

# The Influence of Transformational Leadership, Work Motivation, and Organizational Commitment to Job Satisfaction and Employee Performance

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## Abstract

Each organization has a relationship with each other and always tries to work hand in hand in carrying out its activities with the aim of increasing the productivity of performance in their respective divisions. A group in the organization has a work achievement target as well as every individual in the organization. This study aims to prove and analyze the effect of transformational leadership variables on job satisfaction, transformational leadership on employee performance, work motivation on job satisfaction, work motivation on employee performance, organizational commitment on job satisfaction, organizational commitment on employee performance and job satisfaction on employee performance. The sample used is 75 respondents who are employees of Head Office PT. BPD East Java, Tbk. Analysis using the Partial Least Square (PLS) model. Results The study showed transformational leadership, work motivation, and organizational commitment has a significant positive effect on job satisfaction. Transformational leadership, work motivation, and organizational commitment has a positive and significant impact on employee performance.

# Keywords: Transformational Leadership, Work Motivation, Organizational Commitment, Job Satisfaction, Employee Performance

## INTRODUCTION

The current development, human resources are not only a factor of production but also an organizational asset. Therefore, it is necessary to increase the capacity, welfare and performance. From another point of view, an organization that focuses on performance requires clear measuring tools, so employees are expected to play a role in providing benchmark-based evidence as a potential element to achieve efficiency and effectiveness of organizational goals. Reinforcing the above statement, (Dessler Gary, 2015: 19) suggests that: "Human



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resources are currently in a strong position to improve company performance and profitability.

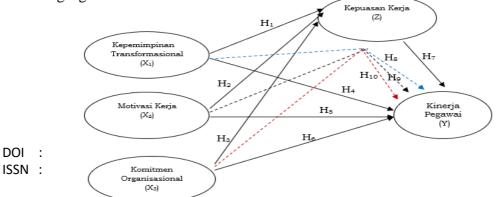
In modern era, human resources must be able to respond to changes and competition that occurs all the time. Based on research conducted by Wilhelmus Andiyanto (2011), Agus Andaryanto (2008) and Regina Aditya Reza (2010), leadership is the leader's ability to influence the group towards achieving predetermined goals. The quality of the leader is considered the most important factor that determines the success of an organization. Motivation is an attempt to influence a person's behavior to lead to the achievement of predetermined organizational goals. Motivation has an impact on a person or individuals to involve themselves in activities and work that lead to goals as satisfaction. Motivation gives employees to have a strong desire that arises due to an internal drive to get involved and participate in the organization by doing all the tasks and work that is charged and on an ongoing basis.

Significantly, commitment has an impact on the work performance of human resources, and in the end it is also very influential on the performance of an organization or agency. Therefore, the role of human resources, especially the management from the base line to the top line, must be able to act as a driver to realize the mission and goals of the organization. The concept of commitment is an important aspect of the human resource management philosophy that is designed to maximize organizational integration, organizational commitment, employee commitment, flexibility and work quality.

Job satisfaction in several studies is positively associated with commitment. Employee job satisfaction affects work commitment. If in the work environment an employee does not get what is expected including fair promotion opportunities, good income, pleasant colleagues and superiors and satisfaction with the work itself, it is certain that employee commitment will be poor.

The phenomenon faced by the banking world is Fraud and Turnover. According to OJK, fraud is an act of deliberately making a false statement about something true or hiding the actual facts to influence other people to cause harm. In recent years, PT BPD Jawa Timur, Tbk has experienced fraud caused by employees of the credit department and it is quite a loss for the company. One of the various factors that need to be considered by companies to reduce employee turnover is how the company manages good and sustainable human resources. Based on the above phenomenon, the problem in this research is formulated that whether transformational leadership, work motivation, and organizational commitment affect job satisfaction and employee performance at the Head Office of PT.BPD Jawa Timur, Tbk.

The conceptual framework of this research can be illustrated in the following figure.





### **Figure 1. Conceptual Framework**

### METHOD

This research is included in the category of causal research. The method used is the *Explanatory survey method*. The population of this study were all employees of PT. BPD East Java, Tbk Head office which has positions ranging from supervisor to division head of 285 people, the sample size of respondents in this study using the formula "Taro Yamane" (Ridwan, 2008:44) with the following formula:

$$n = \frac{N}{N \cdot d^2 + 1}$$

Description :

n : Number of Samples

N : Total Population

d2 : Bond of errors or precision

then the size of the sample of respondents in this study is :

$$n = \frac{285}{285.0,1^2+1}$$
  
n = 74,03  
n = 75

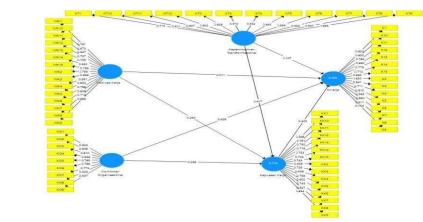
It can be seen that the minimum sample size is 75 respondents who have positions ranging from supervisor to division head of Head office PT. BPD East Java, Tbk. The type of data used in this study is quantitative data. The data shows the responses/values of the respondents who measure the influence of the respondents about transformational leadership, work motivation, and organizational commitment that affect job satisfaction and impact on employee performance. Analysis using Partial Least Square model with T-test. The indicator model used is formative.

