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# The Transformational Leadership Effect on Job Satisfaction and Job Performance

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The purpose of this study aimed to provide an overview of the relationship between transformational leadership and job satisfaction level experienced by employees. Leadership is an organization or institution refers to the style of its leaders in providing direction, implementing plans, and motivating employees. To achieve the result, the data has been collected through by questionnaires distributed online to 120 employees working in Tangerang from various companies was used. Furthermore, the data observation was analyzed by Structural Equation Modeling (SEM) Lisrel. The results of this study showed that transformational leadership is a special leadership style that is applied by superiors that motivates their subordinates to appear at a higher level by inspiring them, offering in intellectual challenges also paying attention to their individual needs. Job satisfaction strongly refers to employee perceptions of their work environment, relationships between coworkers, income and promotion opportunities. Therefore, this study has some conclusions that employee leadership styles are likely to be influenced by several factors, including demographic characteristics. Therefore, the reciprocal relationship between organizational culture and transformational leadership in job satisfaction has been successful.

**Keywords:** Transformational leadership, Job Satisfaction, and Work performance.

## 1. INTRODUCTION

Employee transformational leadership is an important thing that must be maintained and be able to improve a good organizational environment due to higher commitment from employees, the organization will be better [1, 2, 3]. Organizational commitment is an active commitment that shows a great desire of employees to remain certain members in the organization even though there is an opportunity to change jobs. Therefore, the organizational commitment will show that every employee in an organization will be more loyal and always support every step taken in the organization and there is a great desire in every employee to continue to be in the organization [4, 5]. Job satisfaction refers to the overall attitude that will occur to each individual in general towards in this work. The influence factors and job satisfaction including work conditions / work environment, regulations or organizational culture, organizational characteristics, satisfactory compensation, work efficiency and work partners. Employees who get good job satisfaction usually have a record of attendance, work turnover and good work performance compared to employees who do not get job satisfaction. Therefore, job satisfaction

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has a very important meaning to provide a situation in the company environment. Success in an organization depends on the people in it [6, 7]. Previous studies have never discussed specifically the effect of transformational leadership on job satisfaction, and job performance. Previous studies only discussed the relationship of transformational leadership which has a direct and significant effect on job satisfaction, organizational commitment, and turnover intention. Therefore, we include the effect of charismatic leadership on job performance which is mediated by job satisfaction, where this study distinguishes it from previous studies. Thus, the objectives of this study such as to discover how transformational leadership influences job satisfaction; also to find out how job satisfaction affects job performance; and to find out how transformational leadership influences job performance [8, 9, 10].

## 2. LITERATURE REVIEW

### A. Leadership Styles

Transformational Leadership is considered by transformational and transactional leadership mutually exclusive, they complement each other and have strong correlations and they coexist with other aspects of

leadership [11, 12, 13]. The model completed by introducing a new category of behavior: absence of leadership are reflected in the Full Range Leadership Model where several aspects or dimensions of leadership are identified [14, 15, 16]. Transformational leadership which is the object of our research includes four dimensions. Idealized influences (later divided into idealized behavior and idealized attributes) reflect the characteristics and behavior of leaders whose followers want to emulate and include traditional concepts of leadership. Inspirational motivation allows leaders to set goals and motivate subordinates. Intellectual stimulation helps leaders to consider various points of view when solving problems. Finally, individual considerations consider various characteristics of each person [17].

### B. Job Satisfaction

Job satisfaction supports that organizational behavior, such as warmth among employees, mutual trust, respect and good relations between employees and superiors can be a significant predictor of job satisfaction experienced by employees [18]. The work involvement and low role conflict can be determinants of work commitment, job satisfaction and reluctance to quit [19]. Therefore, it is a common belief that the relationship between job satisfaction, leadership behavior and organizational culture are reciprocal and widely studied. A support work itself must be designed to have certain characteristics that create conditions for high work motivation, satisfaction, and performance. Based on this theory they created Job Diagnostic Survey.

### C. Job Performance

Job performance supports that work performance has been conceptualized from two methods such as subjective and objective assessment methods. Therefore, researchers often choose one of these methods [20]. The two assessment methods, subjective methods show criteria soft such as rank colleagues, self, or supervision, whereas, and the objective criteria method include productivity indexes over a number of outputs produced in one hour [21]. Overall, the work of faculty member performance can be measured through various dimensions such as teaching, research, supervision, consulting, civic engagement, and community outreach participation also publishing books and journal articles [22].

