


## Analysis of Transformational Leadership in Driving Employee Performance and Welfare of Balo'ta Savings and Loan Cooperative Members, Berau Branch, East Kalimantan

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KEYWORDS	ABSTRACT
Employee Performance, Member Well-Being, Transformational Leadership	<p>The background of this research is based on the importance of leadership quality by branch leaders in encouraging employee performance or productivity and supporting the success of cooperatives in encouraging the welfare of their members. This [A1] study [A2] aims to analyze the role of branch leaders with transformational leadership in encouraging employee performance and member welfare at the <i>Balo'ta</i> Savings and Loan Cooperative Berau Branch, East Kalimantan. This study uses a qualitative method with a descriptive-analytical approach. Data collection techniques are carried out through in-depth interviews with leaders, employees, and cooperative members; direct observation in the field; and analysis of relevant documents. Source triangulation techniques are used to improve the validity of the data. Data analysis is carried out qualitatively with the stages of data reduction, data presentation, data validity testing through data triangulation, and conclusion drawing. The results of this study show that transformational leadership not only drives employee performance internally but also improves service quality and member satisfaction, which directly impacts the improvement of cooperative members' welfare. Therefore, transformational leadership has proven to be a central factor in driving better employee performance as well as member well-being.</p>
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### INTRODUCTION

In the current digital era, cooperatives worldwide face unprecedented challenges in maintaining their relevance and competitiveness. The emergence of fintech companies, mobile banking applications, and digital financial services has fundamentally transformed the financial landscape, forcing traditional cooperative institutions to adapt or risk obsolescence. In Indonesia, where cooperatives play a crucial role in grassroots economic empowerment, this challenge becomes even more critical as members increasingly expect faster, more efficient, and technology-enabled services comparable to those offered by commercial banks and fintech platforms.

Savings and Loan Cooperatives are business entities that play an important role in supporting the community's economy. Cooperatives can help the community improve, encourage, and even stabilize the state of the economy because there is an opportunity for people to save and even obtain business capital loans that are still affordable, so that the welfare

of the community can increase, especially for those who are part of cooperative members. The *Balo'ta* Savings and Loan Cooperative Berau Branch is one of the cooperatives that always strives to develop and encourage the welfare of its members. The realization of the welfare of cooperative members begins with the adequate performance of cooperative leaders and employees in providing services to cooperative members. Bagaskara & Pujiani (2020, p.12) say that the key to success for financial institutions is to increase human resources in their companies.

Against this backdrop, the *Balo'ta* Savings and Loan Cooperative Berau Branch represents a compelling case study of how traditional cooperative institutions can navigate digital transformation while maintaining their core mission of member welfare. The cooperative operates in East Kalimantan, a region undergoing rapid economic development due to its natural resources sector, yet where many community members still lack access to formal banking services.

The phenomenon observed in the field shows that the *Balo'ta* Berau Branch Savings and Loan Cooperative is in a growth phase in an effort to adapt to the demands of the times and the dynamics of the digital economy, which refers to rapid changes in the economic world due to digitalization, such as the emergence of application-based financial services, online transactions, the use of social media for promotion, and the need for a faster and more efficient work system with the assistance of technology. In the *Balo'ta* Savings and Loan Cooperative Berau Branch, no inequality was found between cooperative policies structurally and implementation in the field. All procedures, both administrative and member services, are carried out according to the operational standards that have been set by the central management. This creates relatively stable and orderly working conditions and provides clarity in the division of tasks to employees in carrying out their responsibilities. The compatibility between policies and practices is an important foundation in building internal and external trust in cooperatives.

In terms of performance, the employees showed almost optimal performance. They are able to carry out their duties efficiently, show high dedication to the cooperative, and establish good relationships with members as the main users of the service. However, several things still need to be optimized, especially in mastery of technology and digital innovation, which is now an important aspect in maintaining the competitiveness of cooperatives in the era of digital transformation. *KSP Balo'ta* itself has begun to show its seriousness in following the flow of digitalization, such as by starting to introduce a digital bookkeeping system, utilizing social media for promotion, and designing application-based service development. Some employee development programs are being optimized to create a truly participatory and innovative work culture. This is a challenge to implement transformational leadership effectively in order to encourage maximum employee performance. Therefore, these phenomena show a strong foundation but still require optimization in various aspects, especially in terms of transformational leadership that can be the main driving force for internal performance and the welfare of cooperative members in the future.

