

Leadership, Motivation, and Work Ethic Effects on Employee Performance in the Automotive Industry

*Leadership,
Motivation, and Work
Ethic*

Joonner Rambe^{1*}, Mohamad Razab Iryadana², Mohammad Sidik Priadana³

¹*Department of Management, Faculty of Economics and Business, Universitas Borobudur; Jakarta, Indonesia*

^{2,3}*Department of Development Economics, Faculty of Economics and Business, Universitas Pasundan; Bandung, Indonesia*

*Corresponding Author E-Mail: rajahasadaon@gmail.com

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ABSTRACT

The automotive industry is facing increasingly intense competition, requiring companies to improve employee performance to remain competitive. This study aims to analyze the influence of transformational leadership, competence, motivation, and entrepreneurial spirit on work ethic and employee performance in large automotive companies in the region. The method used in this study is a quantitative approach with path analysis to examine the direct and indirect relationships between variables. All statistical analyses were performed using SPSS version 27 to ensure accuracy and consistency. The results show that motivation has the greatest impact on work ethic, followed by transformational leadership, competence, and entrepreneurial spirit. In addition, work ethic has a significant positive influence on employee performance. These findings indicate that strengthening motivation, inspirational leadership, enhancing competence, and fostering entrepreneurial spirit can improve work ethic, which in turn contributes to improving employee performance. In conclusion, companies need to strengthen leadership programs, training, and human resource development to enhance work ethic and performance in the competitive automotive industry.

Keywords: *Competence, Employee Performance, Entrepreneurial Spirit, Motivation, Transformational Leadership, Work Ethic.*

INTRODUCTION

The automotive industry is one of the strategic sectors supporting national economic growth (Klebaner & Pérez, 2022). Its contribution is reflected not only in increasing export and investment values but also in its substantial role in employment absorption. According to official government data from the Investment Coordinating Board (*Badan Koordinasi Penanaman Modal/BKPM*), as of September 2024, investment in Indonesia's automotive sector reached approximately USD 2.06 billion, representing a 43% increase compared to 2019, when investment totaled USD 717.6 million. This investment was dominated by Foreign Direct Investment (FDI) amounting to USD 1.83 billion, while domestic investment reached USD 234 million. In early 2025, total automotive sector investment was reported at IDR 174.31 trillion, directly employing around 99,700 workers. In terms of production, Indonesia's total car output in 2024 reached approximately 1.196 million units.

Automotive investment and industrial activity in Indonesia are concentrated in Bekasi, Karawang, and Purwakarta regencies, known as the "golden triangle of the automotive industry," where major manufacturers such as Toyota, Suzuki, Honda, Yamaha, and extensive component suppliers are clustered. This concentration has positioned the Purwakarbek area as a national hub for motor vehicle manufacturing and supporting industries with strong labor absorption. The sector is dominated by large-scale firms, led

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by PT Indomobil Sukses International Tbk with 17,801 employees, followed by PT Toyota Motor Manufacturing Indonesia (Karawang Plant) with 8,000 employees and PT Yamaha Motor Parts Manufacturing Indonesia with around 4,000 employees, alongside other manufacturers that employ thousands of workers. The automotive industry in these regions employs approximately 38,556 workers, highlighting its labor-intensive character and strategic importance for regional and national economic development (Sun & Abdullah, 2025).

In the context of global competition and increasingly complex market demands, employee performance has become a key determinant of corporate competitiveness, influenced by leadership, competence, work ethic, motivation, and entrepreneurial spirit beyond mere technical skills. High performance depends on the synergy between employees' internal attributes and leadership styles, particularly transformational leadership. Bashori et al. (2022) and Sidik et al. (2024) emphasize that transformational leadership can inspire and motivate employees while aligning their values and behaviors with organizational vision, which is crucial in the dynamic, technology-driven automotive industry, although its implementation remains inconsistent at the middle management and production-line levels. Employee competence, defined as the knowledge, skills, and attitudes required for effective performance, is also essential, as inadequate technical and non-technical competence can reduce productivity and work quality in an industry demanding high precision and efficiency (Hajiali et al., 2022; Herwina, 2022). In addition, work motivation strongly influences employee work ethic and performance. Ned and Umesi (2023) and Putra and Kudri (2024) note that motivated employees tend to work more responsibly and enthusiastically, even though motivation levels in the automotive sector vary due to differences in reward systems, working conditions, and career development opportunities.

