 0.363, p-value 0.003). On the other side, the effect of transformational leadership also has a significantly impats toward kaizen culture (coefficient 0.493, p-value 0.000). The study concludes that transformational leadership and Kaizen culture play crucial roles in improving employee performance. It suggests that the company should leverage transformational leadership styles and a continuous improvement culture to effectively and efficiently enhance performance.

Keywords: Employee Performance, Kaizen Culture, dan Transformational Leadership

INTRODUCTION

In today's era of globalization, intense competition requires individuals to always be ready to face changes and challenges. The adaptation process is crucial for both individuals and companies to survive in the current globalized world. Improving Human Resources (HR) is an important factor in enhancing personal quality, enabling competition even at the international level (Rusman, 2022). Effective human resource management can serve as a long-term investment for increasing company productivity. Proper and professional management of human resource is totally expected to improve employee performance within a company (Lilia et al., 2020).

Table 1. Percentage of Carton Production Productivity at PT ASW (2019-2024)

Category	2019-2020 (%)	2020-2021 (%)	2021-2022 (%)	2022-2023 (%)	2023-2024 (%)
SHP	29.23%	-62.61%	94.47%	26.69%	-23.02%
Packaging 21	17.62%	-64.08%	33.26%	10.10%	-18.58%
Cookies Cream	52.33%	-63.19%	30.63%	15.01%	-27.88%
Packaging 40	49.20%	-64.17%	35.40%	15.25%	-25.70%

ATB	42.16%	-47.47%	67.52%	7.20%	-21.74%
Cheese	55.95%	-64.61%	33.06%	13.57%	-24.61%

Based on Table 1, it shows the fluctuations in the percentage change in carton quantities for various categories from 2019 to 2024. Products such as SHP experienced significant changes, with a sharp decline in 2020-2021 (-62.61%) followed by a substantial increase in 2021-2022 (+94.47%). A similar pattern is observed in Packaging 21, Cookies Cream, and Packaging 40, which show a drastic decrease in 2020-2021, followed by a gradual increase in the subsequent years. The ATB product maintained a significant upward trend in 2019-2020 (+42.16%), although it began to steadily decline in 2023-2024 (-21.74%). The Cheese product showed a significant decrease in 2020-2021 but gradually increased in the following years.

The productivity of carton production in biscuit companies is influenced by various factors, such as the availability of raw materials, efficient production processes, workforce competence, and the condition of production machinery. The availability of key ingredients such as flour and sugar plays an important role in maintaining smooth production, as supply shortages can hinder output. Operational efficiency, including the use of modern technology and good time management, also contributes to optimal results, supported by a skilled workforce to minimize errors. Machinery breakdowns pose a major challenge, as they can cause delays that directly impact production capacity. In addition, market demand, internal company policies, and working conditions, such as employee motivation, also affect production target achievement. An effective combination of all these elements is key to maintaining productivity stability and competitiveness in the era of globalization (Stevenson, 2021).

Good employee performance is undoubtedly essential to achieving higher productivity levels. One of the indicators used to measure employee performance is work quantity, which can be assessed through the speed and ability of employees to improve the company's productivity (Syafitri, 2022). PT Asia Sakti Wahid Foods Manufacturers has a grand goal of becoming the leading Fast Moving Consumer Goods (FMCG) company in Indonesia and abroad. Therefore, to achieve the company's primary goal, there is a need for improvement in employee performance, taking into account the influence of transformational leadership, the implementation of kaizen culture.

Literature review

Definition of Leadership

Leadership is a complex process involving the continuous interaction of organizing, empowering, and controlling by an individual in a leadership role, all aimed at achieving a specific

goal. The purpose of leadership is to provide direction and influence for followers to achieve common objectives. A leader must be capable of making complex and objective decisions, demonstrating feasibility, commitment, and enthusiasm to each member. In the context of an organization, leadership is a crucial value, serving as the guide and responsible party for achieving the organization's goals (Artanto, 2022).

