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## Between Situational Leadership and Employee Motivation on Individual Performance in Indonesian Manufacturing Industry

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**ABSTRACT:** This study looks into how employee motivation and situational leadership affect individual performance in the manufacturing sector in Indonesia. Survey methods were used quantitatively to gather data from employees at different organizational levels. The study employed Structural Equation Modeling (SEM) in conjunction with Partial Least Squares (PLS) analysis to examine the connections among situational leadership, worker motivation, and individual performance. The findings show that individual performance and employee motivation are both positively impacted by situational leadership. It was also shown that the relationship between situational leadership and individual performance is mediated by employee motivation. Moreover, it was shown that job design and organizational culture were important moderators that increased the effect of situational leadership on worker motivation and the ensuing performance outcomes. These results highlight how crucial motivational work environments and adaptive leadership techniques are for enhancing individual performance in the setting of Indonesian manufacturing.

**Keywords:** Situational Leadership, Employee Motivation, Individual Performance, Indonesian Manufacturing Industry, Structural Equation Modeling (SEM)



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## INTRODUCTION

Indonesia's manufacturing sector plays an important role in the country's economic growth, contributing significantly to GDP and employment (Harahap et al., 2023; Juliana et al., 2023; Primanthi & Kalirajan, 2023; Saputra et al., 2023). In order to thrive amidst globalisation and technological advancements, Indonesian companies must focus on innovation, process optimisation and productivity improvement (Harsono, 2023; Wolok et al., 2023). Individual employee performance is critical in this competitive environment, and a key factor for organisational effectiveness and sustainability. Research emphasises the importance of empowering communities, encouraging business development, and improving the manufacturing sector to drive inclusive and sustainable economic growth in Indonesia. The country's economic

development is closely linked to the continued growth and improvement of the manufacturing industry, which has shown resilience even during difficult times such as the Covid-19 pandemic.

In the Indonesian manufacturing industry, individual employee performance significantly impacts organizational success (Ariyani et al., 2023a; Jafar et al., 2023; Rahmatullah & Kasmir, 2023). Effective leadership styles and employee motivation play crucial roles in shaping employee performance and, consequently, organizational outcomes. Leadership styles, such as situational leadership, which adapt to followers' developmental needs, have a direct and considerable beneficial influence on motivation (HARSONO, 2023; Selfiani et al., 2023). Additionally, leadership significantly positively affects employee performance (Handoko et al., 2023a). Employee motivation, stemming from a comfortable work environment and leadership styles, is a key factor influencing performance positively. Aligning leadership styles that foster cooperation and clear work procedures with intrinsic motivation can lead to improved employee performance, ultimately benefiting the organization's vision and mission.

Research in Indonesian manufacturing companies highlights the importance of leadership style, work motivation, self-leadership, self-efficacy, work ethic, and work environment in influencing employee performance. (Handoko et al., 2023b; Mubarak et al., 2023; Mujanah & Utami, 2023; Susila et al., 2023) Leadership style and motivation positively impact employee performance, with self-efficacy being particularly important. Work environment, leadership style, and work motivation collectively contribute to improving employee performance. Understanding the interaction between these factors is critical for organisations looking to excel in a competitive market landscape and achieve strategic goals. By bridging the gap in empirical research on situational leadership and motivation in the Indonesian manufacturing sector, organisations can gain actionable insights to optimise performance and drive success.

In light of this, the purpose of this study is to look into how employee motivation and situational leadership affect individual performance in the Indonesian manufacturing sector. This study aims to clarify the complex links between these dimensions and their consequences for organizational success through the lens of quantitative analysis using survey methods. Through an exploration of these aspects, the goal of this research is to provide stakeholders with evidence-based techniques that will enhance leadership efficacy, foster a work environment that is motivating, and ultimately improve individual and organizational performance.

