

The Impact of Transformational Leadership on Employee Performance: An Intermediary Function of Organizational Commitment and Job Satisfaction

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ABSTRACT

This study explores the impact of transformational leadership on employee performance. Qualitative descriptive analysis is used to identify problem patterns and relationships between concepts. Literature analysis supplements the research by examining relevant journals and articles. Findings demonstrate a significant positive influence of transformational leadership on employee performance, motivating employees to achieve organizational goals effectively and efficiently. Organizational commitment and job satisfaction serve as mediators between transformational leadership and performance. Transformational leadership enhances performance by fostering increased commitment and job satisfaction. Employees who exhibit attachment to the organization and job satisfaction tend to perform better. Overall, transformational leadership positively influences employee performance, with organizational commitment and job satisfaction acting as mediators in this relationship.

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1. INTRODUCTION

Transformational leadership involves a process in which the leader inspires team members to achieve desired goals, creating a need for higher improvement (Purwanto, 2022). A leadership plays an important role in creating positive habits implemented by the organization (Von Esch, 2018). A leader will create an innovative organizational culture and have a positive impact on human resources and the organization. This must be applied by everyone as a rule set by the leader to improve the quality of the organization (Daud, Rahim, & Nasurdin, 2014). Organizational culture includes a system of meanings, values, and beliefs shared by the organization, which serves as a reference in acting and differentiating the organization from others. Organizational culture is a habit or tradition created to be applied by human resources in the organization. If this habit is successfully implemented, then the quality of the organization will improve. This culture is learned by group members through group membership in hopes of acquiring behaviors and values that influence the attitudes and social behavior of group members. Leadership is one of the organizational assets that become a force in achieving success.

One important factor that influences leadership success is leadership style or behavior (Mbuik, 2019). The influence of transformational leadership on employee performance is an interesting topic in the business and management fields. Transformational leadership can motivate employees to achieve higher goals, drive innovation, and change within the organization. Therefore, transformational leadership has a positive impact on employee performance (Priarso, Diatmono, & Mariam, 2018). Organizational culture positively and significantly affects employee performance. The work environment has a positive and significant effect on organizational commitment, so it can be interpreted that the more comfortable the work environment, the higher the organizational commitment. Transformational leadership style does not affect employee performance (Fukuda, 2020; Ilma & Pratama, 2015; Lauritzen, Grøn, & Kjeldsen, 2022; Mansyur, Arfah, & Semmaila, 2022). However, the relationship between transformational leadership and employee performance is not simple. Factors such as organizational commitment and job satisfaction also play an important role in influencing this relationship.

Sunarta (2019) elucidated the findings that the most important component of employee happiness is performance appraisal followed by income, workplace environment, promotion, rewards, recognition, and co-worker and supervisor support. The role of leaders and the work environment greatly affects the quality of employee performance during their activities in the company. A leader who applies a transformational leadership type is also considered very effective in improving the quality of employee performance (Hameed & Waheed, 2011; Shujaat, Rashid, & Muzaffar, 2021; Tuffaha, 2020; Velu, Manxhari, Demiri, & Jahaj, 2017; Wang, Guo, Ni, Shang, & Tang, 2019).

Organizational commitment refers to an employee's attachment to the organization, while job satisfaction is an employee's positive feelings towards work and the environment. In this context, research on the impact of transformational leadership when related to employee performance needs to consider the mediating role of organizational commitment and job satisfaction. This study provides insight into how transformational leadership affects employee performance through these mediating factors. In addition, it has practical relevance for organizations and companies. By understanding the relationship between transformational leadership, organizational

commitment, job satisfaction, and employee performance, organizations can develop leadership and productive workforce management plans that are more effective and efficient. In the process, it can also contribute to the development of human resource management science and business in general.