## **RESULTS AND DISCUSSION Partial Least Square Output Model**

PLS output in the form of a path diagram model as shown in the following



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### Figure 2. PLS Output Model Relationship between Variables X, Z, Y

From testing, the outer model is Convergent Validity with reflective (latent) indicators. (Solimun et al., 2017) states that the indicator is considered valid if it has a Loading value above 0.5 and a T-statistic above 1.96. The statistics are close to normal, namely at = 0.05, whose critical value is 1.96.

#### Indicator Validity Test (Outer Measurement Model)

From Figure 2. The PLS output above can be described in the following text:

#### **Table 1. Outer Model**

radie 1. Ot	Transformational Leaderrship	Job Satification	Performance	Organitational Commitment	Work Motivation
KT1	0,715				
KT2	0,828				
KT3	0,910				
KT4	0,932				
KT5	0,945				
KT6	0,956				
KT7	0,953				
KT8	0,907				
KT9	0,895				
KT10	0,811				
KT11	0,707				
KT12	0,902				
K1			0,803		
K2			0,820		
K3			0,704		
K4			0,711		
K5			0,810		
K6			0,703		

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K7			0,706		
K8			0,711		
K9			0,754		
K10			0,802		
K11			0,782		
K12			0,709		
K13			0,779		
K14			0,712		
K15			0,709		
KK1		0,708			
KK2		0,709			
KK3		0,726			
KK4		0,718			
KK5		0,768			
KK6		0,702			
KK7		0,743			
KK8		0,857			
KK9		0,854			
KK10		0,781			
	Transformational Leaderrship	Job Satification	Performance	Organitational Commitment	Work Motivation
KK11		0,792			
KK12		0,718			
KK13		0,753			
KK14		0,732			
KK15		0,743			
KO1				0,824	
KO2				0,848	
KO3				0,810	

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KO4	0,756	
KO5	0,785	
KO6	0,788	
KO7	0,773	
KO8	0,734	
K09	0,907	
MK1	0,761	
MK2	0,799	
MK3	0,858	
MK4	0,711	
MK5	0,803	
MK6	0,768	
MK7	0,839	
MK8	0,719	
MK9	0,866	
MK10	0,713	
MK11	0,703	
MK12	0,707	
MK13	0,709	
MK14	0,712	
MK15	0,789	
Source, data processed 2022		

It is known that the Outer loading above, all indicators are above the number 0.5, that is, in other words, all indicators can be declared valid.

### **Model Indicator Reliability Test**

After testing the validity of the construct, the next stage is a reliability test that aims to determine the reliability of each indicator. The reliability test is obtained from the results of the Composite Reliability value. **Table 2. Composite Reliability** 

Composite Reliability

Transformational Leadership

0,973

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0,946
0,943
0,931
0,952

Based on Table 2. the calculation of the value of all variables, Composite Reliability yields values > 0.70, and This means that all these variable is reliable or trustworthy for its reliability.

### **R** Square testing via (Inner Structural Model)

The test of the inner model can be seen from the R-Square value, which in the equation of the latent variable according to (Solimun et al., 2017) denoted Q2 = 1 - (1 - R1 2) (1 R2 2 Rn 2). R-Square from the results of the analysis in this study, the data is known as follows :

Table 3. R-Square (R2)

	R Square
Job satisfaction	0,710
Performance	0.765
0 1	1 2022

Source, data processed 2022

The table above gives an R Square value of 0.710 for the Job Satisfaction construct which means that Transformational Leadership, Work Motivation, and Organizational Commitment are able to explain the Job Satisfaction variance of 71%. The Employee Performance Construct has an R Square value of 0.765 which means that Transformational Leadership, Work Motivation, Organizational Commitment, and Job Satisfaction are able to explain the performance variance of 76.5%.

### Hypothesis testing

As seen from Figure 2. above, it can be seen the results of hypothesis testing as contained in the following table :

#### Table 4. Result for inner Weight

	Original Sample Estimate	Standard Devices (STDEV)	T- Statistic
Transformational Leadership $\rightarrow$ Job Satisfaction	0,417	0,090	4,653
Transformational Leadership $\rightarrow$ Performance	0,407	0,113	3,098
Job Satisfaction $\rightarrow$ Performance	0,425	0,120	3,535
Organitational Commitment $\rightarrow$ Job Satisfaction	0,258	0,113	2,286
Organitational Commitment $\rightarrow$ Performance	0,429	0,108	3,984

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Work Motivation $\rightarrow$ Job Satisfaction	0,294	0,138	2,128
Work Motivation $\rightarrow$ Performance	0,411	0,135	3,018
Transformational Leadership $\rightarrow$ Job Satisfaction $\rightarrow$ Performance	0,407	0,177	2,584
Work Motivation $\rightarrow$ Job Satisfaction $\rightarrow$ Performance	0,411	0,125	2,536
Organitational Commitment $\rightarrow$ Job Satisfaction $\rightarrow$ Performance	0,429	0,110	2,539

Source, data processed 2022

Table 4 shows that the effect of exogenous variables on endogenous variables can be seen from T value, if t-statistics is greater than t-table (1.96) it can be stated that there is a significant effect of exogenous variables on endogenous variables.