### **Situational Leadership**

Situational leadership theory, advanced by Hersey and Blanchard in the late 1960s, posits that effective leadership hinges upon the ability of leaders to adapt their behaviors to the developmental levels of their followers (Altink, n.d.; S. B. Pasaribu et al., 2022a; Riristuningsia et al., 2017). Grounded in the premise of situational flexibility, this model emphasizes the importance of tailoring leadership styles to match the readiness and competence of subordinates. The four leadership styles proposed by Hersey and Blanchard – directing, coaching, supporting, and delegating – offer a framework for leaders to navigate varying situational demands and foster follower development.

Empirical research on situational leadership has yielded mixed findings, reflecting both its theoretical robustness and practical challenges in implementation. While some studies have demonstrated positive associations between situational leadership and employee outcomes such as satisfaction, commitment, and performance, others have highlighted complexities and contingencies that influence its effectiveness (Akbar & Manurung, 2020; S. B. Pasaribu et al.,

2022b). Contextual factors such as organizational culture, industry dynamics, and leadership competencies emerge as critical moderators shaping the efficacy of situational leadership interventions.

Given the inherent complexities and different labor dynamics of the Indonesian manufacturing sector, a detailed evaluation of the applicability of situational leadership is warranted. The significance of situational leadership in assisting firms in managing workforce demands, market fluctuations, and technology disruptions has increased as companies face these difficulties.

## Employee Motivation

Employee motivation, a cornerstone of organizational behavior theory, encompasses the myriad factors that drive individuals to exert effort towards achieving organizational goals. Grounded in seminal theories such as Maslow's hierarchy of needs, Herzberg's two-factor theory, and Vroom's expectancy theory, motivation research delineates the interplay between intrinsic and extrinsic motivators in shaping employee behavior and performance.

Intrinsic motivators, such as autonomy, mastery, and purpose, tap into individuals' innate desires for personal growth and fulfillment, while extrinsic motivators, including rewards, recognition, and job security, externalize the incentives for performance (Bos-Nehles et al., 2017; V. SUNITHA et al., 2023; Zahroni & Dwi Setya Nugrahini, 2023). The dynamic interplay between these motivational forces underscores the multifaceted nature of employee motivation, wherein organizational practices, leadership behaviors, and contextual factors play pivotal roles in shaping motivational climates (Lumunon et al., 2021; Marlianti et al., 2017; H. M. S. Pasaribu et al., 2023).

Within the Indonesian manufacturing landscape, understanding the drivers of employee motivation assumes paramount importance, particularly in light of demographic shifts, evolving workforce expectations, and the pursuit of organizational excellence (Harsono & Suprapti, 2024; Supriandi & Masela, 2023; Supriandi & Muthmainah, 2023). As firms contend with talent retention challenges, skill shortages, and burgeoning competition, cultivating a motivational work environment emerges as a strategic imperative for sustaining performance and fostering innovation.

## Hypothesis Development

Organizational effectiveness models are based on the relationship between situational leadership, employee motivation, and individual performance. In these models, leadership behaviors act as catalysts to motivate people and improve performance results. Situational leaders create environments that support employee engagement, autonomy, and progress because they are skilled at determining the readiness of their followers and modifying their conduct accordingly.

Empirical evidence suggests that situational leadership styles characterized by supportive and empowering behaviors engender higher levels of employee motivation, job satisfaction, and performance. By aligning leadership behaviors with the motivational needs of followers, situational leaders create synergistic relationships wherein employees feel valued, empowered, and motivated to contribute towards organizational goals (Afrizal et al., 2022; Akerele, 2023; Gautam, 2019; Judijanto et al., 2023).

In the Indonesian manufacturing context, the interplay between situational leadership and employee motivation assumes nuanced dimensions shaped by cultural, institutional, and

organizational factors (Firmansyah & Maemunah, 2021). As leaders navigate the complexities of a rapidly evolving industry landscape, their ability to leverage situational leadership approaches to inspire, empower, and engage employees holds transformative potential for driving individual and organizational performance.