The success of leadership performance that has an impact on employee performance can be realized depending on how the leader carries out his role well. Triyanti said that "as a public service official, it is required to show good leadership in carrying out service duties and have responsiveness and show a polite attitude in serving the community" (2019, p. 90). The role of

a leader can be seen from how he implements leadership that can support the achievement of employee performance, which can have a positive impact on cooperative members, one of which is the welfare of members. Transformational leadership practices are expected to assist leaders in encouraging employees to improve better performance so as to have an impact on the members of the *Balo'ta* Berau Branch Savings and Loan Cooperative. Avolio & Bass in Triyanti (2019, p. 89) say that "transformational leaders push subordinates on development and performance beyond expectations." This opinion is supported by Kirkpatrick and Locke as quoted by Suharto (2001:6) in Triyanti (2019, p. 89) that "after conducting a review of more than 20 studies, it was found that transformational leadership has a positive effect on the performance, attitude, and perception of subordinates."

Support from leaders with transformational leadership forms a positive influence on employees, namely in encouraging good performance, especially in providing adequate services for the welfare of cooperative members. Bagaskara and Pujiani said that one of the resources that must be improved to achieve success in financial institutions is the optimization of employee performance because the existence of employees plays a big role in efforts to improve company services (2020, p.12). The provision of good service is not only in the form of employee responses when members come to the cooperative to make borrowing and saving transactions, but good service is also not convoluted when serving cooperative members who need financial assistance. Mulyadi, Rusmana, & Juhadi said that the driving factor for achieving cooperative welfare can also be supported through cooperative services through meaningful contributions in supporting the economic needs of its members by using cooperative financial services without having to be convoluted (2023, p.21).

This research aims to investigate the form of transformational leadership implemented at the *Balo'ta* Savings and Loan Cooperative Berau Branch and to analyze its influence on both employee performance and member welfare. The study seeks to understand how this leadership style is applied in practice and to evaluate the performance of employees in their duties of servicing the cooperative's members, ultimately examining the connection between leadership, employee output, and the economic well-being of the membership base.

The benefits of this study are multifaceted, designed to provide strategic value for the cooperative itself and contribute to the broader field of knowledge. For cooperative leaders and employees, it will enhance their understanding of impactful leadership and the critical role of performance in promoting member welfare, serving as a concrete reference for managers. The findings are expected to offer branch leaders valuable input for identifying strengths and weaknesses in their current leadership approach, thereby aiding in the development of more effective strategies for leadership development and service improvement, particularly in preparation for the challenges of the digital era.

Furthermore, this research is positioned to make a significant academic and practical contribution by increasing the literature on transformational leadership within cooperatives. Its findings are anticipated to encourage the development of targeted programs that boost member welfare and provide new insights for administrators to be more responsive to members' economic and social needs. Ultimately, the study can serve as a vital reference or case study for other cooperatives and for policymakers in formulating regional cooperative development policies focused on building leadership capacity.

## **METHOD**

### **Types of Research**

The researcher uses qualitative descriptive methodology in this study to analyze transformational leadership in encouraging employee performance and the welfare of members of the *Balo'ta* Savings and Loan Cooperative Berau East Kalimantan Branch.

### **Data Source**

The data sources in this study are primary data obtained directly through observations, interviews, and documentation at the *KSP Balo'ta* Berau Branch Office, East Kalimantan, as well as secondary data obtained through literature studies by studying books or written materials related to the topic to be researched, from previous research journals, and other written data from institutions that are used as research objects.

### **Research Instruments**

This study uses observation instruments, in-depth interviews, and documentation and conducts a study of the documents of the *KSP Balo'ta* East Kalimantan Branch Office as supporting data.