As the automotive industry faces growing demands for innovation and efficiency, the entrepreneurial spirit has become increasingly important among employees. Corrêa et al. (2022) and Yusi (2022) highlight that entrepreneurial spirit is reflected in proactive behavior, risk-taking, creativity, and result orientation, which encourage higher initiative, responsibility, and productivity. Together with transformational leadership, competence, and motivation, entrepreneurial spirit plays a crucial role in shaping work ethic. Word et al. (2022) and Al Smadi (2023) define work ethic as positive values and attitudes toward work, such as discipline, responsibility, hard work, and commitment to quality, which reflect a healthy organizational culture and support both individual and organizational performance. However, empirical evidence shows that employee work ethic in several automotive companies remains uneven, resulting in fluctuations in productivity and work quality.

Although numerous empirical studies have identified positive relationships between transformational leadership, competence, motivation, entrepreneurial spirit, work ethic, and employee performance, their findings remain inconsistent. This inconsistency highlights a research gap, particularly within Indonesia's automotive industry, which is characterized by mass production systems and complex organizational structures. Therefore, this study is important in providing a comprehensive analysis of the influence of transformational leadership, competence, motivation, and entrepreneurial spirit on work ethic and its implications for employee performance in the automotive industry in Bekasi, Karawang, and Purwakarta Regencies. The findings are expected to contribute both theoretically and practically to human resource development and to strengthening the competitiveness of Indonesia's automotive industry.

LITERATURE REVIEW & HYPOTHESIS DEVELOPMENT

The Effect of Transformational Leadership and Employee Competence on Work Ethic

Management theory conceptualizes management as a systematic process that encompasses planning, organizing, directing, and controlling organizational resources in order to achieve predetermined goals effectively and efficiently. Aguilera et al. (2024) and Caniago (2024) explain that through these managerial functions, organizations are able

to coordinate individual and group efforts so that all activities are aligned with strategic objectives. Effective management not only guides decision-making and task execution but also ensures coherence across different organizational units. In addition, Bristol-Alagbariya et al. (2022) and Basiru et al. (2023) stress that efficiency is a central concern in management, as optimal use of financial, human, and physical resources enables organizations to minimize waste, enhance productivity, and sustain performance in a competitive environment.

Transformational leadership involves inspiring and motivating followers to prioritize organizational goals over personal interests. As noted by Kayago et al. (2023) and Khan et al. (2025), it encompasses four dimensions: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. Rather than merely supervising, transformational leaders shape employees' values and mindsets to align with organizational objectives, fostering innovation and enhancing performance (Mwamba, 2023; Umesi, 2024). Competence, defined as the integration of knowledge, skills, and attitudes for effective work performance, is a key driver of employee and organizational success (Muzam, 2023; Michielsen et al., 2023). Abbas et al. (2024) and Iddrisu and Adam (2025) emphasize that the combination of knowledge, skills, and attitudes directly improves job performance and overall organizational effectiveness.

H1: Transformational leadership has a positive effect on work ethic.

H2: Employee competence has a positive effect on work ethic.

The Effect of Motivation and Entrepreneurial Spirit on Work Ethic

Organizational theory defines an organization as a group of individuals working together to achieve common goals. Muttaqien et al. (2023) and Choi and Yang (2024) state that organizations use resources to achieve predetermined goals, while Gladden et al. (2022) and Noqueira et al. (2024) describe organizations as deliberate entities where individuals interact to achieve goals. Effective organizations increase resource efficiency and maximize output (Diawati et al., 2023; Ramachandran, 2023; Natsir et al., 2024). These foundational theories support the framework of this research, showing that leadership, competence, motivation, and entrepreneurial spirit are essential components in achieving a strong work ethic and performance within an organization.