### D. Relationship Variables And Hypotheses Development

The flexible leadership is adopting participatory management types with an emphasis over employee communication and appreciation. The latter were more likely to feel satisfied, resulting in organizational success also supported that a attributes of transformational leadership and "consideration" which are common in western culture also considered significant for employee motivation and performance [23, 24]. These attribute includes empowerment and a clear vision which is correlated with a high job satisfaction and work commitment [24, 25]. Based on the literature, we proposed a hypothesis

***H<sub>1</sub> = Transformational leadership will increase job satisfaction.***

Ethical leaders allow employees to participate in decision making using two-way communication. Here, employees feel that they are an important part of the organization, thereby showing satisfaction from work and making extra efforts to improve their work performance [25]. A positive relationship between job satisfaction and performance can improve employee performance using managerial strategies to improve job satisfaction [25, 26]. The highly satisfied workers are considered to make extra efforts to do work and more effectively and efficiently, which is turn increases overall work productivity. Job satisfaction is positively influences job performance. Based on the above literature, we proposed a hypothesis:

***H<sub>2</sub> = Job satisfaction will improve Job Performance***

Leadership styles and work performance have been debated [27, 28]. However, a little empirical research has been carried out in the academic environment [28]. Here, studies conducted in a non-academic context consistently support the transformational positive contribution of leadership styles to followers' work performance. However transactional leadership styles have drawn some findings regarding followers' work performance [28]. The contextual nature of the leadership is raises also need to explore the relationship between FRL models and job satisfaction and performance work from less studied contexts (such as Pakistani academic settings) to offer more empirical evidence to validate this relationship [29]. Based on the above literature, we proposed a hypothesis:

***H<sub>3</sub> = Transformational leadership will improve Job Performance***

### E. Population and Sampling Technique

This research was conducted in December 2018 in Tangerang using the causality research method to obtain a relationship between measured variables. In this study we use Structural Equation Model (SEM) Lisrel to determine a minimum representative sample size of sample number in five times. The research questionnaire contained 21 statements so the minimum number of samples needed was 105 respondents. In this study, we took the number of respondents as many as 120 employees who had worked more than two years. The aspects studied were transformational leadership, job satisfaction and job performance. The data measurement method uses a Likert scale with one to five scale intervals.

### F. Measurement

In this study, the exogenous variable namely charismatic leadership and three endogenous variables such as job satisfaction, turnover intentions, and organizational citizenship behaviors has been processed. The transformational measurement of leadership variables in this study use the dimensions of charisma, inspirational motivation, intellectual stimulation, and charisma exhibited by supervisors due to Job satisfaction variables. Thus, the attitude, pay, stress, job security, fellow workers, company policy and support, and promotion from this dimension only

focused on pay and promotion. The job performance variables is use dimensions of leadership, critical care, teaching / collaboration, planning / evaluation, professional development, and interpersonal relations / communication. From this dimension, researchers only focus on the dimensions of professional development. Furthermore, from the dimensions of the measurement that are displayed in the form of questionnaires, we test the validity and reliability test. A validity test is done by Confirmatory Factor Analysis by looking Kaiser-Meyer-Olkin Measure of Sampling (KMO) value and Measures of Sampling Adequacy (MSA) value, respectively. In this test, we obtain the greater value reached 0.500 which means that factor analysis is suitable for use, and can be further processed [30]. The transformational leadership scale consists of 8 statements and all are valid, the job satisfaction scale consists of 5 statements and there are 2 invalid statements because the components of the matrix are more than one, invalid statements are JS1 (0.365) and JS4 (0.612). The job performance scale consists of 7 statements and there is 1 invalid statement is JP1 (0.486). Cronbach Alpha value reliability test is greater than > 0.5 which means reliable [31, 32]. Thus, it can be said that the indicators of all variables can be said to be trusted as a data collection tool in this study. The next phase, we manage the data using the Structural Equation Modeling (SEM) analysis method. SEM is able to explain the relationship of complex variables as well as the direct or indirect effects of one or several variables on other variables [33].

3. ANALYSIS AND RESULTS

The factors seen from this study are measuring the effect of transfusion leadership on job satisfaction, and Job Performance. The results show that of the three hypotheses proposed, all support the hypothesis. Like the SEM testing we have done, can be seen in Figure 1.

