The Role of Job Satisfaction Mediating the Effect of Transformational Leadership on Organizational Commitment at Engineering Company

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ABSTRACT

The Organizational commitment is a reflection of the desires and responsibilities of employees to remain an organization. The organizational commitment is to express the detached feelings by employees which gives an image as a form of desires and responsibilities for employees towards their organization. The purpose of this study was to analyze the role of job satisfaction in mediating the effect of transformational leadership on organizational commitment at PT. Mahaputra Engineering with 80 respondents. The Data was collected by using an observation and interview approach, with the research instrument used was a questionnaire. Data the analyzed using path analysis and Sobel test. The results of the study found that transformational leadership has a positive and significant effect on organizational commitment, The Transformational leadership has a positive and significant effect on job satisfaction, The Job satisfaction has a positive effect on organizational commitment, and Job satisfaction partially mediates the effect of transformational leadership on organizational commitment.

Keywords: Job Satisfaction, Organizational Commitment, Transformational Leadership.

I. INTRODUCTION

Human resources are one of the main aspects that have a purpose and function to support the development of the company. Paying attention to and managing human resources in a company is very important. Companies will always be required to improve the quality of their resources. The growth of the electrical construction business has led to a higher demand for human resources. Companies need to maintain their resource by creating organizational commitment within the employees (Akbar et al., 2017). Jumiran et al. (2020) state that organizational commitment tends to express the feelings possessed by employees which provide an image as a form of desire, need, and responsibility for employees towards their organization. Employee commitment is an important factor in the company's long-term plan. Organizational commitment is a strong desire of employees to survive and involve themselves actively in the organization to achieve the goals of the organization (Pristiwati & Suharyono, 2018).

Organizational commitment is a condition where individuals adhere to the values and goals of the organization and feel they belong to the organization so that they decide to stay in the organization (Pradhiptya, 2018). This will make it difficult for employees to leave the company and employees will feel obliged to achieve the goals of the company (Sentana, 2017).

Organizational commitment is an employee's psychological bond to the organization, the willingness to work hard, and the desire to maintain membership (Saputra et al. (2019). Organizational commitment tend to express the feelings possessed by employees which gives an image as a form of desires, needs, and responsibilities for employees towards organization (Yuwoono et al., 2020). According to Siswatiningsih et al. (2019). Without a strong organizational commitment in employees, organizational performance cannot be achieved optimally (Sunny, 2018).

Efforts to increase employee organizational commitment cannot be separated from the applied leadership style, where the meaning of leadership is one's efforts to influence others to act following what they want. The encouragement and direction are given by a leader or superior greatly affects the level of employee commitment to the company. Role of leadership in a company greatly determines the success of a company (Prayudi, 2020). Leadership has a strong influence on organizational life because it determines the direction and goals of the organization in the face of increasingly advanced times and increasingly fierce competition. transformational leadership can be expressed as a way for leaders to interact with subordinates so that each of their performances can inspire their subordinates to work productively to achieve company goals (Ermawati, 2018).

Transformational leaders are leaders who can be said to be visionary (Maesaroh et al., 2020). Visionary leaders are empathetic, confident, and often act as agents of change (Jufrizen, 2017). Transformational leadership styles pay attention to the things and development needs of each follower. Through this psychological empowerment, employees will work based on internal motivation. They become not dazzled by external motivations in the organization such as salary, facilities, and other physical situations. Efforts to increase employee organizational commitment cannot be separated from the applied leadership style. The encouragement and direction are given by a leader...
or superior greatly affects the high or low commitment of employees to the company.

Job satisfaction is the general attitude of an individual or employee towards his work (Elatotagam, 2017). When employees have high job satisfaction, the employee has positive perceptions and feelings about their work. Job satisfaction reflects the attitudes and feelings of an employee towards his work, co-workers, leaders, and everything that is faced in the work environment (Winarto, 2018). The high and low level of job satisfaction of an employee is usually influenced by many factors such as high motivation, conditions, and comfort of an organization, the state of the leader, and what is obtained from the organization. Job satisfaction indicates that an employee or workforce is satisfied and happy with their work.