Motivation is the internal drive that encourages individuals to achieve specific goals and plays a vital role in enhancing employee performance (Mardianty & Sari, 2025). Pincus (2023) and Beckmann and Heckhausen (2025) define motivation as a process that directs behavior toward goal attainment. Heckhausen and Heckhausen (2025) explain that individuals with high achievement motivation demonstrate strong commitment and persistence in achieving optimal work results. Furman (2023) further notes that motivation is influenced by both internal and external factors that stimulate employees to work enthusiastically and productively. Entrepreneurial spirit reflects creativity, innovation, and the willingness to take calculated risks. This spirit encourages proactive behavior, responsibility, and commitment, thereby strengthening the work ethic and supporting continuous improvement in work processes.

H3: Motivation has a positive effect on work ethic.

H4: Entrepreneurial spirit has a positive effect on work ethic.

The Effect of Work Ethic on Employee Performance

Work ethic is a mental attitude that reflects positive values toward work, such as discipline, responsibility, and dedication (Zulkarnain et al., 2022; Taghavi & Segalla, 2023; Mubaraq et al., 2024). A strong work ethic is essential for creating a productive and efficient work environment. A strong work ethic will motivate employees to work harder, improve the quality of their work, and strengthen their commitment to organizational goals. According to Udin (2024) and Arayik et al. (2024), work ethic stems from a system of values held by individuals or groups within an organization, including beliefs in the

importance of hard work, discipline, and responsibility. A strong work ethic is a key factor in achieving high performance and organizational success.

In this research context, employee performance refers to the output of work achieved by employees in carrying out their tasks. Performance is influenced by multiple factors, including competence, motivation, discipline, and work ethic. Employees with a strong work ethic show high responsibility, consistency, and commitment, which positively affects their ability to achieve performance targets. The stronger the work ethic, the higher the likelihood that employees meet standards and contribute to organizational goals. This implies that improving work ethic is essential to improving overall performance, especially in large automotive companies where productivity and quality are critical.

H5: Work ethic has a positive effect on employee performance.

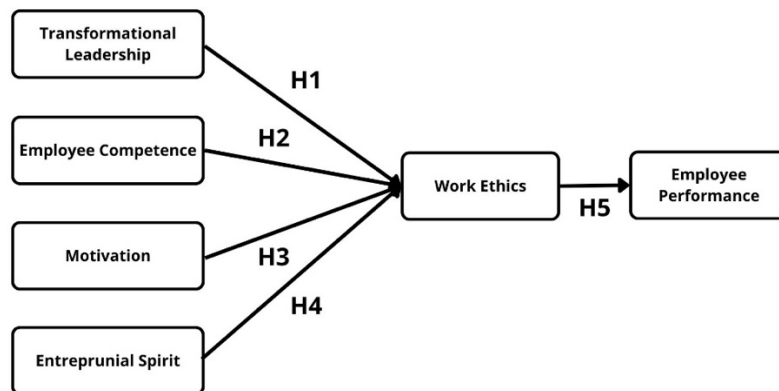


Figure 1. Conceptual Framework

Figure 1 presents the conceptual framework of this study. Transformational leadership, employee competence, motivation, and entrepreneurial spirit are depicted as directly influencing work ethic, which in turn directly impacts employee performance. The arrows indicate the hypothesized direct relationships between each variable and the outcomes.

RESEARCH METHODS

The research method used in this study is a quantitative explanatory approach, which aims to explain causal relationships between variables through statistical analysis. This research was conducted on employees in the automotive industry as the research subjects. The study was carried out over a period of three months, consisting of two months for data collection and one month for data processing, including preparation, implementation, analysis, and report writing. The research design applied in this study is quantitative, which tests theories through empirical data to support or reject previously formulated hypotheses. This approach requires careful measurement of research variables to generate conclusions that can be generalized across time and context.

The research process began with a preliminary study related to the theme and variables examined. Subsequently, the research background was developed based on observed phenomena, empirical evidence, relevant theories, and prior literature. Clear research problems and objectives were then formulated, followed by hypothesis development. Data were collected using structured questionnaires and supported by limited interviews. The research instruments were tested for validity, reliability, and normality to ensure data quality. The population of this study consists of employees working in automotive manufacturing companies. The sampling technique employed was purposive sampling, with criteria including permanent employment status and a minimum period of work experience. Based on these criteria, a total of respondents were selected as the research sample.