2. METHODS

Data exploration was carried out using qualitative descriptive methods (Aspers & Corte, 2021; Creswell & Poth, 2016; Hayashi Jr, Abib, & Hoppen, 2019; Ishtiaq, 2019; Levitt et al., 2018; Roulston & Choi, 2018). The analysis was conducted by identifying common patterns in the data and searching for links between different concepts. Data validity is through data triangulation, i.e., by using several different data sources to verify the same findings. Internal validity is also maintained by checking the consistency of data from participants. The results of the study were interpreted by identifying the relationship between transformational leadership, organizational commitment, job satisfaction, and employee capacity. The resulting findings were also compared with related literature to test the validity of the results. Thus, qualitative descriptive research methods can be used to explore the influence of transformational leadership on employee performance by considering the mediating role of organizational commitment and job satisfaction. This study can provide deep insight into the factors that influence the relationship between transformational leadership and employee performance in an organizational context.

3. RESULTS AND DISCUSSION

The impact of transformational leadership on employee capacity has become a popular topic within the field of human resource management. Transformational leadership exists as a solution to overcome the challenges of an age full of change. Innovative leadership is not only triggered by the need for self-esteem but also by the awareness of pioneers to give their best based on executive and administrative developments. The focus is on the view that in individuals, performance and authoritative development is usually strong side, making transformational leadership a pioneer who has tremendous experience in improving and fostering associations.

Several studies have shown that transformational leadership can advance employee capacity and organizational productivity. However, other factors such as organizational commitment and job satisfaction can also have an important position in the relationship between transformational leadership and employee performance. In this study, organizational commitment and job satisfaction mediated the relationship between transformational leadership and employee performance. Organizational commitment is the positive attitude of employees towards the organization, while job satisfaction is the level of employee satisfaction or rating towards their work and working conditions in the company. Both are believed to affect employee performance positively. Previous research has shown that transformational leadership can increase organizational commitment and employee job satisfaction. Transformational leadership can motivate employees to work better, increase self-confidence, and increase employee engagement in organizational activities.

Therefore, companies or organizations must consider the importance of transformational leadership, organizational commitment, and job satisfaction in improving employee performance and overall organizational productivity. Previous studies have shown that transformational leadership can increase organizational

commitment and employee job satisfaction. Transformational leadership can motivate employees to work better, increase self-confidence, and increase employee engagement in organizational activities. This can create a better work environment, so employees feel more satisfied and bonded with the organization. In addition, organizational commitment and job satisfaction can also act as mediators between transformational leadership and employee performance. Employees who feel satisfied and attached to the organization usually have higher motivation to work and perform better. However, other factors can influence the relationship between transformational leadership, organizational commitment, job satisfaction, and employee performance. For instance, the individual characteristics of employees, work situations, and organizational culture that vary in each company can affect these relationships. Therefore, the conclusion is that transformational leadership can improve employee performance by considering the mediator role of organizational commitment and job satisfaction. Thus, companies or organizations must consider the importance of transformational leadership, organizational commitment, and job satisfaction in improving employee performance and overall organizational productivity.

According to Tannebaum (2016), leadership is the influence of direct communication between individuals in certain situations to achieve one or more specific goals (Rauch Jr & Behling, 1984) leadership is a process that influences the activities of groups organized to achieve common goals. Lock (1997) in Bakti & Hartono (2022), Leadership as a process of persuading others towards common goals. The definition includes the following three elements: 1. Leadership is a relational concept. Leadership only exists in the process of relationships with others (followers) if there are no followers, then there is no leader 2. Leadership is a process. 3. Leadership must refer other people to act. Leaders persuade followers through various means, such as using legitimized authority, creating role models, setting goals, providing rewards and punishments, restructuring the organization, and communicating the vision.

4. CONCLUSION

There is a significant positive impact between transformational leadership and employee performance. Transformational leadership can motivate employees to work harder and achieve organizational goals effectively and efficiently. In addition, there is a significant positive relationship between organizational commitment and job satisfaction with employee performance. Employees who feel attached to the organization and satisfied with their work tend to perform better. In this case, organizational commitment and job satisfaction can act as mediators between transformational leadership and employee performance. That is, transformational leadership can influence employee performance through increased organizational commitment and job satisfaction. Therefore, to improve employee performance, companies need to concern the transformational leadership styles and factors such as organizational commitment and job satisfaction as mediators that can amplify the impact of transformational leadership on employee performance.

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