### **Data Collection Techniques**

Researchers use techniques or methods to obtain good, structured, and accurate information or data from each aspect being researched. The following are the steps taken by the researcher:

### **Data Reduction**

The data that has been collected will be reduced—that is, simplified and selected based on its relevance to the focus of the research. This process aims to eliminate irrelevant information and focus on data that supports analytical research on transformational leadership, employee performance, and encouraging the welfare of members in the *Balo'ta* Savings and Loan Cooperative Berau Branch.

### **Data Presentation**

After the data is reduced, the data will be presented in the form of a descriptive narrative. This presentation will provide a clear picture of the analytical study of transformational leadership in encouraging employee performance and member welfare at the *Balo'ta* Savings and Loan Cooperative Berau Branch.

### **Validity Test/Data Triangulation**

After the presentation of the data that has been reduced, the descriptive narrative that has been obtained from observations, interviews, and the study of documentation of office document attachments is then compared using the data triangulation technique. Harahap (2020) said that the purpose of triangulation is to check the correctness of certain data by comparing it with data obtained from other sources in various phases of research in the field at different times. Triangulation can also be done by comparing the results of two or more researchers using different techniques.

### **Conclusion Drawing/Verification**

After an in-depth analysis of the data that has been presented, the researcher will draw conclusions about the study of transformational leadership analysis in encouraging employee performance and the welfare of members of the *Balo'ta* Berau Branch Savings and Loan

Cooperative. This conclusion will be the final result that answers the formulation of the problem and the purpose of the research.

## RESULTS AND DISCUSSIONS

### Transformational Leadership

Transformational leadership at the Balo'ta Savings and Loan Cooperative Berau Branch is the main force that drives the realization of optimal employee performance and the welfare of cooperative members. Based on observations, interviews, and documentation, the branch head carries out his role as a transformational leader through six main indicators: inspiration, open communication, participation in decision-making, assertiveness, exemplary, and innovation. This is in line with the characteristics of transformational leadership put forward by Robbins and Judge (2008) in Basirun & Turimah (2022, p.37) namely:

- a. Individualized Consideration, where a leader will treat each of his subordinates as individuals different from each other and will monitor, accompany and cultivate opportunities for these subordinates in this way, the leader will see each of his subordinates in a different way and recognize them and treat them with different abilities, needs and aspirations. Leaders will also provide training and different suggestions.
- b. Inspirational Motivation is the behavior or ability of a leader to communicate his high expectations and convey a common vision in an attractive way to everyone he leads. In the delivery, the leader will use attractive symbols so that his subordinates are inspired to achieve the goals of the organization, so that the organization will experience important progress.
- c. Idealized Influence, an ideal influence is also often referred to as a charismatic leader. The reason is that the leader has the ability or behavior to share the vision and mission for his members, so that his members have deep faith in the leader. Followers will have a sense of pride and respect for their leader, so they will feel very proud to be a follower of the leader. They also believe that the leader is a figure who has the capacity to solve problems.
- d. Intellectual Stimulation (Intellectual Stimulation) is the ability of a leader to increase the intelligence, creativity, and innovation of his followers.
- e. First, the inspiration and motivation given by the branch head is not only a formality in meetings or briefings, but has formed a work culture based on the values of responsibility and togetherness. The motivation conveyed through a real personal approach succeeds in encouraging the internal spirit of employees and encouraging loyalty to the cooperative's vision, which in turn has a direct impact on more empathetic service to cooperative members.

Second, the open and communicative attitude of the branch head creates a healthy dialogue space between management and employees as well as between management and members. A work environment that supports two-way communication can strengthen members' trust and involvement in the cooperative's policy-making process.

Third, the active involvement of employees and members in decision-making reflects the implementation of economic democratic values which are the basic principles of cooperatives. Branch heads do not lead authoritarily, but rather prioritize discussion and mutual agreement

in every operational and strategic policy. This makes employees and cooperative members feel more owned and responsible for the decisions made.

Fourth, the transformational leadership of the branch head is shown through decisive firmness, namely firmness in setting targets and evaluating performance balanced with flexibility and sensitivity to field conditions. This approach builds work discipline without creating tension, creating a conducive and productive work atmosphere.

Fifth, the example of the branch head is reflected in his direct involvement in various work processes and decision-making, as well as his willingness to guide with an open attitude. Leaders not only rule, but role models in discipline, integrity, and professionalism.