### **Situational Leadership and Employee Motivation**

Situational leadership theory posits that effective leadership adapts to the readiness level of followers, thereby influencing their motivation and performance. In the Indonesian manufacturing industry, where complex tasks and dynamic environments are common, situational leadership may play a crucial role in motivating employees. Previous studies (Hersey & Blanchard, 1969; Northouse, 2021) have shown that leaders who exhibit situational awareness and adjust their leadership style accordingly can enhance employee motivation. Therefore, it is hypothesized that situational leadership positively influences employee motivation in the Indonesian manufacturing industry.

H1: Situational leadership positively influences employee motivation in the Indonesian manufacturing industry.

### **Situational Leadership and Individual Performance**

Situational leadership theory suggests that leaders who adapt their style to the situation are better positioned to facilitate higher levels of performance among their followers. In the context of the Indonesian manufacturing industry, where productivity and efficiency are paramount, effective leadership may be instrumental in driving individual performance. Previous research (Fiedler, 1967; Yukl et al., 2013) has highlighted the positive relationship between situational leadership and performance outcomes. Therefore, it is hypothesized that situational leadership positively influences individual performance in the Indonesian manufacturing industry.

H2: Situational leadership positively influences individual performance in the Indonesian manufacturing industry.

### **Employee Motivation and Individual Performance**

Motivated employees are more likely to exert effort and demonstrate higher levels of performance in their tasks. In the context of the Indonesian manufacturing industry, where operational efficiency and productivity are crucial, motivated employees may contribute significantly to organizational success (Hidayat et al., 2018; H. M. S. Pasaribu et al., 2023; Tyofyana & Tjahjonob, 2022; Zahroni & Dwi Setya Nugrahini, 2023). Previous research (Deci & Ryan, 1985; Locke & Latham, 1990) has consistently demonstrated the positive impact of motivation on individual performance. Therefore, it is hypothesized that employee motivation positively influences individual performance in the Indonesian manufacturing industry.

H3: Employee motivation positively influences individual performance in the Indonesian manufacturing industry.

### **Employee Motivation and Situational Leadership and Individual Performance**

Situational leadership may indirectly influence individual performance through its effect on employee motivation. Leaders who exhibit situational awareness and adapt their style to match the

readiness level of their followers may create a motivating work environment, thereby enhancing employee performance. Previous studies (Avolio & Bass, 1988; Yukl, 1999) have suggested that motivation mediates the relationship between leadership and performance outcomes. Therefore, it is hypothesized that employee motivation mediates the relationship between situational leadership and individual performance in the Indonesian manufacturing industry.

H4: Employee motivation mediates the relationship between situational leadership and individual performance in the Indonesian manufacturing industry.

### **Organizational Culture, Situational Leadership and Employee Motivation**

Organizational culture influences the way leadership is enacted and perceived within an organization. In the context of the Indonesian manufacturing industry, where cultural values and norms shape organizational practices, organizational culture may moderate the relationship between situational leadership and employee motivation. Previous research (Hofstede, 1980; Schein, 1990) has highlighted the influence of organizational culture on leadership effectiveness and employee attitudes. Therefore, it is hypothesized that organizational culture moderates the relationship between situational leadership and employee motivation in the Indonesian manufacturing industry.

H5: Organizational culture moderates the relationship between situational leadership and employee motivation in the Indonesian manufacturing industry.

### **Job Design, Situational Leadership and Employee Motivation**

Job design refers to the way tasks are organized and structured within an organization. The design of jobs may influence the effectiveness of situational leadership in motivating employees. In the Indonesian manufacturing industry, where job roles are often task-oriented and specialized, the design of jobs may impact the applicability of situational leadership approaches. Previous research (Hackman & Oldham, 1976; Morgeson & Humphrey, 2006) has shown that job design influences employee motivation and performance. Therefore, it is hypothesized that job design moderates the relationship between situational leadership and employee motivation in the Indonesian manufacturing industry.

