

The effect of transformational leadership and organizational culture on employee performance with job satisfaction as an intervening variable

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ABSTRACT

The changes in the supervisory model indicate changes in the organizational structure in the “District” as the company's spearhead. Changes in the structure and work system can be assumed to be a change in the culture that exists in the company. This research aims to analyze the effect of transformational leadership and organizational culture and job satisfaction as an intervening variable on the performance of employees in District-3 PT Wirakarya Sakti. The sample used as a research object totaled 95 employees. Data was collected using a questionnaire and then analyzed by Structural Equation Modeling (SEM) based components partial least squares path modeling (PLS-SEM). Results of the analysis showed that transformational leadership has no significant effect on employee performance, organizational culture does not significantly influence employee performance, transformational leadership has no significant effect on job satisfaction, organizational culture has a positive and significant impact on job satisfaction, job satisfaction has not significantly affect employee performance, and transformational leadership and organizational culture does not significantly influence employee performance mediated job satisfaction. The study results have implications for the determination and improvement strategy model of leadership and organizational culture to be more optimal in providing job satisfaction and improving employee performance. It is advisable in future studies to add other variables that are considered influential on employee performance, such as commitment, motivation, compensation, salary, and benefit.

KEYWORDS

Transformational Leadership;
Organizational Culture; Job
Satisfaction; Employee
Performance

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Introduction

Background

Improving employee performance is one of the company's fundamental concerns. Management can improve employee performance by providing them with work experience. Management is also expected to recognize the untapped potential of its employees and develop these skills (Sinambela & Ernawati, 2021). Meanwhile, Tupti & Arif (2020) argue that companies need reliable people and that employees are irreplaceable assets for the company and the employees themselves. Good employee performance contributes to the success of the company/organization. An organization's success or failure is primarily determined by its leadership. A form of leadership believed to be able to balance thinking and reflect the new paradigm of globalization is formulated as transformational leadership. Genuine transformational leaders genuinely care about the wants and needs of their followers and the growth of other followers (Bass & Riggio, 2006). Transformational leadership, described as a leadership style that influences performance, improves the workplace climate through good leadership (Wote & Patalatu, 2019).

All employees are under control. Protection of employees and appropriate orientation regarding technical work and the company's social environment. When a leader develops habits/patterns that can be thought of in business terms and become values adopted by members of the organization, the leader has formed an organizational culture. As Robbins & Judge (2013) explained, organizational culture refers to the familiar meaning members hold that distinguishes an organization from others. Therefore, organizations can be viewed by the leader's role in leadership. (Armstrong & Taylor, 2014) define job satisfaction as people's attitudes and feelings about their jobs. Job satisfaction is determined by the difference between what is expected of you and what you get. Bass & Riggio (2006) suggest that transformative leaders have happier subordinates than non-transformative leaders. This is a strong and consistent finding that many studies show very high average correlations between all elements of transformational leadership

and measures of employee satisfaction. Earn the trust of your followers by demonstrating their faith by maintaining your commitment, treating them fairly, and empowering them.

Asia Pulp & Paper, also known as APP in the paper industry, is one of the largest pulp and paper producers in the world. PT Wirakarya Sakti (PT WKS) is a Sinarmas Forestry subsidiary in Jambi, Sumatra, Indonesia. PT WKS is engaged in industrial plantation forests that produce pulp and paper and supplies PT Lontar Papyrus Pulp and Paper (part of Asia Pulp & Paper – APP Sinarmas). PT WKS has eight regional administrations (we called it “district”), each spread over its five districts in Jambi province. In 2014, APP began transitioning to a new supervisory structure model. Previously, Sinarmas Forestry used a supervisory structure model for each district, focusing more on one supervisor for each district. In this model, the individual has not yet developed the ability to focus on just one area of her life, even though everything is connected during the course of the cycle of industrial planting.

The change in the supervision model marks a change in the organizational structure of the districts that spearhead the company. Changes in the structure and working system can be seen as changes in the culture that exists within the company. Supervisors, coordinators, and district managers must adjust this new system. As a company's change actor, everyone must participate in their change. District managers must be able to exert their ideal influence and strongly encourage and motivate employees to understand the company's vision to perform at their best. Hmm. This study aims to meet expectations, obtain information describing transformational leadership, organizational culture, job satisfaction, and employee performance, and determine the variables' impact.

Literature review

Transformational Leadership

Transformational leadership is a leadership model that stimulates and inspires subordinates to achieve extraordinary results collectively and, in the process, develop subordinates' leadership abilities (Bass & Riggio, 2006). The definition also supports the statement by Leithwood & Poplin (1992) that transformational leadership helps members recognize their need to complete tasks to achieve the desired results and increases self-confidence and motivation. According to Yukl (2013), transformational leadership seeks to increase members' awareness of ethnic issues by calling for their moral values to mobilize their energy and resources to reform the institutions they run.