Transformational Leadership

Transformational leadership is a type of leadership that focuses on building a strong commitment by instilling trust in subordinates to achieve specific objectives. It is often viewed as a skill of a leader who aims to change the work environment, motivate followers, and instill work ethics to achieve optimal performance results in reaching goals (Darodjat, 2015). Transformational leadership seeks ways to change the values followed by subordinates to achieve the organization's goals. Additionally, a transformational leader is recognized as an individual who brings about significant changes in a company by creating positive transformations within the organization (Iqbal, 2021).

Kaizen Culture

Kaizen culture is one of the most well-known methods globally and is highly effective in improving company performance by minimizing operational costs as much as possible (Tri et al., 2019). The implementation of Kaizen can effectively progress due to its close relationship with employees, particularly as a communication bridge between workers. The era of globalization demands adaptation and gradual change, while Kaizen consistently offers continuous improvement, even in the smallest aspects, making it the best tool for competing in the present day. Kaizen focuses on improvement in all aspects in a systematic and structured manner, leading to the creation of many successful companies when implemented properly (Macpherson, 2015).

METHODS

Research Location

The research location refers to the area where the study will be conducted. This research will take place at PT Asia Sakti Wahid Foods Manufacturers. PT Asia Sakti Wahid Foods Manufacturers is located at Jl. Pertahanan I No.7, Timbang Deli, Medan Amplas, Medan City, North Sumatra, with the postal code 20148.

Population and Sample

According to Amin et al. (2023), the population refers to the total size of the research objects/subjects. The research population is important because it involves all components of the

objects/subjects with specific characteristics. The population of this study consists of all staff-level employees and above who work at PT Asia Sakti Wahid Foods Manufacturers, totaling 235 individuals. Based on Amin et al. (2023), the sample is a segment of the total population that becomes the research object/subject. Specifically, a sample can serve as a valid representation of a population for researchers. According to Arikunto (2006), when the population has more than 100 respondents, the sample size can range from 20-25%. Given the total number of respondents is 150 individuals, the sample size for this study is calculated as 25% of 235 respondents, which equals approximately 60 respondents.

Data Sources and Collection Techniques

Data sources obtained from PT Asia Sakti Wahid Foods Manufacturers can be divided into primary and secondary data. Primary data includes employee surveys, interviews, and direct field observations. The employee survey is primary data collected for analyzing the relationships between variables. Interviews provide primary data obtained through two-way communication activities. Lastly, direct observation involves observing the implementation of the relationships between variables in more depth.

In addition to primary data, secondary data can also be obtained, which includes company documentation and related literature or studies. Company documentation is secondary data that can be sourced from the company to support the background of the problem. Literature and related studies are secondary data derived from previous research related to the issue at hand. The data sources used in this research are limited because the required information is confidential. While the available data is limited, the most important factor is the relevance of the data to the research objectives. Despite data limitations, efforts have been made to ensure that the information used remains appropriate and supports the primary focus of this research.

Research Methodology

This research is conducted based on the results of evaluations using the Partial Least Square Structural Equation Modeling (PLS-SEM) method, utilizing the SmartPLS Version 4 application. According to Hair et al. (2021), the general model evaluation in PLS-SEM includes testing the outer model, inner model, and model fit.

1. Convergent Validity Test

   According to Hair et al. (2021), convergent validity testing is a measurement analysis to assess the relationship between an indicator and a construct, ensuring that they are strongly correlated and can adequately explain the construct, thereby yielding consistent results. Ghozali (2021) states that when using the PLS-SEM method, the outer loading must show

correlation values greater than 0.7 for convergent validity to be considered well fulfilled. However, in some cases, loading factors with values ranging from 0.5 to 0.6 are still acceptable. Additionally, Hair et al. (2021) further suggest that an Average Variance Extracted (AVE) value above 0.5 is considered to adequately explain the relationship between the construct and its indicators.