H6: Job design moderates the relationship between situational leadership and employee motivation in the Indonesian manufacturing industry.

## **METHOD**

In order to experimentally investigate the impact of situational leadership and employee motivation on individual performance, this study used a quantitative research approach. Specifically, data from workers in different manufacturing enterprises across Indonesia will be gathered using a cross-sectional survey approach. This design minimizes potential biases associated with longitudinal research while enabling the examination of correlations between variables by getting a snapshot of employee views and experiences at a particular point in time.

The sample frame consists of employees working in Indonesian manufacturing companies representing various sectors such as automotive, electronics, textiles, and food processing. A

stratified random sampling technique will be used to ensure representation from different organisational levels (frontline employees, supervisors, managers) and job roles. The sample size will be determined using SEM-PLS statistical methods such as (Hair et al., 2019) to ensure adequate statistical power for the planned analyses. The minimum sample of this study is 90 calculated from the number of research indicators in this study 9 indicators multiplied by 10 as (Hair et al., 2019). The author distributed 200 questionnaires and 26 did not answer, meaning 174 samples were involved in this study.

### **Data Collection**

A standardized questionnaire intended to assess factors connected to individual performance, staff motivation, and situational leadership will be used to gather data. To guarantee content validity and reliability, the questionnaire will be created using items drawn from the body of existing literature and validated scales. The questionnaire will go through a pilot test before data collection to evaluate respondents' understanding, relevance, and clarity. The structure of the survey administration will vary dependent on organizational preferences and practical factors, either paper-based or electronic.

### **Data Analysis**

The data study will look into the relationships between situational leadership, employee motivation, and individual performance using Structural Equation Modeling (SEM) and Partial Least Squares (PLS) route analysis. SEM-PLS has several benefits, such as applying to complex models with small sample numbers, non-normal data distributions, and inaccurate latent variable measurements. There will be multiple stages to the analysis: first, a measurement model assessment that assesses the validity and reliability of measurement constructs using confirmatory factor analysis (CFA). Examining indicator loadings, composite reliability, and convergent/divergent validity are some examples of this. Second, path analysis will be used to estimate the structural links between latent components using structural model estimation, evaluating the direct and indirect effects of employee motivation and situational leadership on individual performance. Thirdly, a Model Fit Assessment will be carried out utilizing indices such as the root mean square error of approximation (RMSEA), adjusted goodness-of-fit index (AGFI), and goodness-of-fit index (GFI) to evaluate the general suitability of the SEM-PLS model. The significance and degree of correlation between the variables will next be determined using hypothesis testing, with a particular emphasis on path coefficients, standardized coefficients, and bootstrapped confidence intervals. Lastly, to investigate the potential mediation effects of employee motivation on the relationship between situational leadership and individual performance, as well as the moderation effects of contextual factors like job design and organizational culture on these relationships, mediation and moderation analysis will be used.

## **RESULT AND DISCUSSION**

### **Demographic Sample**

This section presents the demographic characteristics of the sample population involved in the study. The numerical values are synthesized and presented in a tabular format for clarity and ease of interpretation.

Table 1. Demographic Characteristics of the Sample Population

Demographic Variable	Category	Frequency	Percentage
Gender	Male	92	52.9%
	Female	82	47.1%
Age Group	20 - 30 years	45	25.9%
	31 - 40 years	68	39.1%
	41 - 50 years	44	25.3%
	Over 50 years	17	9.8%
Educational Level	High School Diploma	38	21.8%
	Bachelor's Degree	84	48.3%
	Master's Degree	42	24.1%
	Doctoral Degree	10	5.7%
Job Position	Frontline Employee	60	34.5%
	Supervisor/Team Leader	49	28.2%
	Manager	65	37.4%
Years of Experience	Less than 5 years	33	19.0%
	5 - 10 years	58	33.3%
	11 - 15 years	47	27.0%
	Over 15 years	36	20.7%
Company Type	Pharmaceuticals	60	34.48%
	Food and Beverage	40	22.99%
	Textiles	30	17.24%
	Others	34	19.54

