

THE INFLUENCE OF PRINCIPAL TRANSFORMATIONAL LEADERSHIP AND COMPENSATION ON TEACHER PERFORMANCE AT SMKS INDONESIA RAYA BANDUNG

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ABSTRACT

The study examines how principal transformational leadership and compensation affect teacher performance at SMKS Indonesia Raya Bandung. A quantitative survey design was used. All 45 teachers at the school were included (census sampling). Data were gathered via Likert 1--5 questionnaires and analyzed with multiple regression (SPSS). Findings: (1) Transformational leadership had a positive, significant effect on teacher performance ($\beta = 0.342$; $p < 0.05$); (2) Compensation had a positive, significant effect on teacher performance ($\beta = 0.298$; $p < 0.05$); (3) Both variables jointly had a positive, significant effect ($F = 25.847$; $p < 0.05$; $R^2 = 0.547$), explaining 54.7% of the variance in teacher performance. Implications: principals should strengthen transformational leadership and the school should review its compensation system to enhance teacher performance.

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1. INTRODUCTION

In the era of global competition and the dynamics of 21st-century education, the quality of Human Resources (HR) has become a vital indicator of national progress. Private Vocational Secondary Schools (SMKS), as non-public formal education institutions, face unique challenges in HR management, particularly in ensuring optimal performance of teachers who are the key actors in producing competent and industry-adaptive graduates (Indrawati, 2025).

SMKS Indonesia Raya Bandung, as a representation of SMKS with the typical characteristics of private organizations—from policy flexibility to funding structures that differ from public schools—is required to bring innovation in HR management practices, especially in terms of leadership and compensation strategy. Empirically, excellent teacher performance is a main prerequisite for achieving educational goals and institutional competitiveness (Robbins, 2013).

The principal, in the context of education management, does not merely play an administrative role but also acts as a transformer of culture and motivation in the work environment. The transformational leadership model articulated by Bass (1985) through the dimensions of idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration has become a fundamental reference in enhancing teacher engagement, organization, and performance (Bass, 1985). On the other hand, the compensation system, both financial and non-financial, has a strategic function in driving extrinsic motivation among educators (Milkovich, 2008).

Previous research has affirmed a positive relationship between transformational leadership and compensation with teacher performance in various educational settings (Sutisna et al., 2023). However, the majority of studies still focus on public schools or Islamic vocational schools, and often integrate mediating/intervening variables, so they have not highlighted the direct influence and synergy of the two main variables in the SMKS context (see the difference in Irfanudin et al., 2023).

This study offers significant novelty compared to previous research:

1. A primary focus on SMKS as a private education institution, which has rarely been the specific locus of research.
2. The construction of a direct-effect research model without mediating variables, enabling the measurement of the real influence of transformational leadership and compensation simultaneously and the identification of the most dominant variable for teacher performance.
3. The application of Bass's (1985) leadership theory and its four dimensions in the SMKS context, which has previously received minimal empirical validation.
4. The specific determination of the research location at SMKS Indonesia Raya Bandung, which has never been a research locus before.
5. The submission of applicable recommendations for HR management based on the synergy of intrinsic and extrinsic motivation in the SMKS environment.

This study aims to comprehensively investigate the extent to which principal transformational leadership and compensation directly affect teacher performance at SMKS Indonesia Raya Bandung. Theoretically, this study is expected to enrich the HR management literature in the private education sector, while practically it serves as a basis for policy recommendations both at the organizational level of SMKS Indonesia Raya Bandung and for the development of HR management models in other SMKS in Indonesia.

2. LITERATURE REVIEW

Teacher Performance

Performance is the output or result of a person's work after carrying out the tasks and responsibilities assigned. Robbins (2013) defines performance as an assessment of the work that an individual has carried out. In education, teacher performance is the work achievement of teachers after carrying out their tasks and responsibilities as educators.

Indicators for measuring teacher performance include: (1) ability to plan learning, (2) skills in implementing learning, (3) competence in evaluating learning, (4) continuous

professional development, and (5) participation in school activities. High teacher performance has a positive impact on the quality of learning and student learning outcomes.

Factors that affect teacher performance are divided into internal and external. Internal factors include competence, motivation, organizational commitment, and personality characteristics. External factors include leadership style, compensation system, work environment, and organizational culture.