The variables examined in this study include transformational leadership, competence, motivation, entrepreneurial spirit, work ethic, and employee performance. Each variable

In regression analysis, testing classical assumptions is crucial to ensure the validity and reliability of the model. One classical assumption that must be tested is normality. The normality assumption requires that the distribution of errors or residuals in a regression model follows a normal distribution. This assumption is important because various statistical methods, such as significance tests and confidence intervals, are based on the assumption that residuals are normally distributed. The normality test aims to evaluate whether the residual data from the regression model is normally distributed. This analysis uses the Kolmogorov-Smirnov test using SPSS 27. The test is as follow in Table 2.

Table 2. Normality Result Test

Model	TL	EC	M	ES	WE	EP
N	393	393	393	393	393	393
Normal Parameters Mean	52.1959	54.9847	48.9593	49.6870	66.8473	63.7761
Normal Parameters Std. Deviation	10.75468	10.55524	12.82231	10.27138	15.76104	15.52108
Most Extreme Differences Absolute	0.059	0.067	0.109	0.074	0.109	0.073
Most Extreme Differences Positive	0.044	0.038	0.070	0.037	0.074	0.052
Most Extreme Differences Negative	-0.059	-0.067	-0.109	-0.074	-0.109	-0.073
Test Statistic	0.059	0.067	0.109	0.074	0.109	0.073
Asymp. Sig. (2-tailed)	0.120	0.116	0.069	0.106	0.067	0.108

Based on Table 2, the results of the One-Sample Kolmogorov-Smirnov Test, all Asymp. Sig. (2-tailed) values are greater than 0.05, indicating insufficient evidence to reject the null hypothesis. In other words, the data for all variables are normally distributed. The path equation for structural model describes the relationship between transformational leadership, employee competence, motivation, and entrepreneurial spirit on work ethic, which is stated in the following hypothesis: that transformational leadership, employee competence, motivation, and entrepreneurial spirit influence work ethic both partially and simultaneously.

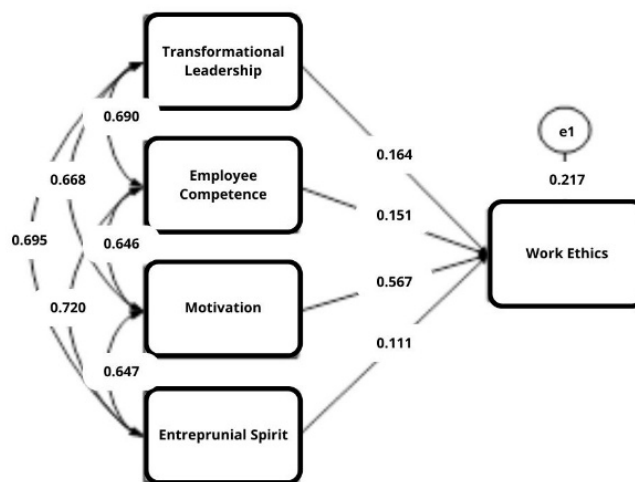


Figure 2. Path Coefficient

Based on Figure 2, the calculation results obtained show that work ethic is influenced by transformational leadership, employee competence, motivation, and entrepreneurial spirit, both partially and simultaneously.

Table 3. Direct and Indirect Effects

Variable	Path Coeff	Direct	Indirect				Total Indirect	Total
			Through TL	Through EC	Through M	Through ES		
TL	0.164	2.69%		1.71%	6.21%	1.26%	9.19%	11.88%
EC	0.151	2.28%	1.71%		5.52%	1.20%	8.43%	10.71%
M	0.567	32.13%	6.21%	5.52%		4.06%	15.80%	47.94%
ES	0.111	1.23%	1.26%	1.20%	4.06%		6.53%	7.76%
Total		38.33%	7.92%	7.23%	11.74%	6.53%	33.42%	78.28%

Based on Table 3, it can be seen that work ethic is influenced by direct and indirect influences. The direct influence of transformational leadership on work ethic is 2.69%, while its indirect influence through employee competence, motivation, and entrepreneurial spirit is 1.71%, 6.21%, and 1.26%, respectively. The direct influence of employee competence on work ethic is 2.28%, while its indirect influence through transformational leadership, motivation, and entrepreneurial spirit is 1.71%, 5.52%, and 1.20%, respectively. The direct influence of motivation on work ethic is 32.13%, while its indirect influence through transformational leadership, employee competence, and entrepreneurial spirit is 6.21%, 5.52%, and 4.06%, respectively. And the direct influence of the entrepreneurial spirit variable on work ethic is 1.23%, while the indirect influence through transformational leadership, employee competence, and motivation is 1.26%, 1.20%, and 4.06%, respectively.