2. Reliability Test

   According to Hair et al. (2021), reliability testing is an indicator test aimed at measuring the level of consistency of each indicator with a construct. Reliability testing can be assessed from two aspects: composite reliability and Cronbach's alpha. A composite reliability value greater than 0.7 is considered good and indicates a high level of consistency. On the other hand, a Cronbach's alpha value greater than 0.7 is considered ideal, showing that the model used has very good reliability (Ghozali, 2021)

3. Discriminant Validity Test

   According to Hair et al. (2021), discriminant validity testing serves to measure the presence of discriminant validity within the model being used. The results of this test can be observed through the values of cross-loading and the Average Variance Extracted (AVE) using the Fornell-Larcker Criterion method. Ghozali (2021) explains that a good reading of the cross-loading values occurs when each indicator that correlates with a construct has a higher value than those correlating with other constructs, with an ideal value above 0.7. On the other hand, the Fornell-Larcker Criterion method is a measurement that involves comparing the square root of the AVE of a construct. When the square root of the AVE for a construct is higher than the correlations with other constructs, it indicates that the model has very good discriminant validity (Henseler et al., 2015). Additionally, Hair et al. (2021) add that the cross-loading test can also be used as a method for conducting a more in-depth evaluation of the relationships between indicators, with the aim of determining the extent to which each indicator collaborates with the others.

4. Multicollinearity Test

   The multicollinearity test is a statistical procedure focused on identifying the presence of a high level of collinearity among independent variables in a regression analysis. Independent variables should not be highly correlated with each other in order to produce a reliable regression model. One common indicator used to detect multicollinearity is the Variance Inflation Factor (VIF). If the VIF value is greater than 10, it indicates a high level of

multicollinearity. Conversely, if the VIF value is less than 10, it suggests a low level of multicollinearity (Indri & Putra, 2022).

5. Path Coefficients Test

   Path coefficients testing is a measurement used to clearly describe the relationship between independent and dependent variables in a model. According to Hair et al. (2021), path coefficient values range from -1 to +1, where positive values represent a positive relationship, and negative values represent a negative relationship. In simple terms, the higher the path coefficient, the stronger the relationship between the variables.

6. Hypothesis Test

   Hypothesis testing is a procedure used to validate and explain the relationship between independent and dependent variables. According to Ghozali and Latan (2015), the purpose of hypothesis testing is to determine the significance of the relationship, where a p-value below 0.05 indicates a significant relationship, while a p-value above 0.05 suggests that the variable does not have a significant effect. The ideal significance level used is an alpha of 5%, or a confidence interval of 95%.

7. Coefficient of Determination Test (R^2)

   The coefficient of determination (R^2) test is a statistical procedure focused on identifying the extent to which variability in the dependent variable is explained by the independent variables in a regression equation. Since this study uses more than one independent variable, the test is conducted using Adjusted R^2. A higher R^2 value indicates that the regression model explains the variability in the dependent variable well, while a smaller R^2 value suggests an inability to explain the variability in the data (Indri & Putra, 2022). Ghozali (2021) adds that R^2 values are categorized into different levels: 0.67 (strong effect), 0.33 (moderate effect), and 0.19 (weak effect).

8. Predictive Relevance Test (Q^2)

   The Predictive Relevance (Q^2) test is a type of evaluation that interprets the predictive accuracy of exogenous or endogenous variables in predicting the endogenous variable. Ghozali (2021) explains that a Q^2 value greater than 0 indicates that the model has the ability to make more accurate predictions, while a Q^2 value less than 0 suggests that the model is not effective in making predictions. According to Hair et al. (2019), Q^2 values have different levels of implication: a value of 0 indicates low predictive relevance, 0.25 indicates moderate predictive relevance, and 0.5 indicates high predictive relevance.

9. Goodness of Fit Test (GoF)

The Goodness of Fit (GoF) index test is used to analyze the strength of the relationship between the model constructed in SEM analysis. Simply put, the GoF test measures how well a model describes the data and each measured variable. The GoF index value can be obtained by multiplying the average values of communality and the average values of R^2, followed by taking the square root of the result. The interpretation of the GoF index has different levels: a value of 0.1 indicates a low fit, 0.25 indicates a medium fit, and 0.36 indicates a high fit (Wetzels et al., 2009).

