

ABSTRACT

This study aims to analyze the effect of democratic leadership on employee performance with readiness for change as a mediating variable. This study consists of one independent variable, one dependent variable, and one mediating variable. The independent variable in this study is democratic leadership. The dependent variable in this study is employee performance. The mediating variable in this study is readiness for change.

The population in this study were all employees of PT. Adi Teknik Mandiri. Sampling was done using purposive sampling method wich amounted to 180 respondents. The data collection technique was carried out by distributing questionnaires in the form of papers on permanent employee and contract employee. The data analysis technique in this study uses SEM (Structural Equation Modeling) analysis operated through the SmartPLS 4 program. The results of this study indicate that democratic leadership has a positive and significant effect on employee performance. Meanwhile, readiness for change can mediate the effect of democratic leadership on employee performance.

Keywords: Democratic Leadership, Employee Performance, Readiness for Change