Based on the total partial influence calculation, the largest variable is motivation, with a total influence on work ethic of 47.94%. Therefore, it can be concluded that improving work ethic must be supported by good motivation. However, the influence of other variables examined in this study on work ethic is also quite significant, namely employee competence at 11.88%, motivation at 10.71%, and entrepreneurial spirit at 7.76%.

Table 4. Result of the F-Test

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	76227.715	4	19056.929	349.617	< 0.001
Residual	21149.125	388	54.508		
Total	97376.840	392			

Based on Table 4, the F-count value is 349.617, where the rejection criterion for H0 is if the F-count is greater than the F-table with degrees of freedom $v_1 = k-1 = 3$ and $v_2 = 393-4-1 = 388$ and a confidence level of 95%, then from the F distribution table, the F-table value is obtained for $F_{0.05,3,393} = 2.6279$. Because 349.617 is greater than 2.6279, then H0 is rejected, meaning that it can be concluded that there is a simultaneous relationship between transformational leadership, employee competence, motivation, and entrepreneurial spirit on work ethic, or it can be interpreted that there is a joint influence between transformational leadership, employee competence, motivation, and entrepreneurial spirit on work ethic.

Table 5. Result of Partial Test

Structural	Path coefficient	t-statistic	t-table
ρ_{YX1}	0.164	4.386	1.966
ρ_{YX2}	0.151	3.990	1.966
ρ_{YX3}	0.567	16.334	1.966
ρ_{YX4}	0.111	2.914	1.966
ρ_{ZY}	0.913	44.309	1.966

Based on the results of the partial test (t-test) in Table 5, it is found that transformational leadership has a positive and significant effect on work ethic, with a path coefficient of 0.164 and a t-count of 4.386, which is greater than the t-table value of 1.966. This indicates that the stronger the transformational leadership style, the higher the employees' work ethic. Furthermore, employee competence also has a positive and significant effect on work ethic, with a path coefficient of 0.151 and a t-statistic of 3.990 (t-statistic > t-table). This means that higher employee competence leads to a better work ethic. Motivation has the most dominant effect on work ethic, with a path coefficient of 0.567 and a t-count of 16.334, indicating that motivation is the main factor driving an increase in work ethic. In addition, entrepreneurial spirit also has a positive and significant effect on work ethic, with a path coefficient of 0.111 and a t-statistic of 2.914 (t-statistic > t-table). Therefore, all independent variables studied, transformational leadership, employee competence, motivation, and entrepreneurial spirit, have a positive and significant effect on work ethic, with motivation being the most influential factor. The path coefficient Y1 to Z = 0.913, the t-value is 44.309 by taking the significance level α of 5%, then the t-table = 1.9660, so because t-statistic = 44.309 is greater than t-table = 1.9660, then H0 is rejected or in other words work ethic has an effect on employee performance of 0.913 so that every increase in work ethic will increase employee performance by 0.913 units.

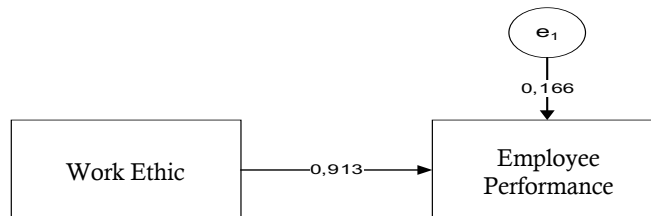


Figure 3. Path Coefficient of Work Ethic on Employee Performance

Figure 3 shows that work ethic has a strong and positive effect on employee performance, with a coefficient of 0.913. This indicates that a higher work ethic leads to better employee performance. The value $e1 = 0.165$ suggests that there are other factors outside work ethic that also influence performance, but their impact is relatively small. Table 6 shows that the coefficient of determination (R-squared) of 0.834 indicates that the regression model can explain 83.4% of the variation in the dependent variable, namely employee performance, through the predictor variable work ethic. Table 6 shows that changes in employee performance by 83.4% can be predicted by work ethic in this model, while the remaining 16.6% is influenced by other factors outside the model. The Adjusted R-Square value of 0.833 confirms that the model remains stable and does not experience overfitting, even though it is adjusted for the number of variables. The correlation value of R of 0.913 shows a very strong relationship between work ethic and employee performance.