Organizational Culture

Most discussions about organizational culture agree that culture is an attribute of an organization's social construction that serves as a social glue that binds organizations together (Cameron & Quinn, 2011). It supports the statement from Schein (2004), which reveals that organizational culture is a collection of visible artifacts, values, norms, rules, beliefs, and basic assumptions that underlie all members of an organization that are interrelated and coordinated to overcome internal and external challenges. Organizational culture refers to a system of shared meaning held by members about how they behave, a distinctive characteristic that distinguishes the organization from other organizations (Robbins & Judge, 2013).

Job Satisfaction

According to Armstrong & Taylor (2014), job satisfaction can be defined as people's attitudes and feelings about their work. A favorable attitude towards work indicates job satisfaction. Locke (1970) described job satisfaction as action alternatives following a positive emotion on their job and should be regarded primarily as a product of performance. Although job satisfaction is defined as an emotional state similar to an individual's satisfaction with other areas of life (such as marital satisfaction), job satisfaction is a measure of how one evaluates one's job, and it is the attitude component that reflects (Ilies & Judge, 2004).

Employee Performance

According to Armstrong & Taylor (2014), performance concerns how well something is done. Performance is defined as behavior that accomplishes results. Hasibuan (2005) explains that employee performance is a work result that a person can achieve in carrying out the tasks assigned to him based on skill, experience, sincerity, and time. In addition, Diamantidis & Chatzoglou (2019) explain that employee performance results from a pattern of implementing personal self-ability processes that are supported by management, organizational climate, work environment, adaptability, and intrinsic motivation.

The relationship between transformational leadership and employee performance

Members internalize the values and beliefs of leaders and behave in a manner consistent with these characteristics, including placing collective interests above their own (Steffens et al., 2021). In such cases, followers receive appreciation and recognition from the leader, which strengthens followers' feelings of self-worth and a sense of obligation to return the favor, motivating behaviors to fulfill these obligations (Edward & Ratnawati, 2013). However, there are different research results (Tourish, 2013) that giving the ideal influence makes leaders narcissistic. Whatever their policies, narcissists can be overconfident in their abilities, not want to compromise, have an excessive need for power, lack empathy, be a bad listener, have a solid need to be admired by others, be arrogant, and also be too self-absorbed. Research conducted by Top et al. (2020) found that transformational leadership significantly impacts employee performance, especially the inspirational motivation of transformational leaders. Different from the

findings by Hasib et al. (2020) that transformational leadership has no significant effect on performance but is influenced by leader-follower interaction as a form of the leader's ability to inspire followers to improve performance.

The relationship between organizational culture and employee performance

Abu-Jarad et al. (2010) explain that the company emphasizes the importance of shared beliefs and values to achieve organizational effectiveness. They argue that the success or failure of a company lies in the strength of the company culture, so a performance-oriented organizational culture will demand results and high expectations and emphasize aggressiveness, competition, and the use of opportunities, as well as encourage and support the dissemination of information and reward good performance (O'Reilly et al., 1991). The values that the organization signs will determine the success of the organization (Nurwati et al., 2012). Research findings conducted by Paais & Pattiruhu (2020) found that organizational culture has a positive and significant effect on performance; these findings support research conducted by Kuswati (2020) where leaders need to increase socialization activities related to service procedures set by the company to improve employee performance (Paais & Pattiruhu, 2020).

The relationship between transformational leadership and job satisfaction

Transformational leaders earn members' trust and satisfaction by maintaining their integrity and dedication, being fair in their treatment of members, and demonstrating their confidence in followers by empowering them (Nandedkar & Brown, 2018; Trmal et al., 2015). It can be argued that transformational leaders empower followers to do their work independently and creatively, leading followers to feel more useful (Aydogmus et al., 2018). Building member trust and promoting member self-esteem and efficacy makes them generally more satisfied with their leadership qualities than followers of non-transformational leaders (Bass & Riggio, 2006). However, Singgih et al. (2020) in his research concluded that there was no significant effect of transformational leadership on job satisfaction.