10. PLS Predict Test

    According to Hair et al. (2019), SEM analysis requires advanced testing to make predictions about the proposed model. PLS Predict is a tool that can validate and test the predictive strength of a PLS model. A model is considered to show strong predictive ability if the root mean squared error (RMSE) or mean absolute error (MAE) values are lower than those of a linear regression model. This indicates that the PLS model has better predictive accuracy compared to the linear regression model.

RESULTS & DISCUSSION

As an initial step in ensuring the validity and reliability of a research instrument, a critical evaluation of the reflective measurement model is conducted. This analysis is based on the theoretical framework underlying the constructs of the variables to be measured. It is carried out by empirically testing the significance of the factor loading coefficients, internal reliability, and both convergent and discriminant validity. This process aims to provide justification for the selection of indicators and the appropriateness of the research model used, ensuring the soundness of the instrument for measuring the intended constructs.

1. Outer Loading, Composite Reliability, Cronbach's Alpha, and Average Variance Extracted (AVE) Test

   The evaluation methods of Outer Loading, Composite Reliability, Cronbach’s Alpha, and Average Variance Extracted (AVE) are essential for assessing the quality of instruments in measurement models, particularly in structural analysis and Partial Least Squares (PLS)-based modeling (Hair et al., 2021). Outer Loading measures the strength of the relationship between indicators and the latent variable they represent, where higher values indicate that the indicator plays a significant role in representing the variable. Both Composite Reliability and Cronbach’s Alpha assess internal consistency among indicators within a variable, with

Composite Reliability being considered more accurate as it takes into account the weights of each indicator. Additionally, AVE is used to test the convergent validity of variables, where values above 0.5 indicate that the variable captures more variance from its indicators than the variance caused by error (Hair et al., 2021).

Table 2. Outer Loading, Composite Reliability, and Average Variance Extracted

Variable	Label	Indicator	Outler Loading	Cronbachs Alpha	Composite Realiability	AVE
Transformational Leadership	KT01	Role Modeling	0.744	0.960	0.964	0.609
	KT02	Trust	0.767			
	KT03	Moral Leadership	0.788			
	KT04	Ethical Commitement	0.786			
	KT05	Reward and recognition	0.801			
	KT06	Consistency of actions	0.748			
	KT07	Clear vision	0.744			
	KT08	Passion and enthusiasm	0.807			
	KT09	Positive messaging	0.818			
	KT10	Provision of Innovation Resources	0.719			
	KT11	Enchancing creativity	0.784			
	KT12	Problem solving	0.755			
	KT13	Open discussion	0.824			
	KT14	Personal guidance	0.755			
	KT15	Career development	0.795			
	KT16	Empathy and support	0.823			

Variable	Label	Indicator	Outler Loading	Cronbachs Alpha	Composite Realiability	AVE
	KT17	Constructive feedback	0.800			
Kaizen Culture	BK01	Frequency of Improvement Initiative	0.755	0.930	0.940	0.589
	BK02	Management Involvement	0.740			
	BK03	Number of ideas	0.739			
	BK04	Team engagement	0.728			
	BK05	Employee feedback	0.769			
	BK06	Kaizen training	0.735			
	BK07	Kaizen understanding	0.773			
	BK08	Skill development	0.726			
	BK09	Performance metrics	0.843			
	BK10	Outcome evalution	0.807			
	BK11	Follow-up	0.820			
Employee Performance	KK01	Accuracy	0.807	0.942	0.950	0.657
	KK02	Attention to detail	0.833			
	KK03	Job Qualification	0.849			
	KK04	Productivity	0.811			
	KK05	Output quantity	0.770			
	KK06	Work speed	0.775			
	KK07	Work results	0.831			
	KK08	Decision making	0.803			

Variable	Label	Indicator	Outler Loading	Cronbachs Alpha	Composite Realiability	AVE
	KK09	Collaboration building	0.785			
	KK10	Team cohesion	0.837			

