

## **ABSTRACT**

*The sustainability of the company is significantly controlled by both internal and external aspects that interact with each other, including the quality of human resources (HR) and the dynamics of the business environment. This study focuses on evaluating the extent to which transformational leadership and total rewards influence employee performance, as well as motivation as a mediating variable in the Distribution Division of PT Hibrida Jaya Utama, an agricultural product distribution company in Semarang. This study applies a quantitative method, where data is collected through a questionnaire survey given to 45 respondents, then analyzed using the Smart PLS application.*

*The findings of this study indicate that total rewards have a direct and significant influence on employee motivation and performance, while transformational leadership does not show a significant influence on both. Motivation is proven to mediate the influence of total rewards on performance, but does not act as a mediator in the relationship between transformational leadership. These findings provide important implications both theoretically and practically, namely the importance of designing a fair and competitive reward system and the need to improve the effectiveness of the leadership style applied in the organization.*

*In conclusion, HR management strategies that focus on providing appropriate rewards and increasing employee motivation contribute significantly to achieving organizational performance and sustainability. The results of this study add insight into the realm of HR management development, and offer practical recommendations for companies to strengthen competitive advantage and employee retention amidst the challenges of a dynamic business environment.*

**Key Words: Transformational Leadership, Total Rewards, Motivation, Employee Performances**