The relationship between organizational culture and job satisfaction

Strong organizational culture will trigger employees to think, behave, and act in accordance with organizational values (Isnanto et al., 2020; Wahyuni et al., 2016). Furthermore, Wahyuni et al. (2016) reveal that job satisfaction is able to mediate the influence of organizational culture on local government performance; where the perception of culture in an organization is good, employees will feel satisfied with their jobs and work more pleasantly, so employees tend to have good performance as well. Conformity between organizational culture and organizational members who support it will lead to job satisfaction, thus encouraging staying in one company and having a long-term career (Iqbal et al., 2017). Therefore, a strong organizational culture is needed by every organization so that job satisfaction and employee performance increase will improve overall organizational performance. Different from other research by Paais & Pattiruhu (2020) findings, organizational culture has no significant effect on job satisfaction.

The relationship between job satisfaction and employee performance

Armstrong & Taylor (2014) explain that it is a common and unreasonable belief that increased job satisfaction increases performance. A meta-analysis of a number of studies conducted by Brayfield & Crockett (1955) concluded that there is little evidence of any simple or sufficient relationship between satisfaction and performance. Furthermore, Mira et al. (2019) research reveal a positive relationship between job satisfaction and employee performance. It is in line with Ramli's (2019) findings that companies need to provide opportunities for employees to advance and develop at work, feel that the salary follows the responsibilities received, and guarantee security for the continuation of the job, which will ultimately make employees work optimally to improve their performance.

The relationship of job satisfaction as a mediator of transformational leadership and organizational culture on employee performance

Bass & Riggio (2006) revealed that transformational leaders could encourage members' belief in higher goals from work, which builds their commitment, effort, and performance. The findings of research conducted by Vitria et al. (2021) reveal that job satisfaction can mediate transformational leadership on performance; this means that transformational leadership is indirectly related to performance through job satisfaction. These research findings support Eliyana et al. (2019) reveal that job satisfaction has a mediating effect on the relationship between transformational leadership and performance, while good transformational leadership significantly affects employee job satisfaction. In contrast to research conducted by Singgih et al. (2020), which revealed that job satisfaction does not mediate the relationship between transformational leadership and employee performance.

Hypothesis Model

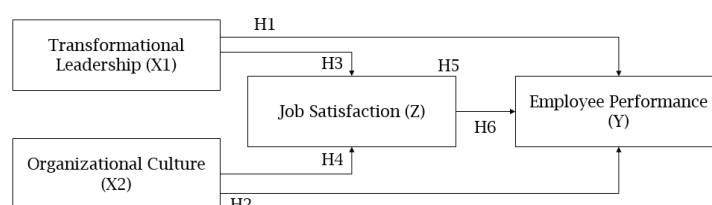


Figure 1. Framework

- H1: Transformational Leadership has a positive and significant impact on employee performance.
- H2: Organizational culture has a positive and significant influence on employee performance.
- H3: Transformational leadership has a positive and significant influence on job satisfaction.
- H4: Organizational culture has a positive and significant influence on job satisfaction.
- H5: Job satisfaction has a positive and significant effect on employee performance.
- H6: Job Satisfaction mediates positively and significantly Transformational Leadership and Organizational Culture on Employee Performance.

Methods

The population in the study is the overall target group which is the object of the research target (Abdullah, 2015), while the sample is part of the number and characteristics possessed by the population (Hardani et al., 2020). According to Arikunto (2010), if the total population is less than 100, all of them can be sampled; if more than 100, samples can be taken from 10%, 15%, 20%, and so on the total population. Because the population in District-3 PT Wirakarya Sakti is 95 people, all permanent employees are included in the population in this research.

The data analysis technique used in this study is the quantitative data analysis technique, namely the analysis used to examine the relationship or influence of the independent variable (X) and the dependent variable (Y) through the intervening variable (Z), namely by using a Likert scale instrument. The Likert scale measures attitudes, opinions, and perceptions of a person or group of social phenomena anchored by 5 points. The alternative answers start with a score of 1, which means strongly disagree, to a score of 5, which suggests strongly agree.

Data were analyzed using the Partial Least Square analytical method powerful because it can be applied to all data scales, does not require many assumptions, and the sample size does not have to be large (Jaya & Sumertajaya, 2008). Besides being able to be used as a confirmation of the theory, PLS can also be used to build relationships for which there is no theoretical basis or for proposition testing, as well as for structural modeling with reflective or formative indicators. Data analysis in this study was assisted by Smart PLS 3.0 software.