Sixth, the innovations carried out, especially in the aspect of digitizing cooperative services, show the leader's understanding of the dynamics of the times and the need for efficiency. Branch heads not only encourage change, but also facilitate the process of technology adaptation with employees and cooperative members. This innovation opens up faster, more accurate, and more member-friendly access to services, which directly drives member satisfaction and participation.

Based on the results of data triangulation through observations, in-depth interviews, and documentation, the transformational leadership applied in the Balo'ta Savings and Loan Cooperative Berau Branch has proven to be the main driver in encouraging internal performance and service to members as two aspects that support each other in encouraging the welfare of cooperative members. This is in line with the vision of cooperatives to become a growing, independent, and globally competitive people's economic institution. Leadership like this not only brings changes in the organizational structure, as well as cooperative operations but also builds a transformation of organizational values and culture that is oriented towards empowerment in encouraging better human resources. This is in line with the view of Insan (2017, p. 16) who said that transformational leadership empowers employees in the organization, and humanizes humans through various ways such as motivating and empowering employees to develop the organization and self-development towards real self-actualization.

### **Employee Performance**

Based on triangulation of data from observations, interviews, and documentation, it can be seen that the performance of employees at the Balo'ta Cooperative Berau Branch has shown strong characteristics, reflecting the positive influence of the implementation of transformational leadership. Employee performance not only reflects the fulfillment of administrative tasks but also shows work values that reflect the vision, inspiration, and passion or encouragement felt and shared by all members of the work group as a characteristic of transformational leadership. This is in line with Hutahae (2021) in Burhanudin & Saputri (2023, p. 103) explaining that transformational leadership is leadership that involves followers, builds inspiration for followers, builds commitment to realizing the organization's shared vision and goals, challenges followers to become innovative problem solvers, and develops leadership capacity through training and mentoring, with various challenges and support. The following is a description of the conclusions obtained from the results of observations, in-depth interview results, and the results of documentation regarding employee performance:

#### **a. Employee discipline**



Employee discipline is a clear and consistent early indicator. Punctual attendance and willingness to arrive early reflect high responsibility and awareness of the role of the individual in the cooperative work system. The attendance data corroborates the findings of observations and interviews that discipline is not only technical, but is part of a work culture that has been built through a leadership approach that provides an example and rewards for the consistency of positive behavior. This shows that with transformational leadership, that the branch head carries out transformational leadership by providing enthusiasm and moral motivation to employees. Branch heads encourage them to work with clear and meaningful goals. In addition, the discipline attitude of the branch head in terms of time and the habit of conducting regular evaluations help form a habit of common discipline among all employees.

b. Work ethic and responsibility

The high work ethic and sense of responsibility of employees reflected in the timely completion of tasks and service professionalism cannot be separated from the role of inspirational motivation that is the hallmark of transformational leadership. Leaders who are able to communicate the vision and goals of the cooperative clearly and inspire will foster employee confidence and commitment to contribute optimally. Employees who feel part of the organization's big vision will be more enthusiastic about carrying out their duties seriously, even willing to work more than usual working hours for the satisfaction of members, showing that they really appreciate the value of work.

c. Hospitality through the 5S principle (smile, greeting, greeting, politeness, and courtesy)

Employee friendliness consistent with the 5S principle (smile, greeting, greeting, politeness, manners) strengthens the quality of service and comfort of cooperative members. A friendly and courteous attitude not only reflects professionalism, but also creates a harmonious social climate and good relations between employees and members. In situations of high workload, sometimes the employee-friendly attitude can be slightly reduced. This condition shows the importance of the role of transformational leadership to always provide support and encouragement, so that employees are still able to provide the best service in all circumstances.

d. Initiative and enthusiasm for learning

Employees' enthusiasm to learn and try digital technology and services shows that the work environment in the cooperative supports them to continue learning and developing. Effective transformational leadership typically encourages innovation and continuous learning, providing room for employees to grow and improve their abilities. This is especially important in the context of cooperatives that increasingly rely on digital systems to speed up services and improve accuracy, so as to increase efficiency and member satisfaction.