The transformational leadership variable is measured using 17 indicators, resulting in outer loading values ranging from 0.719 to 0.824. These outer loading values indicate that all the indicators used are strongly correlated in explaining the transformational leadership variable, thus meeting the criteria for convergent validity, as stated by Ghozali (2021), where the outer loading correlation value must be above 0.7. The reliability of the transformational leadership variable is also acceptable, with a composite reliability value of 0.940, a Cronbach's alpha of 0.960, and convergent validity with an AVE value of 0.609 (>0.5). This is in accordance with Ghozali (2021), where composite reliability values above 0.7 show excellent consistency and Cronbach's alpha values above 0.7 indicate that the model has good reliability.

Among all the indicators, "Open Discussion" and "Empathy and Support," with the highest loading factors of 0.824 and 0.823, respectively, show a very strong relationship in the application of transformational leadership at PT ASW, and thus should be maintained properly. On the other hand, the indicators "Provision of Innovation Resources" and "Role Modeling" with the lowest loading factors of 0.719 and 0.744, respectively, show a weaker relationship in the application of transformational leadership at PT ASW and thus need improvement and acceleration. This also applies to the reading of Kaizen culture variables and employee performance according to their respective indicators.

2. Validity Discriminant Test

Based on the results of testing using the SmartPLS-4 application, the Fornell and Lacker test results are shown in Table 3.

Table 3. Table of Fornell and Lacker

Variable	Kaizen Culture	Transformational Leadership	Employee Performance
Kaizen Culture	**0.768**		
Transformational Leadership	0.486	**0.780**	

Employee Performance	0.636	0.742	**0.811**

Based on Table 3, The Kaizen culture variable has an AVE square root of 0.768, which indicates a stronger relationship with transformational leadership and employee performance with correlations of 0.486 and 0.636, respectively. This result shows that the discriminant validity of the Kaizen culture variable is well established. The transformational leadership variable has an AVE square root of 0.768, which is higher than its correlations with the Kaizen culture and employee performance variables, which are 0.768 and 0.742, respectively. This result confirms that the transformational leadership variable has met the discriminant validity requirements. Next, the employee performance variable has an AVE square root of 0.811, which is also greater than its correlations with the Kaizen culture and transformational leadership, which are 0.768 and 0.780, respectively. This indicates that the discriminant validity of this variable has been achieved. Therefore, based on Henseler et al. (2015), the square root of the AVE of a construct should correlate higher with itself than with other constructs, which demonstrates that the discriminant validity has been very well met.

3. Multicollinearity Test

Based on the testing results using the SmartPLS-4 application, the multicollinearity testing results can be seen in Table 4.

Table 4. Table of Collinearity Statistic (VIF)

Variable	Kaizen Culture	Transformational Leadership	Employee Performance
Kaizen Culture			
Transformational Leadership			1.616
Employee Performance			2.108

Based on Table 4., it is shown that the VIF values for all variables are below 5. Specifically, the values are 1.616 for Transformational Leadership and 2.108 for Employee Performance. These values indicate that the level of multicollinearity between variables is quite low. This finding is consistent with the study by Indri and Putra (2022), where VIF values below 10 indicate low multicollinearity. From this result, we can conclude that all variables in this study are stable and unbiased, ensuring that there is no indication of multicollinearity that could disrupt the analysis. The success in producing data free from collinearity influences is

crucial to ensure that the findings of this study are reliable. In other words, this testing provides confidence that the analysis performed and the conclusions drawn can be considered accurate, thereby strengthening the foundation for the recommendations and implications generated from this research.

4. Hypothesis Test

Based on the testing results using the SmartPLS-4 application, the direct effect hypothesis testing results can be seen in Table 5.