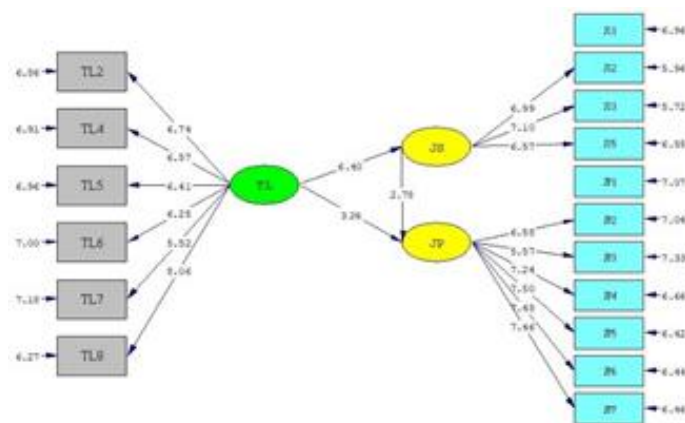


Figure 1. Path Diagram T-Value

where, TL (Transformational leadership), JS (Job Satisfaction), JP (Job Performance). Based on Figure 1, The T-Value path is a hypothesis in this study is presented in the following structural equation (see Table I).

Table I. Relationship between test Result Structures.

Hypothesis	Hypothesis statement	T-Value	Descriptions
H <sub>1</sub>	Transformasional leadership will increase Job Satisfactions	6,40	Data support hypothesis
H <sub>2</sub>	Job Satisfactions will improve Job Performance	2,78	Data support hypothesis
H <sub>3</sub>	Transformasional leadership will improve Job Performance	3,26	Data support hypothesis

A. Findings And Discussions

In the results of testing the first hypothesis (H<sub>1</sub>), it was found that the results of the analysis support the H<sub>1</sub> hypothesis, namely transformational leadership will increase job satisfaction with a t-value of 6.40. This shows that with transformational leadership will increase good job satisfaction, the level of job satisfaction of employees where the results of the research they conducted showed that there was a significant influence between transformational leadership on job satisfaction. The results of testing the second hypothesis (H<sub>2</sub>), it was found that the results of the analysis support the H<sub>2</sub> hypothesis, namely increasing high job satisfaction can increase job performance with a t-value of 2.78. This shows that the higher the job satisfaction of the employees, the more satisfied their employees will be in carrying out the work they do to produce positive job performance. These results further reinforce the previous research where the findings of this study show that high employee job satisfaction can improve job performance. The results of testing the third hypothesis (H<sub>3</sub>), it was found that the results of the analysis support the H<sub>3</sub> hypothesis, namely high transformational leadership can improve job performance with a t-value of 3.26. This shows that someone who has transformational leadership can improve job performance. This result is also supported by research conducted where the results found that transformational leadership can improve employee job performance.

4. CONCLUSIONS

This study examines the effect of leadership on job satisfaction, transformational leadership, job satisfaction and job performance. This study uses the analysis of Structural Equation Model (SEM) Lisrel. The results that can be concluded from this study are: (i) transformational leadership positively influences employee job satisfaction, which means transformational leadership will increase employee job satisfaction (the first hypothesis is supported); (ii) job satisfaction significantly affects Job Performance. High job satisfaction will improve Job performance (second hypothesis supports); (iii) transformational leadership positively influences job performance. Transformational leadership will increase

job performance (the third hypothesis is supported). Subsequent research can be carried out in several companies and the focus on leadership style becomes an important tool for improving company management, through aligning objectives between company executives and company engineers. This is not always the same, especially in the case of companies that have highly qualified staff. This study has several limitations that can be the first consideration, it is important to remember that this study focuses on employees, groups that are very sensitive to the influence of leadership styles, namely transformational leadership. Although this fact supports homogeneity of results, it can also produce a narrow view of leadership effects that may not be easily extrapolated to other groups that are less sensitive to the influence of job satisfaction factors. This study uses a questionnaire as a measurement tool, to get information related to opinions, aspirations, preferences, desires, beliefs, etc. online. This research is still very limited, because it is only done in Tangerang and employees from various companies. This research is also limited to examining the effect of transformational leadership on job satisfaction, and job performance. Therefore, the researcher suggested for the development of further research by adding other variables that affect job satisfaction, and job performance. This is because there are many other variables, besides transformational leadership factors that can optimize those variables. In addition, further research is also expected to use all existing dimensions in each variable, further research is also expected to examine one type of company only and the location of the research is carried out in various regions, so that the results of the research can be more objective and representative.

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