Results

Characteristics of Respondents

In this study, the previous initial design used as many as 95 employees as respondents, but there was an increase in the number of employees to 110 people. Researchers still use these 95 people as samples in the study. The following are the characteristics of respondents in District-3 PT WKS:

Table 1. Characteristics of Respondents

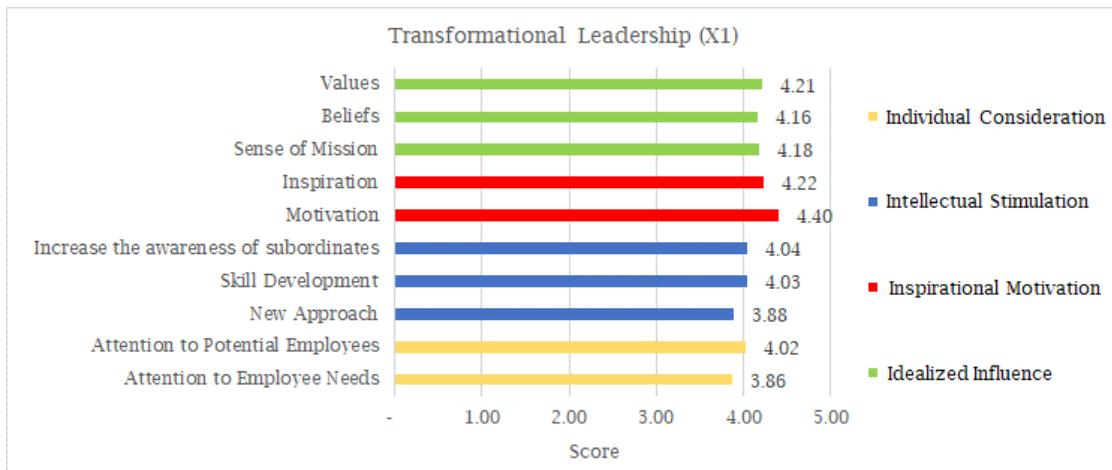
Category	Description	Total	Percentage (%)
Gender	Male	94	99
	Female	1	1
Age	19 - 24	13	13.7
	25 - 30	27	28.4
	31 - 36	15	15.8
	37 - 42	19	20
	43 - 48	13	13.7
	49 - 54	7	7.4
	55 - 60	1	1
Last Education	Jr. High School	2	2.1
	Sr. High School	72	75.8
	D3	5	5.3
Working Period	S1	16	16.8
	< 1 Year	7	7.4
	1 - 3 Years	13	13.7
	3 - 5 Years	15	15.8
	5 - 10 Years	22	23.1
	> 10 Years	38	40
Last Position	< 1 Year	13	13.7
	1 - 3 Years	21	22.1
	3 - 5 Years	17	17.9
	5 - 10 Years	32	33.7
	> 10 Years	12	12.6

Source: Research Questionnaire Data (2022)

Description of Research Variables

Transformational Leadership

Transformational Leadership can measure based on four dimensions, according to Bass & Riggio (2006), namely *Idealized Influence*, *Inspirational Motivation*, *Intellectual Stimulation*, and *Individualized Consideration*. Each of these dimensions is categorized as good, and Inspirational Motivation has an excellent score which can be seen from various indicators as shown in the following graph:

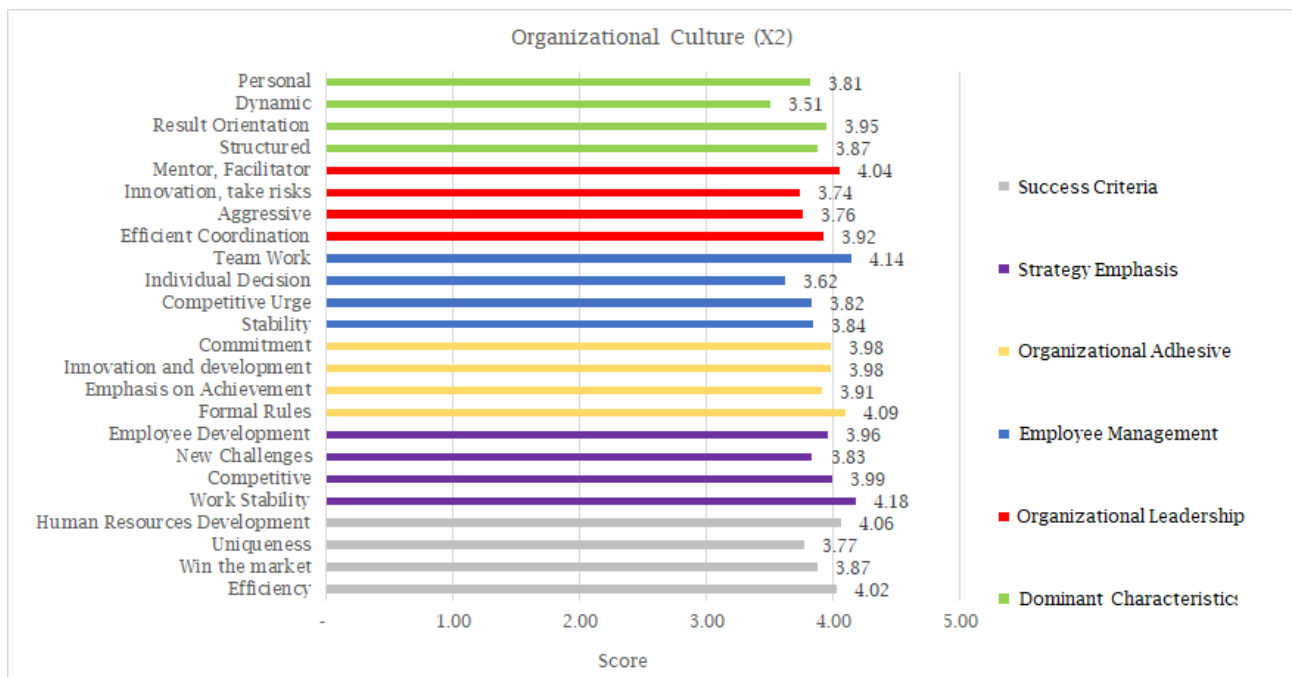


Source: Primary Data (2022)

Figure 2. Comparison Graph of Transformational Leadership Indicators

Organizational Culture

Organizational Culture can be measured based on six dimensions, according to Cameron & Quinn (2011), namely *Dominant Characteristics*, *Organizational Leadership*, *Employee Management*, *Organizational Adhesive*, *Strategy Emphasis*, and *Success Criteria*. Each of these dimensions is categorized as good, which can be seen from various indicators as shown in the following graph:

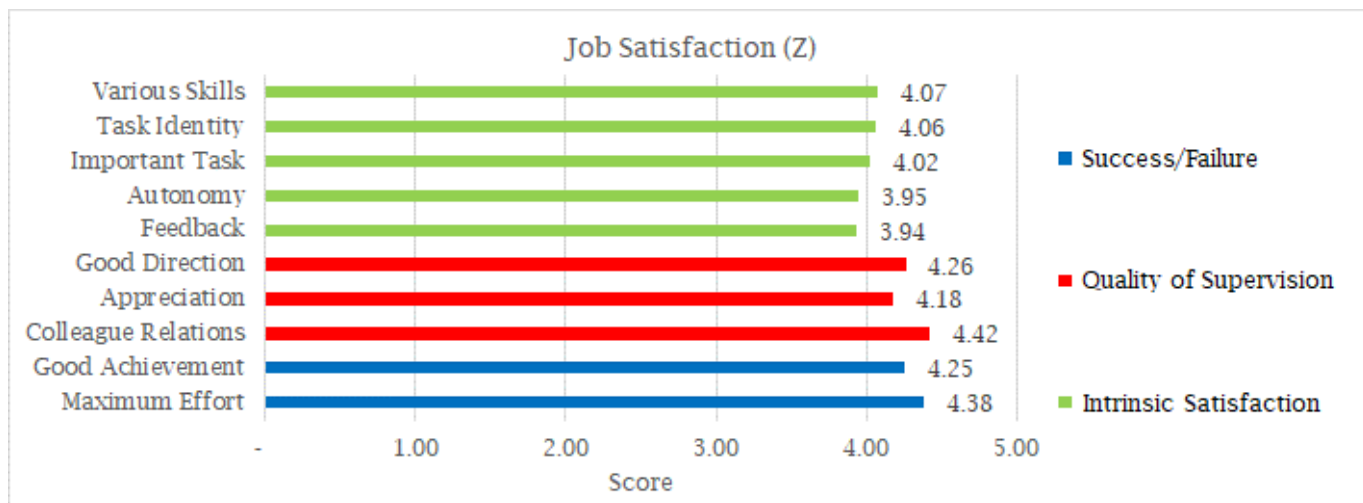


Source: Primary Data (2022)