Table 5. Table of Hypothesis Test (Direct Effect)

Hypothesis	Path Coefficient	p-value	95% Confidence Interval Path Coefficient		f-square
			Upper Limit	Lower Limit	
H1. Transformational Leadership -> Employee Performance	**0.564**	**0.000**	**0.251**	**0.758**	**0.694**
H2. Kaizen Culture-> Employee Performance	**0.363**	**0.003**	**0.149**	**0.626**	**0.287**
H3. Transformational Leadership -> Kaizen Culture	**0.493**	**0.000**	**0.310**	**0.709**	**0.321**

The first hypothesis explores the impact of transformational leadership on employee performance, revealing a path coefficient of 0.564 and a p-value of 0.000. These results indicate a significant positive relationship, where an improvement in transformational leadership contributes to enhanced employee performance. This finding aligns with studies by Pricilla (2017) and Veliando & Yanuar (2011), which assert that transformational leadership significantly influences employee performance. Additionally, the results are supported by Lesilolo (2013), who argues that this significant influence is attributed to the characteristics of a transformational leader, including resilience, flexible adaptability, and consistency in fostering continuous innovation.

Based on Table 5, it can be concluded that the first hypothesis is accepted, indicating that any change in transformational leadership will lead to improved employee performance. With a confidence interval of 95%, the magnitude of the effect of transformational leadership on enhancing employee performance ranges between 0.251 and 0.758. Furthermore, the f-square value is 0.694, which, according to Hair et al. (2021), denotes that the level of

significance between transformational leadership and employee performance is categorized as high (>0.35). This also applies to the reading of the effect of kaizen culture to employee performance and transformational leadership to kaizen culture.

5. R Square dan Q Square Test

Based on the testing results using the SmartPLS-4 application, the R Square and Q Square hypothesis testing outcomes are presented in Table 6.

Table 6. Table of R Square dan Q Square

	R Square	Q Square (Predict)
Employee Performance	**0.723**	**0.614**

Based on Table 6., R Square value of 0.723 for employee performance, it can be interpreted that approximately 72.3% of the variance in performance is explained by the developed model, demonstrating its strong capability in identifying the factors influencing performance. According to Ghozali (2021), an R Square value exceeding 0.67 indicates a substantial impact, while values above 0.33 reflect a moderate impact. Therefore, the model equation is highly effective in explaining the employee performance variable. From a predictive perspective, the Q Square value for employee performance is 0.614, indicating that the model is also sufficiently robust in making predictions. However, based on classification levels, Hair et al. (2021) further suggest that a Q Square value exceeding 0.5 signifies a high predictive relevance.

6. Goodness of Fit Index Test

Based on the testing results using the SmartPLS-4 application, the Goodness of Fit Index testing results can be seen in Table 7.

Table 7. Table of Goodnes of Fit Index (GoF Index)

Communality	Mean of R Square	GoF Index
0.628	**0.668**	**0.648**

Based on Table 7, which shows the Goodness of Fit (GoF) index, there are three key values that need to be analyzed: the average communality, the average R Square, and the GoF Index. The recorded average communality value of 0.628 indicates that the variables in this model collectively contribute well to the variability of the observed variables. A high average communality suggests that most of the variables can be explained by the factors identified in the model (Hair et al., 2021). On the other hand, the average R Square value of 0.668 reflects

that 66.8% of the variation in the independent variables is well described by the model. The GoF Index value, which reaches 0.648, is an overall measure of model fit, incorporating information from both the average communality and average R Square. According to Wetzels et al. (2009), a GoF Index value above 0.36 indicates good fit, and in this study, the GoF Index value of 0.648 places the model in the very good category. This GoF Index is crucial for assessing how effectively the model represents the observed data, providing confidence that the proposed model is a valid representation of the actual conditions.

7. PLS Predict Test

Based on the testing results using the SmartPLS-4 application, the PLS Predict testing results can be seen in Table 4.8.