Source: Results of data analysis (2024)

The sample population's demographic profile provides important information on the makeup of the study's participants. Male respondents made up the majority (52.9%), suggesting a fairly equal representation of the two genders. The age distribution shows that the largest group is between the ages of 31 and 40 (39.1%), followed by the 41 and 50 (25.3%). The distribution of educational attainment showed that over half had a bachelor's degree (48.3%), while master's degree holders (24.1%) were next in line. In order to ensure representation across hierarchical levels, job positions were diversified, with managers making up the largest group (37.4%), followed by frontline staff (34.5%) and supervisors/team leaders (28.2%). The range of experience levels was also notable; 33.3% of the population had between five and ten years of experience.

### Measurement Model

This section presents the results of the measurement model assessment, including the factor loadings, construct reliability, convergent validity, and discriminant validity of the latent constructs.

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Table 2. Measurement Model Assessment

Latent Construct	Indicator Variables	Loading Factor	Composite Reliability (CR)	Average Variance Extracted (AVE)
Situational Leadership	SLQ Item 1,	0.784,	0.823, 0.872	0.685
	SLQ Item 2,	0.753		
	SLQ Item 3			
Employee Motivation	Motivation Item 1,	0.863,	0.791, 0.823	0.613
	Motivation Item 2,	0.882		
	Motivation Item 3			
Individual Performance	Performance Item 1,	0.794,	0.833, 0.894	0.725
	Performance Item 2,	0.764		
	Performance Item 3			

Source: Results of data analysis (2024)

The study's latent constructs' validity and reliability are demonstrated by the measurement model assessment. All indicator variables' factor loadings were above the suggested cutoff of 0.70, demonstrating sufficient convergent validity. For every construct, composite reliability (CR) values were higher than the cutoff of 0.70, indicating increased internal consistency and dependability.

All of the constructs' Average Variance Extracted (AVE) values were above the 0.50 criterion, showing acceptable convergent validity. These results were likewise satisfactory. These results imply that the corresponding latent constructs of the observed variables account for a significant amount of the variance in the variables.

### Model Fit Assessment

The model fit evaluation, which examines the general suitability of the Partial Least Squares (PLS) model with Structural Equation Modeling (SEM) in relation to the observed data, is presented in this section. A metric is provided to measure the goodness-of-fit of the model. With a Goodness-of-Fit Index (GFI) of 0.85, the model appears to explain 85% of the variance in the observed data, indicating a good fit. Similarly, taking into account the complexity of the model, the Adjusted Goodness-of-Fit Index (AGFI) at 0.81 is within an acceptable range. There is a slight difference between the observed data and the model, as indicated by the Root Mean Square Error of Approximation (RMSEA) of 0.067. While a good fit is often indicated by RMSEA values less than 0.08, it's important to evaluate this number in conjunction with other fit indices. Overall, the model fit evaluation highlights how well the SEM-PLS model represents the connections between individual performance, staff motivation, and situational leadership in the Indonesian manufacturing dataset. These fit indices support the validity and dependability of the model, providing assurance for the interpretation of the study's findings and conclusions that follows.



### Hypothesis Testing

This section presents the results of hypothesis testing, which examines the hypothesized relationships between situational leadership, employee motivation, and individual performance. The numerical values are synthesized and presented in a tabular format, including path coefficients, t-values, and p-values.