e. Dexterity and dexterity of service

Employees' ability to provide fast and responsive service reflects a leader's success in developing and supporting his team effectively. Transformational leadership provides the support, trust, and resources employees need to act quickly and appropriately. Employees feel they have enough autonomy to make operational decisions that support the needs of their members, while knowing that they have the full support of leadership when faced with difficulties. This reinforces a sense of responsibility and speeds up the work process.

f. Teamwork

A strong spirit of cooperation and solidarity among employees shows the formation of a collaborative work climate. Transformational leadership that encourages teamwork and solidarity can build a high sense of togetherness, where each team member supports each other and fills the gaps of colleagues. This is important to face work challenges, especially during busy times or when workloads are increasing, so that organizational goals are still achieved without sacrificing the quality of individual work.

g. Comfort in the use of facilities

Employee comfort in the use of facilities, such as technology and a clean and orderly work environment, greatly contributes to productivity and quality of service. Transformational leadership that pays attention to the physical and psychological well-being of employees through the provision of adequate facilities will encourage motivation and loyalty at work. However, there is hope for the improvement of the digital system shows that leaders need to continue to evaluate and innovate work facilities to support optimal performance.

Overall, it can be concluded that employee performance supported by discipline, work ethic, friendliness, learning initiative, service agility, teamwork, and facility comfort strongly reflect the positive influence of transformational leadership. This type of leadership plays an important role in:

1. Inspire and motivate employees to work with high commitment and professionalism,
2. Encouraging innovation and continuous learning to encourage work skills and efficiency,
3. Building a collaborative and harmonious work culture, and
4. Ensuring the welfare and comfort of employees which indirectly encourages the quality of service to cooperative members.

This is in line with the view of Basirun & Turimah (2022, p.39) also explaining that there are several advantages of transformational leadership, namely:

1. Able to provide a good enough commitment for the members who are members in carrying out the vision and mission requested.
2. Can direct members or subordinates in carrying out the responsibilities and duties given to them fully.
3. Having firmness that can help make it easier for the company or organization to achieve the set goals.
4. Able to improve interpersonal relationships between leaders and subordinates to the maximum.
5. Can empower all the abilities of employees or subordinates who are led optimally.
6. Full of motivation and high enthusiasm to realize the company's goals together.

Through the above conclusion, it can be stated that transformational leadership is the main key that helps to encourage employee performance so that it has a positive impact on the welfare of members of the Balo'ta Savings and Loan Cooperative Berau East Kalimantan Branch. Darmawan et al. (2020, p. 59) said that the success of running a cooperative to achieve the main goal cannot be separated from the performance of employees by doing the work according to their potential. Furthermore, Darmawan et al. (2020, p. 58) explained that the existence of cooperatives is to improve the welfare of their members. In addition to effective teamwork and work commitment, work ethic is also needed. This performance improvement is not only an



achievement of administrative figures but also an improvement in service quality, member satisfaction and member welfare.

Leaders who not only control employees' work but can protect and mentor them at work are needed to encourage employee performance. Zin, Wildana, Anshori (2023, p. 212) said that one of the factors that can shape employee performance is the leadership in the company, then Mangkunegara (2002:22) in Silaen, et al., 2021, p.3 said that a person who completes his responsibilities with good work results is a performance. According to Mangkunegara (2002:68) in Silaen, et al., 2021, p. 6 says that people who have high performance have the following characteristics:

- a. Have a high commitment
- b. The risks faced are daring to be taken and borne
- c. Realistic goals have
- d. Fight for goals to be realized and have a comprehensive work plan
- e. Feedback from all work activities carried out can be used
- f. Programmed plans can be realized

Furthermore, according to Robbins (2006:260) in Silaen, et al., 2021, p. 6 said that there are six indicators to measure employee performance, namely:

1. Work quality, that is, the perfection of the task to the employee's skills and abilities and the employee's perception of the quality of the work produced is a measure of the quality of work.
2. The quantity of work, i.e. the quantity expressed in units and cycles of completed activities is the quantity produced expressed in quantity.
3. Punctuality, which is completing activities on time and maximizing the time available with other activities.
4. Effectiveness, which is to increase the results of each unit in the use of resources by maximizing the level of use of existing organizational resources (labor, money, raw materials).
5. Commitment, which is the level at which an employee who can carry out his work functions and responsibilities to the agency or company is called commitment.