Table 6. Coefficient of Determination

Test	Value
R	0.913
R-Square	0.834
Adjusted R-Square	0.833
Std. Error of the Estimate	7.07533
Durbin Watson	2.028

This research model shows that the test results are in accordance with expectations and the HR management theory, which is the basis for thinking with the study of the influence of transformational leadership, employee competence, and motivation on work ethic and its implications for employee performance.

Table 7. Model Fit Test Results

Relationship between variables	Pre-estimation	Post estimation	Compliance
The influence of transformational leadership on work ethic	+	+	In accordance
The influence of employee competence on work ethic	+	+	In accordance
The influence of motivation on work ethic	+	+	In accordance
The influence of leadership spirit on work ethic	+	+	In accordance
The influence of work ethic on employee performance	+	+	In accordance

Table 7 presents the results of the model fit test, which aims to determine whether the direction of influence between variables aligns with theory and research hypotheses. The table shows that all relationships between variables have consistent results between pre-estimation and post-estimation and therefore are classified as in accordance. This indicates that transformational leadership, employee competence, motivation, and entrepreneurial spirit have a positive influence on work ethic, which is consistent with the initial expectations. Furthermore, work ethic is also proven to have a positive effect on employee performance. The results show that all variable relationships in the research model meet the model fit criteria and can be used to explain the phenomena studied. This research model produces accurate, unbiased, and significant path coefficient estimators. The analysis assumptions are met, resulting in a very low statistical error probability (p -value = 0.000) for all hypotheses. This indicates that the parameter estimates obtained are reliable and conform to the statistical standards of econometric research.

Furthermore, the model has a strong explanatory ability in describing the relationships among the management variables studied. This is evidenced by the Standard Error (SE) being smaller than half of the absolute value of the path coefficient ($SE < 1/2 \rho$). In the first hypothesis test, the SE values for transformational leadership (0.055), employee competence (0.056), motivation (0.043), and entrepreneurial spirit (0.058) are all lower than half of their respective path coefficients. Similarly, in the second hypothesis test, the SE for Work Ethic (0.023) is also less than half of its path coefficient (0.913), indicating that the model can explain the influence of these variables significantly.

The model also demonstrates strong predictive ability for the behavior of the dependent variables, as indicated by a high coefficient of determination (R^2) that approaches or exceeds 50%. The influence of transformational leadership, employee competence, motivation, and ASN competence on work ethic is 78.3%, while the influence of work ethic on employee performance is 83.4%. With these high R^2 values, it can be concluded that the model meets the criteria for model feasibility (goodness of an econometric model) based on a solid theoretical foundation, thus contributing to scientific development as well as policy formulation and problem solving.

DISCUSSION

The path analysis results show that transformational leadership, employee competence, motivation, and entrepreneurial spirit have positive and significant effects on work ethic. Each variable contributes differently to the improvement of work ethic. Transformational leadership has a path coefficient of 0.164 with a significance level of <0.001 , indicating that an increase in transformational leadership style leads to an increase in employees' work ethic. This finding is consistent with previous research by Syarifuddin (2023), which suggests that transformational leadership can improve employee commitment and discipline through inspiration and motivation provided by leaders. Similarly, research by Fakhrizni et al. (2024) found a positive relationship between transformational leadership and work ethic in the manufacturing industry, which supports the present study.

Employee competence also has a positive and significant effect on work ethic, with a path coefficient of 0.151 and significance <0.001 . This implies that employees with higher competence tend to have better work ethic because they can perform tasks effectively and confidently. This finding aligns with the study of Satriawan et al. (2022), which demonstrated that employee competence significantly affects work ethic, as competence improves employees' ability to complete tasks on time and with quality. In addition, research by Hartadi and Sujoko (2025) also indicates that employee competence plays an essential role in enhancing productivity and work ethic within organizations.