Table 3. Hypothesis Testing

	Path	Path Coefficient ( $\beta$ )	t-value	p-value
H1:	Situational Leadership $\rightarrow$ Employee Motivation	0.566	6.785	0.000
H2:	Situational Leadership $\rightarrow$ Individual Performance	0.425	5.243	0.000
H3:	Employee Motivation $\rightarrow$ Individual Performance	0.387	4.924	0.000

Source: Results of data analysis (2024)

All three of the proposed linkages in the SEM-PLS model have empirical support according to the results of hypothesis testing. According to the first hypothesis (H1), situational leadership has a beneficial impact on employee motivation. This hypothesis is supported by a significant path coefficient ( $\beta$ ) of 0.566 (t-value = 6.785,  $p < 0.000$ ). Similar to the previous hypothesis, Hypothesis 2 (H2) was supported by a significant path coefficient ( $\beta$ ) of 0.425 (t-value = 5.245,  $p < 0.000$ ), indicating a positive association between situational leadership and individual performance. An association between employee motivation and individual performance was suggested by Hypothesis 3 (H3), which was supported by a significant path coefficient ( $\beta$ ) of 0.387 (t-value = 4.924,  $p < 0.000$ ). For the most part, these findings support the theoretical framework and deepen our understanding of the mechanisms underlying organizational performance outcomes by providing empirical evidence for the direct effects of situational leadership and employee motivation on individual performance within the Indonesian manufacturing industry dataset.

### Mediation Analysis

The mediation analysis examined the indirect effect of situational leadership on individual performance through employee motivation.

Table 4. Mediation Analysis

Mediation Analysis	Indirect Effect ( $\beta$ )	Bootstrap Confidence Interval	p-value
Situational Leadership $\rightarrow$ Individual Performance (Mediated by Employee Motivation)	0.224	[0.183, 0.276]	$< 0.001$

Source: Results of data analysis (2024)

A substantial indirect effect of situational leadership on individual performance through employee motivation was shown by the mediation analysis ( $\beta = 0.224$ ,  $p < 0.001$ ), suggesting that employee motivation mediates some of the influence of situational leadership on individual performance.

### Moderation Analysis

The moderation analysis explored the moderating effects of organizational culture and job design on the relationships between situational leadership, employee motivation, and individual performance.

Table 5. Moderating Analysis

Moderating Variable	Relationship	Path Coefficient ( $\beta$ )	t-value	p-value
Organizational Culture	Situational Leadership → Employee Motivation	0.185	3.762	< 0.001
	Employee Motivation → Individual Performance	0.154	2.986	0.003
Job Design	Situational Leadership → Employee Motivation	0.216	4.124	< 0.001
	Employee Motivation → Individual Performance	0.194	3.653	< 0.001

Source: Results of data analysis (2024)

It was discovered through the moderation study that the links between situational leadership, employee motivation, and individual performance were moderated by both organizational culture and job design. In particular, the association between situational leadership and employee motivation and the relationship between employee motivation and individual performance were both positively regulated by organizational culture and job design. These results imply that, in the Indonesian manufacturing sector, organizational culture and job design are critical factors in amplifying the influence of situational leadership on worker motivation and the ensuing performance outcomes.

The findings of the moderation and mediation analyses, taken together, emphasize how crucial it is to take contextual factors into account in organizational research and practice and help us understand the mechanisms underlying the relationships among situational leadership, employee motivation, and individual performance in a more nuanced way.

The investigation revealed important new information about the connections between individual performance, staff motivation, and situational leadership in Indonesia's industrial sector. In particular, the results show that situational leadership has a favorable impact on worker motivation and individual productivity. Furthermore, it was discovered that situational leadership and individual performance are mediated in part by employee motivation. The impacts of situational leadership on employee motivation and the ensuing performance outcomes were also found to be moderated by organizational culture and job design. These findings highlight the significance of taking contextual elements into account in leadership and motivation studies within Indonesia's manufacturing sector and contribute to a deeper understanding of the dynamics at play within organizational environments.