Figure 3. Comparison Graph of Organizational Culture Indicators

Job Satisfaction

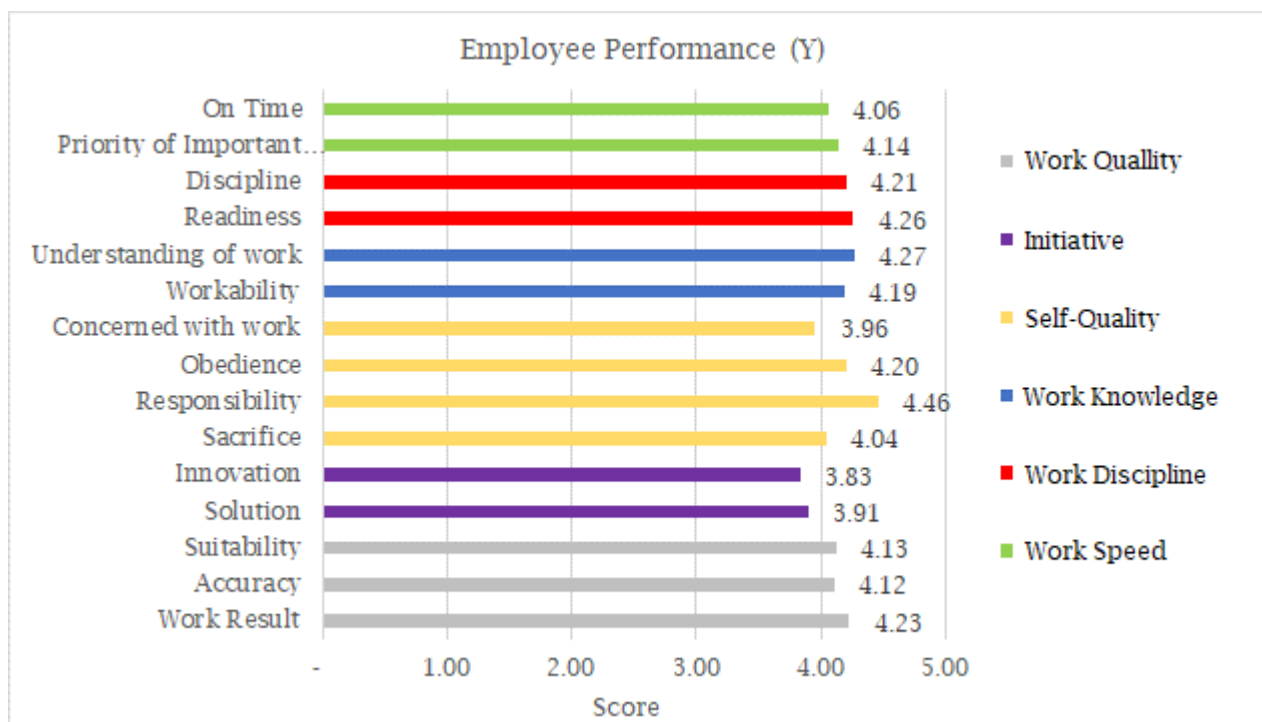
Job satisfaction can be measured based on three dimensions, according to Armstrong & Taylor (2014), namely *Intrinsic Satisfaction*, *Quality of Supervision*, and *Success/Failure*. The dimension of success has the highest score and is categorized as very good, which can be seen from various indicators as shown in the following figure:



Source: Primary Data (2022)
Figure 4. Comparison Graph of Job Satisfaction Indicators

Employee Performance

Employee performance can be measured based on the six dimensions developed by (Edward et al., 2014), namely Work Speed, Work Discipline, Work Knowledge, Self-Quality, Initiative, and Work Quality. Each of these dimensions is categorized as good, which can be seen from various indicators as shown in the following figure:



Source: Primary Data (2022)
Figure 5. Comparison Graph of Employee Performance Indicators

Instrument Test Results (Measurement Model)

Convergent Validity & Discriminant Validity

Measurement Convergent Validity & discriminant validity reflective indicators based on cross-loading, as shown in the following table:

Table 2. Value of Cross Loadings Discriminant Validity

Variable	Transformational Leadership (X1)	Organizational Culture (X2)	Job Satisfaction (Z)	Employee Performance (Y)	Desc.
X1.1	0,896	0,545	0,551	-0,027	Valid
X1.2	0,818	0,409	0,362	-0,003	Valid
X1.3	0,923	0,688	0,545	-0,074	Valid
X1.4	0,808	0,525	0,495	-0,053	Valid
X2.1	0,533	0,829	0,563	0,062	Valid
X2.2	0,560	0,831	0,517	0,095	Valid
X2.3	0,574	0,860	0,596	0,011	Valid
X2.4	0,553	0,859	0,702	0,038	Valid
X2.5	0,577	0,910	0,692	0,108	Valid
X2.6	0,535	0,900	0,661	0,130	Valid
Z.1	-0,040	0,679	0,844	0,026	Valid
Z.2	-0,070	0,607	0,807	0,004	Valid
Z.3	-0,081	0,478	0,816	0,013	Valid
Y.1	0,431	0,074	-0,038	0,838	Valid
Y.2	0,519	0,125	0,049	0,849	Valid
Y.3	0,478	0,101	0,049	0,793	Valid
Y.4	-0,065	0,039	-0,007	0,800	Valid
Y.5	0,032	0,041	0,023	0,798	Valid
Y.6	-0,021	0,014	0,028	0,843	Valid

Source: Primary Data (2022)