Job satisfaction can be achieved if employees are productive at work and employee expectations can be met by the company. If the leader or co-workers do not support each other or care for each other, the work carried out will not go well and will cause problems and automatically employee job satisfaction will decrease. Low job satisfaction is caused by the lack of opportunities for employees to receive rewards that are not following the workload, minimal opportunities for employees to be promoted, and disputes between co-workers. The lack of job satisfaction has an impact on the company, namely employees become lazy to work, employees arrive late and employees exceed the rest time given (Nabawi, 2019).

A. Equity Theory and Social Exchange Theory

The theory that underlies this research is equity theory. In this theory, it is stated that a person will feel satisfied depending on the presence or absence of justice in a system. The main components in the theory of justice are inputs, outcomes, justice, and injustice, such as wages or salaries, side benefits, symbols, status, rewards, opportunities for success, promotion opportunities, or self-actualization. While input is a valuable factor for an employee who supports his work, for example, education, experience, skills, number of tasks, and equipment (Fadhil & Mayowan, 2018).

In this theory it is assumed that when we engage in an exchange relationship with an organization and evaluate the fairness of what we get from this exchange by comparing our input-output ratio with others, to determine whether employee is underpaid or overpaid. Another theory that underlies this research is the theory of social exchange. Social exchange theory is a theory that suggests that a person's contribution to a relationship can affect the contribution of others.

B. Research Hypothesis

H1: Transformational Leadership has a positive and significant effect on Organizational Commitment.

H2: Transformational leadership has a positive and significant effect on job satisfaction.

H3: Job Satisfaction has a positive and significant effect on Organizational Commitment.

H4: Job satisfaction mediates the effect of transformational leadership on organizational commitment.

II. METHODOLOGY

The research design used is causal associative research. This study describes the relationship between influencing and being influenced by the variables to be studied, including transformational leadership, job satisfaction, and organizational commitment. This research was conducted at PT. Mahaputra Engineering Badung-Bali. The number of samples used in this study was 80 employees. This study used a questionnaire as a research instrument used to collect primary data from all respondents. Each answer to the questionnaire has a weight or score with a Likert scale. The data was then analyzed by path analysis and Sobel test.

III. RESULTS AND DISCUSSION

A. Description of Respondents' Answers to Organizational Commitment

Respondents’ answers to an organizational commitment with the highest score of 4.28 on the statement "I feel that working in this organization is a necessity" and the lowest score of 3.55 on the statement "I am not interested in job offers from other organizations that may be better of this organization". The total score for the organizational commitment variable is 4.00, meaning that employees have a high commitment to the company.

B. Description of Respondents' Answers to Transformational Leadership

The distribution of respondents’ answers to transformational leadership with the highest score of 4.24 on the statement "The leader gives me instructions on how to complete a job" and the lowest score of 3.61 on the statement "The leader gives me confidence that the company's goals will be achieved". The total score for the transformational leadership variable is 4.06, meaning that the leader has implemented the transformational leadership style well.

C. Description of Respondents' Answers to Job Satisfaction

The distribution of respondents' answers to job satisfaction with the highest score of 4.24 on the statement "I enjoy working with friends" and the lowest score of 3.61 on the statement "I am satisfied with the career I have achieved as an employee". The total score for the job satisfaction variable is 4.03, meaning that management has paid attention to employee satisfaction so that employees have high job satisfaction.
D. Path Analysis

| Model | Unstandardized Coefficients | Standardized Coefficients | T | Sig. |
|-------|-----------------------------|---------------------------|---|------|
| (Constant) | -15.380 | 5.769 | -2.666 | .009 |
| Transformational leadership | 1.436 | .109 | .831 | 13.195 | .000 |

a. Dependent Variable: Job satisfaction.

b. R square: 0.862.