Transformational Leadership

The concept of transformational leadership was introduced by Burns (1978) and developed by Bass (1985). Transformational leadership is an approach that inspires, motivates, and develops the potential of followers to achieve higher and meaningful organizational goals. Bass (1985) identified four dimensions: (1) **Idealized Influence**: the principal serves as a role model with high professional values and ethics, formulates a clear vision, and inspires teachers to follow the vision; (2) **Inspirational Motivation**: the principal motivates and inspires teachers through effective communication and creates an attractive and challenging vision; (3) **Intellectual Stimulation**: the principal encourages teachers to think creatively and innovatively, challenges old assumptions, and seeks new solutions; (4) **Individualized Consideration**: the principal provides individual attention, understands the needs and potential of each teacher, and supports career development.

Previous studies have reported a positive influence of transformational leadership on teacher performance. Zulkarnaen (2020) reported a significant effect of transformational leadership style on vocational school teacher performance; Hasna (2025) reported a similar positive effect. Indrawati (2025) in a systematic literature review concluded a positive relationship between transformational leadership and work motivation with teacher performance.

Compensation

Compensation refers to various forms of rewards given by an organization to employees in appreciation of their contribution. Milkovich (2008) defines compensation as all forms of financial rewards, tangible services, and benefits received by employees in an employment relationship.

Compensation is divided into: (1) **Financial** : direct (base salary, allowances, bonuses, incentives) and indirect (health insurance, pension, leave); (2) **Non-financial** : recognition and appreciation, career development opportunities, conducive work environment, job autonomy.

Fair and proportional compensation has the potential to increase work motivation, job satisfaction, and organizational commitment, thus affecting performance. Adams (1965) in equity theory explains that individuals compare their input-output ratio with others; perceptions of unfairness can reduce performance.

Previous studies have reported a positive influence of compensation on teacher performance. Sutisna (2023) and Irfanudin (2023) in Islamic vocational schools reported a significant effect of compensation on teacher performance; Mafaz (2024) reported an effect of compensation on teacher work motivation.

The Relationship of Transformational Leadership and Compensation to Teacher Performance

Transformational leadership and compensation both affect teacher performance through different but complementary mechanisms: transformational leadership through intrinsic motivation, compensation through extrinsic motivation. Both can synergize to improve teacher performance.

Sutisna (2023) reported a significant effect of principal leadership, work motivation, and compensation on performance—but with three independent variables. Irfanudin (2023) in Islamic vocational schools reported an effect of principal leadership and compensation on teacher performance, but used a general leadership concept, not specifically transformational.

The novelty of this study: combining transformational leadership (four dimensions of Bass, 1985) and compensation (financial and non-financial) in one simple model without mediation or intervening variables, thus enabling the identification of direct influence and the dominant variable in the SMKS context.

Based on theory and previous research, the following hypotheses can be developed:

- H1: Principal transformational leadership has a positive and significant effect on teacher performance at SMKS Indonesia Raya Bandung.
- H2: Compensation has a positive and significant effect on teacher performance at SMKS Indonesia Raya Bandung.
- H3: Principal transformational leadership and compensation simultaneously have a positive and significant effect on teacher performance at SMKS Indonesia Raya Bandung.

3. RESEARCH METHOD

The study used a quantitative explanatory approach. The research locus was SMKS Indonesia Raya Bandung; the population was all teachers (45 people). Due to the small population size, census sampling was used so that the entire population became the sample. The selection of SMKS as the locus is a research novelty, given that previous studies were more often conducted in public schools or general vocational schools.

Research variables: two independent variables—principal transformational leadership (X1) and compensation (X2)—and one dependent variable—teacher performance (Y). X1 was measured with four dimensions of Bass (1985): idealized influence, inspirational motivation, intellectual stimulation, individualized consideration. X2 was measured in an integrated manner (direct/indirect financial and non-financial). Y was measured through indicators of planning, implementation, learning evaluation, professional development, and

participation in school activities. The model used direct effect without mediation or intervening variables.

Data were collected through Likert 1--5 scale questionnaires containing statements about X1, X2, and Y. Instruments were tested for validity (Pearson Product Moment correlation) and reliability (Cronbach's Alpha) before use.