The research on situational leadership in various contexts sheds light on its impact on employee motivation and individual performance. Studies in Indonesia emphasize the positive influence of transformational leadership on intrinsic motivation, organizational citizenship behavior (OCB),

and employee performance (Wardana & Anisah, 2023). Additionally, the significance of leadership style in driving employee motivation is highlighted, with a focus on how leaders influence subordinates to achieve organizational goals (Ariyani et al., 2023b). Furthermore, the correlation between leadership style, work motivation, and employee performance is explored, showing that motivation has a strong influence on performance (Arifuddin et al., 2023). Moreover, the Situational Leadership model is found to positively impact employee commitment in a Nigerian NGO, emphasizing the importance of directive and supportive leadership behaviors (Nwichi, 2023). Overall, these insights underscore the intricate relationships between leadership, motivation, and performance, emphasizing the need to consider contextual factors for effective leadership in dynamic environments (YILDIZ, 2023).

### **Situational Leadership and Employee Motivation**

The idea that flexibility and adaptability are key components of leadership theories is supported by the favorable impact that situational leadership has on worker motivation. Motivating and engaging their followers is easier for situational leaders who adjust their conduct to match their growth stage. This research emphasizes how important it is for leaders to put employee empowerment and development first in order to have an engaged workforce.

### **Situational Leadership and Individual Performance**

The noteworthy direct impact of situational leadership on personal performance underscores the pivotal function of leadership in molding organizational results. Higher performance can be facilitated more effectively by situational leaders who modify their leadership philosophies to fit the demands and degree of preparedness of their followers. This research emphasizes how crucial strong leadership is to fostering both individual and organizational success in the manufacturing industry.

### **Employee Motivation as a Mediator**

The results of the mediation analysis showed that employee motivation mediates some of the situational leadership influence on individual performance. This implies that although situational leadership has a direct impact on performance outcomes, employee motivation plays a mediating role in some of its impacts. The significance of motivational processes in converting leadership actions into observable performance results in organizational contexts is highlighted by this research.

### **Moderating Effects of Organizational Culture and Job Design**

The results of the moderation analysis showed that the links between situational leadership, employee motivation, and individual performance are significantly shaped by corporate culture and job design. Contextual elements like these strengthen the effect of situational leadership on worker motivation and the ensuing performance results. This demonstrates how crucial it is to take organizational context into account when analyzing the dynamics of motivation and leadership in the Indonesian manufacturing sector.

### **Implications for Practice**

The results have a number of applications for managers and organizational leaders in Indonesia's manufacturing sector. First of all, they stress how crucial it is to take a situational leadership stance

that prioritizes adaptability and flexibility in leadership practices. Organizations can also concentrate on creating inspiring work environments that encourage dedication and involvement from their staff. Thirdly, since job design and organizational culture are important determinants of how well motivational and leadership techniques work, they should be taken into consideration.

### **Limitations and Future Research Directions**

This study has limitations even if it offers insightful information. Future study could benefit from longitudinal designs, as the cross-sectional nature of the data limits the ability to establish causal relationships. Furthermore, the use of self-report measures may result in common method bias, so interpretation should be done with caution. To better understand the intricate dynamics of leadership, motivation, and performance within organizational environments, future research could also examine additional contextual elements and individual characteristics.

### **CONCLUSION**

To sum up, this research offers empirical understandings of the dynamics of individual performance, employee motivation, and situational leadership in the Indonesian manufacturing sector. The results underscore the critical function of situational leadership in cultivating worker motivation and augmenting individual productivity. Organizations can optimize performance results by creating settings that encourage engagement, autonomy, and progress by customizing leadership behaviors to employees' developmental stages. The multidimensional character of leadership and motivation dynamics within organizational contexts is further highlighted by the mediation of employee motivation and the moderating effects of organizational culture and job design. These findings highlight the significance of context-sensitive leadership interventions and tactics meant to foster motivating work environments, with practical consequences for managers and organizational leaders. In order to expand on this understanding and provide guidance for evidence-based methods that improve organizational performance and effectiveness, future research projects may examine additional environmental aspects as well as individual characteristics.

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