Calculating the standard error and the coefficient of total determination:

\[ \text{Pe}_1 = \sqrt{1 - R^2} = \sqrt{1 - 0.691} = 0.556 \]
\[ \text{Pe}_2 = \sqrt{1 - R^2} = \sqrt{1 - 0.554} = 0.668 \]

The calculation of the coefficient of total determination is as follows:

\[ R^2 = 1 - (e_1)^2 = 1 - (0.556)^2 = 0.862 \]

The coefficient of total determination of 0.862 means that 86.2 percent of the variation in organizational commitment is influenced by transformational leadership and job satisfaction, while the remaining 13.8 percent is influenced by other factors.

1) Indirect effects

Indirect effect = 1 \times 3 = 0.831 \times 0.597 = 0.496

2) Total effect

Total effect = 2 + (0.327 + 0.496) = 0.823

\[ e_1 = 0.556 \]

\[ 0.831 \]

\[ 0.597 \]

\[ e_2 = 0.668 \]

\[ 0.327 \]

\[ 0.597 \]

\[ 0.668 \]

Fig. 2. Path Analysis Diagram.

E. Sobel Test

\[ Z = \frac{0.831 \times 0.597}{\sqrt{(0.597^2 + 0.109^2) + (0.831^2 + 0.062^2) + (0.109^2 + 0.062^2)}} = 5.957 \]

F. The Effect of Transformational Leadership on Organizational Commitment

The effect of transformational leadership (X) on organizational commitment (Y) is 0.327 with a sig. t of 0.000 where transformational leadership has a positive and significant effect on organizational commitment. This means that leaders who apply a transformational leadership style will increase employee commitment to the organization. This is also in line with the results of research conducted by Elatotagam (2017).

G. The Effect of Transformational Leadership on Job Satisfaction

The effect of transformational leadership (X) on job satisfaction (M) is 0.831 with a sig. 0.000. This shows that transformational leadership has a positive and significant effect on job satisfaction. This means that leaders who apply a transformational leadership style will increase employee job satisfaction. These results are also in line with Eliyana et al. (2019).

H. The Effect of Job Satisfaction on Organizational Commitment

The effect of job satisfaction (M) on organizational commitment (Y) is 0.597 with a sig. 0.000. This shows that job satisfaction has a positive and significant effect on organizational commitment. This means that the higher the employee's job satisfaction, the higher the employee's commitment to the organization. This is in line with Tentama & Pranungsari (2016) which show job satisfaction has a positive effect on organizational commitment, which means that if job satisfaction increases, organizational commitment will also increase.

I. Job Satisfaction Mediates the Effect of Transformational Leadership on Organizational Commitment

Based on the Sobel test, Z = 5.957 > 1.96, job satisfaction significantly mediates the relationship between transformational leadership and organizational commitment. Supported by the results of the VAF test of 60.2 percent explaining that job satisfaction is said to be a partial mediation. This means that employee organizational commitment is highly dependent on the level of employee job satisfaction and leadership style. Leaders who apply a transformational leadership style will increase employee job satisfaction so that employee commitment to the company will also increase. In line with research conducted by Widyatmika & Riana (2020).

IV. Conclusion

To increase organizational commitment, company leaders should also always pay attention to the wishes, needs, and rights of employees so that in the future employees have a high commitment to the company and are not interested in other jobs or companies. Leaders or superiors must be able to
provide confidence, motivation, and encouragement to employees to achieve common goals. So that employees feel confident that the company's goals will be achieved as planned. In addition, leaders should maintain behavior and courtesy to employees so that they can be good examples and role models for subordinates, and always be fair to all employees. Companies also need to pay attention to employee career development, provide promotions to employees who deserve to be promoted, give awards or bonuses to outstanding employees and provide salaries according to the work and workload of employees. This can indirectly increase job satisfaction and so will have an impact on company performance. For future researchers, it is necessary to consider examining other variables, factors, and indicators outside of transformational leadership and job satisfaction to measure organizational commitment. Such as work environment variables, work stress, communication, and others. As well as being able to expand the scope of research not only on electrical construction companies but can also change the research location so that it can provide a different view and be implemented in general.

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