Data analysis used multiple regression (SPSS). Stages included classical assumption tests (normality, linearity, multicollinearity, heteroscedasticity), multiple regression for the regression equation and R², and simultaneous (F) and partial (t) significance tests for hypotheses. The choice of simple multiple regression (rather than SEM or path analysis) allows clearer identification of direct influence and variable dominance for practitioners.

4. RESULTS AND DISCUSSION

Multiple Regression Analysis

Multiple regression was used to test the effect of principal transformational leadership and compensation on teacher performance. A summary of the model (R = 0.740; R² = 0.547; Adj. R² = 0.526; F = 25.847; Sig. = 0.000) and regression coefficients are presented in Table 1.

Table 1. Multiple Regression Analysis Results

Variable	B	Std. Error	Beta	t	Sig.
(Constant)	0.856	0.234		3.657	0.001
Transformational Leadership (X1)	0.342	0.089	0.412	3.843	0.000
Compensation (X2)	0.298	0.095	0.328	3.137	0.003

Note. Dependent variable: Teacher Performance (Y). R = 0.740; R² = 0.547; Adj. R² = 0.526; F = 25.847; Sig. (F) = 0.000.

From Table 1, the regression equation $Y = 0.856 + 0.342X1 + 0.298X2$ is obtained. The constant 0.856 indicates the level of teacher performance when both independent variables are zero. The coefficient of X1 (0.342) indicates that each one-unit increase in transformational leadership increases teacher performance by 0.342 units (*ceteris paribus*); the coefficient of X2 (0.298) indicates a 0.298-unit increase in performance per one-unit increase in compensation (*ceteris paribus*). R = 0.740 indicates a strong relationship (0.60 < R < 0.80). R² = 0.547 indicates that the two independent variables explain 54.7% of the variance in teacher performance; the remaining 45.3% is explained by other variables. F = 25.847 (Sig. = 0.000 < 0.05) indicates that the simultaneous effect of both variables on teacher performance is significant.

Hypothesis Testing

The t-test (partial) tested the effect of each independent variable on the dependent variable. From Table 1, t for transformational leadership = 3.843 ($p = 0.000 < 0.05$), so **H1 is accepted**: principal transformational leadership has a positive and significant effect on teacher performance at SMKS Indonesia Raya Bandung. t for compensation = 3.137 ($p = 0.003 < 0.05$), so **H2 is accepted**: compensation has a positive and significant effect on teacher performance. The F-test (simultaneous) yielded $F = 25.847$ ($p = 0.000 < 0.05$), so **H3 is accepted**: principal transformational leadership and compensation together have a positive and significant effect on teacher performance at SMKS Indonesia Raya Bandung.

5. DISCUSSION

The Effect of Principal Transformational Leadership on Teacher Performance

The findings show that principal transformational leadership has a positive and significant effect on teacher performance (regression coefficient 0.342). This result is consistent with Zulkarnaen (2020), who reported a significant effect of transformational leadership style on vocational school teacher performance, and Hasna (2025), who reported a similar positive effect.

Transformational leadership can boost teacher performance through several pathways: (1) the principal inspires teachers through a clear and challenging vision; (2) the principal provides intrinsic motivation by recognizing teacher contributions and providing development opportunities; (3) the principal encourages teachers to think creatively and innovatively; (4) the principal provides individual attention and understands the needs and potential of each teacher.

At SMKS Indonesia Raya Bandung, the application of transformational leadership by the principal can create a conducive work climate, boost teacher work motivation, and in turn improve performance. Teachers who feel valued and supported tend to be more motivated to contribute optimally.

The Effect of Compensation on Teacher Performance

The findings show that compensation has a positive and significant effect on teacher performance (regression coefficient 0.298). This result is consistent with Sutisna (2023) and Irfanudin (2023) in Islamic vocational schools, who reported a significant effect of compensation on teacher performance. The novelty of this study: combining financial and non-financial compensation in an integrated manner in the SMKS context, which has compensation system characteristics that differ from public schools.