Motivation is the most dominant variable, with a path coefficient of 0.567 and significance <0.001 . This suggests that motivation is the main factor shaping work ethic, meaning that an increase in motivation will significantly enhance work enthusiasm, discipline, and productivity. This finding is supported by motivational theories proposed by Hartadi and Sujoko (2025) and is consistent with the research by Aini et al. (2022), which found motivation to be the most dominant factor influencing work ethic in the service sector. Similarly, Riadi et al. (2025) reported that motivation significantly increases work ethic through enhanced job satisfaction and organizational commitment.

Furthermore, entrepreneurial spirit also positively affects work ethic with a path coefficient of 0.111 and significance 0.004. This indicates that entrepreneurial traits such as initiative, creativity, and willingness to take risks also contribute to an improved work ethic. This result is in line with the study by Hartadi and Sujoko (2025), which revealed that entrepreneurial spirit increases discipline and responsibility at work due to proactive behavior and result-oriented attitudes. Another study by Riadi et al. (2025) also found a positive relationship between entrepreneurial spirit and work ethic in small and medium enterprises, supporting the findings of this research.

The F-test results show an F-value of 349.617 with a significance level <0.001 , indicating that transformational leadership, employee competence, motivation, and entrepreneurial spirit simultaneously influence work ethic. Therefore, the hypothesis stating that the four independent variables jointly affect work ethic is accepted. The partial t-test results also confirm that all independent variables have significant effects individually, as their t-values exceed the t-table value (1.9661). This emphasizes that each variable plays a significant role in improving work ethic, although motivation has the greatest contribution.

The results show that work ethic has a very strong positive effect on employee performance, with a path coefficient of 0.913 and significance <0.001 . The t-value of 44.309 is far greater than the t-table value (1.9660), so the hypothesis that work ethic influences employee performance is accepted. The coefficient of determination (R^2) of 0.834 indicates that 83.4% of the variation in employee performance can be explained by work ethic, while the remaining 16.6% is influenced by other factors outside the model. This finding is consistent with Syarifuddin (2023), who argued that work ethic is a key determinant of employee performance as it reflects discipline, responsibility, and commitment. Additionally, Oladimeji and Abdulkareem (2023) also found that work ethic strongly affects employee performance in the public service sector, further supporting the present results.

Thus, based on statistical analysis and supporting literature, it can be concluded that all hypotheses in this study are accepted. Transformational leadership, employee competence, motivation, and entrepreneurial spirit significantly influence work ethic both partially and simultaneously, and work ethic significantly influences employee performance. These findings imply that enhancing motivation, competence, transformational leadership, and entrepreneurial spirit can effectively improve work ethic, which in turn leads to better employee performance. Consequently, this model is not only statistically valid but also theoretically relevant, providing a solid basis for HR management policies and organizational performance improvement strategies.

CONCLUSION

This study found that transformational leadership, employee competence, work motivation, and entrepreneurial spirit have a significant impact on employee work ethic in large automotive companies in Purwakarta Regency, Karawang Regency, and Bekasi Regency. Transformational leadership is categorized as moderately effective to effective, employee competence is moderately high to high, work motivation is moderately high to high, and entrepreneurial spirit is also moderately high to high. Motivation has the most dominant effect on work ethic, with a contribution of 47.94%, while the other variables range from 7.76% to 11.88%. These four variables explain 78.28% of the variation in work ethic, while other factors contribute 21.72%. Additionally, work ethic is found to have a very significant influence on employee performance, with a contribution of 83.40%, while other factors, such as job satisfaction and employee commitment, contribute 16.60%.

The implications of these findings suggest that large automotive companies need to focus on enhancing motivation, transformational leadership, competence, and entrepreneurial spirit to strengthen the work ethic, which will ultimately improve employee performance. Practical recommendations include improving training and education for both leaders and employees, providing constructive feedback, and enhancing discipline and adherence to company procedures. This study has limitations, including a sample restricted to large automotive companies in three regencies, cross-sectional data collection that may not capture changes over time, and a focus on only four variables, potentially overlooking other factors influencing work ethic and employee performance. For future research, it is recommended to include other influencing variables such as work environment, compensation, employee satisfaction, and available facilities and infrastructure, and to expand the research scope to other regions to obtain a more comprehensive understanding of factors affecting employee performance in large automotive companies.

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