Table 8. Table of PLS Predict

Indicator	Model PLS		Model LM	
	RMSE	**MAE**	**RMSE**	**MAE**
KK01	0.788	0.672	1.308	1.015
KK02	0.667	0.532	0.856	0.704
KK03	0.667	0.585	0.881	0.693
KK04	0.605	0.487	0.862	0.667
KK05	0.559	0.453	0.881	0.678
KK06	0.694	0.578	0.839	0.659
KK07	0.531	0.419	0.779	0.603
KK08	0.538	0.443	0.868	0.698
KK09	0.680	0.576	0.720	0.576
KK10	0.715	0.589	1.128	0.874

Based on Table 8, which presents the results of the PLS Predict analysis, a comparison is made between the PLS Model and the LM Model using two evaluation metrics : Root Mean Square Error (RMSE) and Mean Absolute Error (MAE). According to Hair et al. (2021), if all measurement variables in the PLS model show lower RMSE and MAE values compared to the linear regression model, the PLS model is considered to have excellent predictive power. Therefore, the results of this analysis indicate that the PLS Model is consistently more effective in predicting employee performance, as reflected by the lower RMSE and MAE values. This further strengthens the confidence that the PLS model is reliable in data analysis for more accurate decision-making.

CONCLUSION

Based on the results of the research and analysis conducted, the following conclusions have been drawn:

1. Transformational leadership has a positive and significant effect on employee performance, meaning that the implementation of transformational leadership influences the improvement of employee performance at PT Asia Sakti Wahid Foods Manufactures.
2. Kaizen culture has a positive and significant effect on employee performance, indicating that the application of kaizen culture can effectively enhance employee performance at PT Asia Sakti Wahid Foods Manufactures.
3. Transformational leadership has positive and significant effect on kaizen culture, prove that implementation of continuous improvement also directly enchant the value of transformational leadership at PT Asia Sakti Wahid Foods Manufactures.

LIMITATION

The company needs to focus on strengthening transformational leadership and the implementation of kaizen culture to enhance employee performance at PT Asia Sakti Wahid Foods Manufactures. More effective transformational leadership can be achieved through training that emphasizes good communication, employee empowerment, and instilling a clear vision. Additionally, kaizen culture should be more integrated into daily work processes to encourage innovation and continuous improvement, ultimately boosting employee performance. In conclusion, further research should be conducted with broader access to more comprehensive financial data, enabling a deeper and more comprehensive analysis. More complete research data could provide more accurate insights and support a better understanding of the factors influencing the overall company performance.

REFERENCES

Airyq, I.M., Hubeis, A.V.S., dan Sukmawati, A. 2023. "Pengaruh Kompetensi, Kepemimpinan dan Budaya Organisasi Terhadap Sumber Daya Manusia". *Jurnal Aplikasi Manajemen dan Bisnis Vol. 9 No. 1 : 285-295.*

Amin, N.F., Garancang, S., dan Abunawas, K. 2023. "Konsep Umum Populasi dan Sampel Dalam Penelitian". *Jurnal Pilar Vol. 14 No. 1 : 15-31.*

Arikunto, S. 2006. “Prosedur Penelitian Suatu Pendekatan Praktik”. Jakarta : PT. Rineka Cipta.

Artanto, D. 2022. “Strategi Kepemimpinan Transformasional untuk Meningkatkan Mutu Layanan Pendidikan Islam”. *Jurnal Manajemen Pendidikan Islam Vol 12 No. 2 : 108-122.*

Darodjat, T.A. 2015. “Konsep-Konsep Dasar Manajemen Personalia Masa Kini”. Bandung : Refika Aditama.

Ente, T.K., Alam, H.V., dan Bokingo, A.H. 2023. “Budaya *Kaizen* Meningkatkan Kinerja Pegawai di Kementrian Hukum dan HAM Provinsi Gorontalo”. *Jurnal Ilmiah Manajemen dan Bisnis Vol. 5 No. 3 : 1209-1217.*

Fadilah, M.A., Edward., dan Wilian, R. 2023. “Pengaruh Kepemimpinan Transformasional Terhadap Kinerja Karyawan Dengan Organisasi Sebagai Variabel Intervening Pada PT. Enseval Putera Megatrading, Tbk Cabang Jambi”. *Jurnal Dinamika Manajemen Vol. 11 No. 1 : 25-37.*

Ghozali, I. 2021.”Partial Least Squares Konsep, Teknik dan Aplikasi Menggunakan Program SmartPLS 3.2.9 Untuk Penelitian Empiris (third ed.). Semarang : Universitas Diponegoro.