Compensation can improve teacher performance through several pathways: (1) fair and proportional financial compensation boosts extrinsic motivation; teachers who feel financially valued tend to be more motivated to work better; (2) fair compensation increases job satisfaction and organizational commitment, so that teachers strive to deliver their best performance; (3) non-financial compensation (recognition, appreciation) boosts

intrinsic motivation; in SMKS, career development opportunities and job autonomy can affect teacher satisfaction and performance.

At SMKS Indonesia Raya Bandung, teacher compensation needs to be evaluated periodically to remain fair and proportional. The flexibility of private schools allows the development of innovative compensation systems that suit teacher needs. Compensation fairness includes both financial and non-financial aspects (recognition, appreciation, career development opportunities).

The Simultaneous Effect of Principal Transformational Leadership and Compensation on Teacher Performance

The findings show that principal transformational leadership and compensation together have a positive and significant effect on teacher performance ($F = 25.847$; $p < 0.05$; $R^2 = 0.547$). $\text{Adj. } R^2 = 0.526$ indicates that the model still explains 52.6% of the variance in teacher performance after adjusting for the number of independent variables. This result is consistent with Sutisna (2023), who reported a significant effect of principal leadership, work motivation, and compensation on performance—however, this study uses a direct model without mediation, thus enabling the identification of direct influence and the synergy of the two variables.

Transformational leadership and compensation synergize to improve teacher performance: the first through intrinsic motivation, the second through extrinsic motivation. Both complement each other to create conditions conducive to performance improvement. The synergy of intrinsic and extrinsic motivation is the theoretical contribution of this study in the SMKS context.

The regression coefficients show that transformational leadership (0.342) is larger than compensation (0.298), so at SMKS Indonesia Raya Bandung transformational leadership is more dominant in affecting teacher performance. This identification of variable dominance provides guidance for intervention priorities for practitioners; both variables remain important and need to be addressed together because they synergize. As much as 45.3% of the variance in teacher performance is explained by other variables (work motivation, work environment, organizational culture, organizational commitment, and other factors) not included in the model.

6. CONCLUSION

From the research results and discussion, the following conclusions can be drawn. First, principal transformational leadership has a positive and significant effect on teacher performance at SMKS Indonesia Raya Bandung; the better the transformational leadership, the higher the teacher performance. The improvement in performance occurs through the four dimensions of Bass (1985): idealized influence (inspiration through a clear and challenging vision), inspirational motivation (intrinsic motivation through recognition of teacher contributions), intellectual stimulation (creative and innovative thinking), and individualized consideration (individual attention and career development support). This

finding strengthens the validation of Bass's (1985) theory in the SMKS context, which has rarely been explored.

Second, compensation has a positive and significant effect on teacher performance at SMKS Indonesia Raya Bandung; the better the compensation, the higher the teacher performance. Compensation boosts performance through increased extrinsic motivation, job satisfaction, and organizational commitment. Compensation fairness includes both financial and non-financial aspects (recognition, appreciation, career development opportunities). The novelty of the study: combining financial and non-financial compensation in an integrated manner in the SMKS context, which has different characteristics from public schools.

Third, principal transformational leadership and compensation together have a positive and significant effect on teacher performance; both variables explain a large portion of the variance in teacher performance. Transformational leadership works through intrinsic motivation, compensation through extrinsic motivation; both complement each other to create conditions conducive to performance improvement. Transformational leadership has a greater effect than compensation, thus providing guidance for intervention priorities for practitioners; both variables remain important and synergistic.

Practical recommendations: (1) Principals are advised to strengthen the application of transformational leadership with a focus on the four dimensions (idealized influence, inspirational motivation, intellectual stimulation, individualized consideration), develop a clear and challenging vision and communicate it effectively, and provide individual attention and support for teacher career development. (2) The school needs to evaluate the compensation system (financial and non-financial) to ensure it is fair and proportional; the flexibility of private schools allows the development of innovative compensation systems that suit teacher needs; HR policy needs to integrate transformational leadership and compensation while considering the dominance of transformational leadership.

Recommendations for future research: add other variables that affect teacher performance; use mediating or moderating variables to explain the influence mechanism in more detail; comparative research between SMKS and public schools; replication in other SMKS or various regions for generalization; qualitative or mixed methods approach for in-depth understanding, especially the synergy of intrinsic and extrinsic motivation in improving teacher performance.

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