Construct Reliability and Validity

To find out the results of testing the reliability of an indicator of the variables can be seen based on Cronbach's Alpha, Composite Reliability, and Average Variance Extracted (AVE) in the following table:

Table 3. Reliability and Validity Construct Values

Variable	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)	√AVE
Transformational Leadership (X1)	0,885	0,921	0,744	0,862
Organizational Culture (X2)	0,933	0,947	0,749	0,865
Job Satisfaction (Z)	0,762	0,862	0,676	0,822
Employee Performance (Y)	0,905	0,925	0,674	0,820

Results of Structural Model Analysis (Hypothesis Testing)

Based on the results of the inner model test (Structural Model) to determine the relationship between variables and simultaneously test the hypothesis using Smart-PLS 3.0 obtained as follows:

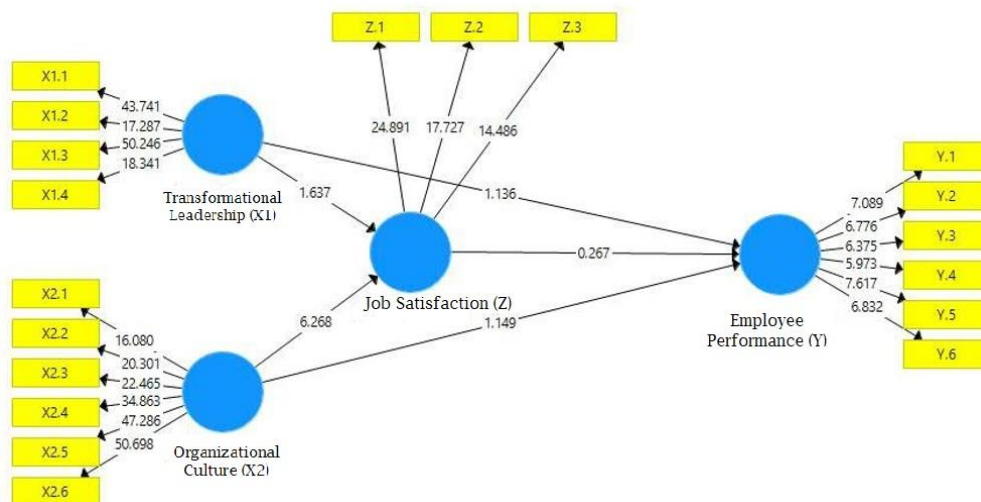


Figure 6. Structural Measurement Results Model (Path Analysis)

The coefficient values at the Path Coefficient to see the significance of the effect of each variable in more detail are described in the following table:

Table 4. Results of Influence Analysis Between

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistic (O/STDEV)	P Values
TL (X1) → EP (Y)	-0,166	-0,187	0,146	1,136	0,257
OC (X2) → EP (Y)	0,231	0,240	0,201	1,149	0,251
TL (X1) → JS (Z)	0,191	0,196	0,117	1,637	0,102
OC (X2) → JS (Z)	0,603	0,601	0,096	6,268	0,000
JS (Z) → EP (Y)	-0,054	-0,037	0,202	0,267	0,790

Source: Primary Data (2022)

The magnitude of the parameter coefficient for the variable X1 → Y is -0.166 (original sample), which means that the direction of the relationship between Transformational Leadership and Employee Performance is negative. So it can be interpreted that the higher the level of transformational leadership, it tends to be considered unable to increase the level of employee performance. The t-statistic value is 1.136 with a significant t-table of 5% = 1.96; this means that the relationship is not significant if the t-statistic is smaller than the T-table (1.136 < 1.96). Thus hypothesis H1 in this study, which states that "Transformational Leadership has a positive and significant influence on Employee Performance," is rejected.

The magnitude of the parameter coefficient for the X2 → Y variable is 0.231 (original sample), which means that the direction of the relationship between Organizational Culture and Employee Performance is positive. So it can be interpreted that the stronger the organizational culture, the better the employee performance. The t-statistic value is 1.149 with a significant t-table of 5% = 1.96; this means that the relationship is not significant if the t-statistic is smaller than the T-table (1.149 < 1.96). Thus hypothesis H2 in this study states that "Organizational Culture has a positive and significant influence on Employee Performance" is rejected.

The magnitude of the parameter coefficient for the X1 → Z variable is 0.191 (original sample), which means that the direction of the relationship between Transformational Leadership and Job Satisfaction is positive. So it can be interpreted that the better the Transformational Leadership, the higher the Job Satisfaction. The t-statistic value is 1.637 with a significant t-table of 5% = 1.96; this means that the relationship is not significant if the t-statistic is smaller than the T-table (1.637 < 1.96). Thus the H3 hypothesis in this study states that "Transformational Leadership has a positive and significant influence on Job Satisfaction" is rejected.