Based on the opinions of Mangkunegara and Robbins cited by Silaen, et al. (2021), optimal performance in employees is characterized by several important characteristics and indicators. Mangkunegara emphasized that high-performance individuals have a strong commitment, dare to take risks, have realistic goals, are persistent in realizing a comprehensive work plan, and are able to utilize feedback for improvement and realize the programmed plan. Meanwhile, Robbins identified six main indicators to measure employee performance, namely the quality and quantity of work, punctuality, effectiveness in the use of resources, and the level of commitment to work and organization. Therefore, optimal employee performance can be achieved through a combination of positive attitudes and personal characters and the achievement of measurable work indicators. This has been tried to be carried out optimally by the employees of the Balo'ta Savings and Loan Cooperative Berau Branch based on the description of the results of the research above regarding the performance of employees of the Balo'ta Savings and Loan Cooperative Berau Branch, East Kalimantan.

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## Member Wellbeing

Based on the results of triangulation of data from observations, in-depth interviews, and employee welfare documentation, it can be concluded as follows:

1) Member satisfaction as a reflection of employee performance supported by transformational leadership

The results of observations and interviews show that cooperative members are generally satisfied with the services provided by the branch heads and employees. A friendly, responsive, and consistent professionalism are the main points in the positive assessment. Transformational leadership plays an important role here, because the characteristics of this leadership that are inspiring, supportive, and communicative create a conducive work climate for employees to provide excellent service.

Transformational leadership encourages employees to not only perform administrative tasks mechanically, but to internalize organizational values and a shared vision, resulting in an intrinsic motivation to serve wholeheartedly. This strengthens a positive work culture and makes service a form of personal commitment to the welfare of members, not just a routine obligation. The success of branch leaders in building two-way communication and positive relationships with members shows transformational ability in empowering subordinates to appear proactive and adaptive in facing service dynamics.

2) Efficiency and dexterity of service as an empowering leadership implementation

The fast, clear, and uncomplicated savings and loan service process shows the commitment of employees and branch leaders in implementing the principle of service dexterity. Transformational leadership here serves as a key that motivates employees to be responsible and creative in simplifying administrative processes without neglecting procedures. A patient and communicative approach to new members who are still adjusting shows how leaders provide emotional support and ongoing coaching to employees. This ensures that employees are able to manage technical challenges and maintain consistent quality of service, which ultimately supports member loyalty and boosts the cooperative's reputation as a reliable institution.

3) The role of cooperatives in encouraging the welfare of members through economic and social empowerment

Observations and interviews show that members feel the real benefits of easy access to loans with low interest and flexible terms. This underscores how cooperatives play an inclusive role as an inclusive institution that fills the void of formal financial services. Transformational leadership supports this by developing the vision of cooperatives as a forum for economic empowerment that not only provides financial products, but also builds solidarity and belonging among members. Through inspirational leadership, employees are encouraged to not only serve administratively, but also build emotional relationships with members, strengthen social bonds, and elevate members' overall well-being (Deng et al., 2024).

4) Involvement of members in decision-making as a manifestation of democratic principles and openness

The results of observations and interviews confirm that members are involved in decision-making through annual deliberations and other consultation forums. Transformational leadership provides space for members to actively participate, resulting in a sense of ownership

and shared responsibility for the progress of the cooperative. This approach shows that leaders not only lead authoritarily, but also facilitate dialogue and collaboration that strengthen collective commitment. Member involvement in strategic policies reflects transformational principles that emphasize individual empowerment and capacity building in an organizational context, which in turn drives cooperative sustainability and member well-being (Martínez-León et al., 2025).

##### 5) Social programs and awards as a form of implementation of care and solidarity

Documentation shows the existence of programs such as educational assistance, limited reciprocity, bereavement and disaster compensation, medical assistance, and appreciation for exemplary members. This program shows the social and humanitarian dimensions of cooperatives run with caring and proactive transformational leadership. Leadership that is able to integrate economic goals with social care fosters a sense of security and solidarity among members. These programs not only encourage the material well-being of members, but also strengthen loyalty and the spirit of mutual cooperation. Therefore, transformational leaders succeed in mobilizing employees to realize cooperative values in real life in their daily lives, which contributes to promoting the quality of life of members in a sustainable manner (Nasir et al., 2022).