Calculation of data analysis shows that Transformational Leadership has an effect on Job Satisfaction and employee performance at the Head Office of PT. BPD East Java, Tbk. The T-statistics obtained were 4.653 and 3.098 (p > 1.96). In other words, the Transformational Leadership variable has a significant positive effect on changes in the Job Satisfaction variable and employee performance. These results are in accordance with the opinion of Robbins (2008) which states that the factors used to measure job satisfaction are the nature of work, supervision, current salary, promotion opportunities and co-workers and these results are in accordance with research conducted by Omar (2021) and Purnomo (2020) which states that transformational leadership has an influence on employee job satisfaction, this type of leadership is able to motivate employees. When associated with employee performance, the research results are in line with research conducted by Djuraidi and Laily (2020) which states that Transformational Leadership affects employee performance. In addition, research from Sazly and Winna (2019) also explains that their research supports that by improving the quality of transformational leadership, it can affect their subordinates so that the performance obtained will increase.

The results of data analysis indicate that work motivation has an effect on job satisfaction and employee performance at the Head Office of PT. BPD Jawa Timur, Tbk, as shown by  $T_{\text{Statistics}}$  of 2,128 and 3,018 (p > 1.96). That is, the more motivated employees at work will be proven to have an impact on job satisfaction and employee performance and vice versa. This is in line with the research of Wijiasih et al. (2021) who concluded that work motivation proved to have an effect on job satisfaction of the Sleman Regency Manpower Office employees. Likewise in the journal (Ratnasari & Dewi, 2014) which concluded that work motivation proved to have an effect on employee job satisfaction at the Tabanan Regency Manpower and Transmigration Office. The results of this study are consistent with the research of Jufrizen and Sitorus (2021) which explains that work motivation has a positive and significant effect on performance. Niam and



Syah (2019) also argue that the results of their research show that work motivation variables have a significant effect on employee performance.

Based on data analysis shows that Organizational Commitment has an effect on job satisfaction and employee performance at the Head Office of PT. BPD East Java, Tbk. This can be seen in the  $T_{\text{Statistics}}$  obtained, namely 2.286 and 3.984 (p > 1.96). That is, an increase in the value of Organizational Commitment will significantly increase job satisfaction and employee performance. The results of this study support the theory proposed by Bagia (2015) and Luthans (2011) that if organizational commitment is high, employee job satisfaction will also increase. Empirical studies that are in line with this research are research conducted by Setiawan (2013) which states that employee job satisfaction, and is in line with research conducted by Rivai (2005) which shows that organizational commitment has an impact on significant to employee performance.

The results of data analysis show that job satisfaction has an effect of 0.425 on employee performance. This effect is positive with a t-statistic of 3.535 (p > 1.96), which means that an increase in job satisfaction has a significant effect on increasing the performance of PT. BPD East Java, Tbk Head Office. The results of this study support the results of research conducted by Parwanto and Wahyudin (2011) which obtained the results that job satisfaction factors which include salary, leadership, co-workers' attitudes have a significant influence on employee performance and the results of Devi's research (2009) explain that job satisfaction has a significant effect on employee performance.

The data analysis also shows that transformational leadership, work motivation, and organizational commitment have a positive and significant effect on employee performance through job satisfaction. This can be seen in the  $T_{Statistic}$  values of 4.653, 2.128, and 2.286 (p > 1.96). That is, the increase in the value of Transformational Leadership, work motivation, and organizational commitment have an effect on increasing job satisfaction so that it has an impact on increasing employee performance or vice versa.

## CONCLUSION

Based on the analysis of the research results, it can be concluded that transformational leadership, work motivation, and organizational commitment have a significant effect on job satisfaction and employee performance at the Head Office of PT. BPD East Java, Tbk. This means that an increase in transformational leadership, work motivation, and organizational commitment will have an impact on increasing employee satisfaction and employee performance. In addition, there is a significant indirect effect of transformational leadership, work motivation, and organizational commitment on performance through employee job satisfaction.

Based on the conclusions above, company leaders should be able to provide the needs needed by employees and the complaints they have at work and the potential of employees. And for future research, more variables should be used



for example, Spiritual Leadership, intrinsic motivation, spiritual motivation, and Organizational Citizenship Behavior so as to strengthen a research, more complete problems and the possibility of having an impact on the discovery of a new practical concept that is easy to apply. so as to improve employee performance. The findings of this study can be used to formulate problem solving in an effort to improve employee performance through job satisfaction. That to improve employee performance, in addition to increasing job satisfaction, it is necessary to strengthen transformational leadership, work motivation, and organizational commitment.

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