Ghozali, Imam dan Latan, K. 2015. “Partial Least Squares Konsep Teknik dan Aplikasi dengan Program Smart PLS 3.0.” Semarang: Universitas Diponegoro Semarang.

Hair, J.F., Hult, G., Tomas, M.R., Christian M.S., Marko, D., Nicholas, P.R., dan Soumya. 2021. “Partial Least Squares Structural Equation Modeling (PLS-SEM) Using R, Practical Assessment, Research and Evaluation”.

Hakim, M.A., Musadieq, M.A., dan Nurthjahjono, G.E. 2016. “Pengaruh Budaya *Kaizen* Terhadap Motivasi dan Kinerja (Studi pada Karyawan PT Semen Indonesia Tbk)”. *Jurnal Administrasi Bisnis Vol. 35 No. 1 : 104-109.*

Henseler, J., Ringle, C. M., dan Sarstedt, M. 2015. “A New Criterion for Assessing Discriminant Validity in Variance-Based Structural Equation Modeling”. Journal of the Academy of Marketing Science Vol 43 No. 1 : 115-135.

Indri, F.Z., dan Putra, G.H. 2022. “Pengaruh Ukuran Perusahaan dan Konsentrasi Pasar Terhadap Kualitas Laporan Keuangan pada Perusahaan Sektor Industri Barang Konsumsi yang Terdaftar di Bursa Efek Indonesia pada Tahun 2016-2020”. *Jurnal Ilmu Manajemen, Ekonomi, dan Kewirausahaan Vol. 2 No. 2 : 1-17.*

Iqbal, Muhammad. 2021. “Kepemimpinan Transformasional dalam Upaya Pengembangan Sekolah/Madrasah. *Jurnal Pendidikan Vol. 10 No. 3 : 119-129.*

Lesilolo, H.J. 2013. Kepemimpinan Transformasional Dalam Rekonstruksi Peran Agama Di Indonesia. *Jurnal Pembangunan Pendidikan: Fondasi Dan Aplikasi, 1(1):83-93.*

Lilia, W., Lombu, J.W., dan Napitupulu, P. 2020. “Pengaruh Kepemimpinan Transformasional, Budaya Organisasi, dan Kepuasan Kerja Terhadap Produktivitas Kerja Karyawan pada PT. Intertama Trikencana Bersinar Medan”. *Jurnal Cermin Vol 4 No. 1 : 20-38.*

Macpherson, W. G., Lockhart, J. C., Kavan, H., & Iaquinto, A. L, (2015), *Kaizen* : A Japanese Philosophy and System For Business Excellence. *Journal of business strategy, 35(5), 3-9.*

Pradana, A., dan Martha. (2013). “Pengaruh Gaya Kepemimpinan Transformasional dan Transaksional Terhadap Kinerja Karyawan: Studi Kasus Pada Karyawan Tetap PT. Mustika Bahana Jaya”. Lumajang : Universitas Brawijaya Hlm 3.

Rusman. 2022. “Tantangan Sumber Daya Manusia di Era Globalisasi”. *Jurnal Ilmiah Ilmu Manajemen Vol 1 No. 2 : 78-84.*

Stevenson, W..J. 2021. “Operations Management 14th edition. New York : McGraw-Hill Education.

Veliando, M., dan Yanuar. 2021. “Pengaruh Kepemimpinan Transformasional Terhadap Kinerja Karyawan yang Dimediasi oleh Motivasi”. *Jurnal Manajerial dan Kewirausahaan Vol. 3 No. 2 : 407-416.*

Wetzels, M., Odekerken-Schroder, G., & Oppen, C. Van. 2009. “Using PLS path modeling for assessing hierarchical construct models: guidelines and empirical illustration”. *MIS Quarterly, 33*(1), 177–195.