Through this conclusion, it can be stated that transformational leadership is the main center in encouraging employee performance which has a direct impact on the welfare of members of the Balo'ta Berau Branch Savings and Loan Cooperative. Through an inspiring, supportive, and participatory approach, leaders are able to create a positive work environment, encourage responsive and efficient service, and form a work culture that is oriented towards the satisfaction and needs of members (Ha & Hang, 2024). This leadership not only motivates employees to work professionally, but also fosters a sense of social responsibility, strengthens solidarity, and builds close emotional relationships with members (Banda & Liu, 2025). The involvement of members in decision-making and the implementation of social programs shows that cooperatives are managed with democratic principles and care. This is in line with Mulyadi, Rusmana, & Juhadi (2023, p. 21) saying that one of the supporting factors for the welfare of cooperative members is satisfaction with services, especially in helping to realize the fulfillment of members' needs in supporting their economy. Furthermore, Bagaskara and Pujiani said that one of the resources that must be improved to achieve success in financial institutions is the optimization of employee performance because the existence of employees plays a big role in efforts to improve company services (2020, p.12).

The provision of good service is not only in the form of employee responses when members come to the cooperative to make borrowing and saving transactions, but good service is not convoluted when serving cooperative members who need financial assistance. Mulyadi, Rusmana, & Juhadi said that the driving factor for achieving cooperative welfare can also be supported through cooperative services through meaningful contribution in supporting the economic needs of its members by using cooperative financial services without having to be convoluted (2023, p.21), then Bagaskara & Pujiani (2020, p.12) said that the key to success for financial institutions is to increase human resources in their companies. So, the realization of the welfare of cooperative members starts from the adequate performance of cooperative leaders and employees in providing services to cooperative members.

Triyanti said that "as a public service official, it is required to show good leadership in carrying out service duties and have responsiveness and show a polite attitude in serving the community" (2019, p. 90). The role of a leader can be seen from how he implements leadership that can support the achievement of employee performance which can have a positive impact on cooperative members, one of which is the welfare of members. Transformational leadership practices are expected to assist leaders in encouraging employees to improve better performance so as to have an impact on the members of the Balo'ta Berau Branch Savings and Loan Cooperative. Avolio & Bass in Triyanti (2019, p. 89) say that "transformational leaders push subordinates on development and performance beyond expectations". This opinion is supported by Kirkpatrick and Locke as quoted by Suharto (2001:6) in Triyanti (2019, p. 89) that "after conducting a review of more than 20 studies, it was found that transformational leadership has a positive effect on the performance, attitude, and perception of subordinates".

Therefore, transformational leadership contributes significantly to creating sustainable and competitive cooperatives, while promoting the overall economic and social well-being of its members.

## CONCLUSION

Based on the findings of this study, it can be concluded that transformational leadership at the *Balo'ta* Savings and Loan Cooperative Berau Branch serves as a critical driver in enhancing both employee performance and member welfare. The leadership approach—characterized by inspiration, open communication, participatory decision-making, assertiveness, role modeling, and innovation—fostered a positive work environment where employees felt motivated, supported, and empowered. This, in turn, translated into higher service quality, greater member satisfaction, and tangible improvements in members' economic and social well-being. The research underscores that transformational leadership not only improves operational and service outcomes but also strengthens the cooperative's role as an inclusive and empowering community-based financial institution.

For future research, it is recommended to expand this study to include quantitative methods to measure the correlation between transformational leadership, employee performance, and member welfare more precisely across multiple cooperatives. Additionally, investigating the long-term effects of digital transformation initiatives on leadership practices and member engagement would provide valuable insights into sustaining competitiveness in the evolving financial landscape. Further studies could also explore the role of member participation in leadership processes or the impact of external factors such as regulatory changes and economic shifts on cooperative performance and member welfare. Such research would contribute to developing more resilient and adaptive leadership models for cooperatives in similar contexts.

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