The magnitude of the parameter coefficient for the variable X2 → Z is 0.603 (original sample), which means that the direction of the relationship between Organizational Culture and Job Satisfaction is positive. So it can be interpreted that the stronger the Organizational Culture, the higher the Job Satisfaction. The t-statistic value is 6.268 with a significant t-table of 5% = 1.96; this means that the relationship is significant if the t-statistic is greater than the T-table (6.268 > 1.967). Thus hypothesis H4 in this study states that "Organizational Culture has a positive and significant influence on Job Satisfaction" is accepted.

The magnitude of the parameter coefficient for the Z → Y variable is -0.054 (original sample), which means that the direction of the relationship between Job Satisfaction and Employee Performance is negative. So it can be interpreted that the higher the job satisfaction, the less likely it is to increase employee performance. The t-statistic value is 0.267 with a significant t-table of 5% = 1.96; this means that the relationship is not significant if the t-statistic is smaller than the T-table (0.267 < 1.96). Thus hypothesis H5 in this study which states that "Job Satisfaction has a positive and significant influence on Employee Performance," is rejected.

Based on the test results to find out how much direct or indirect influence the independent variable has on the dependent variable, the data obtained are as follows:

Table 5. Direct and Indirect Effects between Construct

Variable	Effect			T Statistic (O/STDEV)
	Direct	Indirect	Total	
X1 → Y	-0,166	-0,010	-0,176	0,222
X2 → Y	0,231	-0,032	0,199	0,261

Source: Primary Data (2022)

The test results show that the total effect of Job Satisfaction can mediate Transformational Leadership on Employee Performance -0.176. It means that there is an influence of the intervening variable job satisfaction of -0.010, which tends to be considered unable to provide additional value to be greater in improving employee performance. At the same time, the test results for the effect of total job satisfaction in mediating organizational culture on employee performance is 0.199. It means that there is an influence of the intervening variable job satisfaction of -0.032, which tends not to be able to provide additional value to be greater in improving employee performance. Then by looking at the t-statistics of X1 to Y of 0.222 < 1.96 and X2 to Y of 0.261, the effect is insignificant. Thus, hypothesis H6 in this study states that "Job Satisfaction mediates positively and significantly Transformational Leadership and Organizational Culture on Employee Performance" is rejected.

In addition, by looking at the R-square value to explain the percentage of latent construct variance, measuring how much the model and the estimated parameters generate the observation value. Based on calculations through the SMARTPLS 3.0 application, the results of R square are as follows:

Table 6. Results of R-Square analysis of

Variable	R-Square
Job Satisfaction (Z)	0.548
Employee Performance (Y)	0.027

Source: Primary Data (2022)

The table above shows the magnitude of the influence of the independent variables of transformational leadership (X1) and organizational culture (X2) on the variable job satisfaction (Z) of 0.548 or 54.8%. The two independent variables can affect job satisfaction by 54.8%, while other variables explain the remaining 45.2% included or not included in this study. At the same time, the value of R2 for employee performance is 0.027 or 2.7%. It means that the independent variables of transformational leadership (X1), organizational culture (X2), and job satisfaction variables (Z) are only able to influence employee performance by 2.7%.

Discussion

Description of Transformational Leadership, Organizational Culture, Job Satisfaction, and Employee Performance

Transformational leadership (X1) in District-3 PT WKS, with an average score of 4.1, means that employees perceive leadership as good. Supervisors/coordinators provide direction to their members to work optimally in supervising each work area. In addition, supervisors can convince members that mutually agreed goals can be achieved. Organizational culture (X2) in District-3 PT WKS, with an average score of 3.9, means that employees perceive the culture as strong. A strong culture will shape the members into what the organization wants, and it aims to make members aligned and in line with the organization's vision and mission. Employees feel that the organization has become like a big family and feel the same fate as working in the company. Job Satisfaction (Z) in District-3 PT WKS, with an average score of 4.15, means employees perceive their satisfaction level as very high. Job satisfaction is a form of expressing employees' feelings toward their work. However, some employees have different levels of satisfaction, which feel satisfied if what they get is commensurate with the effort put in. Employee Performance (Y) in District-3 PT WKS with an average of 4.13 means that the supervisor/coordinator perceives that employees have high performance. Employee performance can be assessed based on what they have done, both in quantity and quality. In addition, to evaluate employee performance in achieving the targets set by the company, an employee's personality is essential in showing their performance.

The Effect of Transformational Leadership on Employee Performance

Transformational leadership is perceived as unable to influence employee performance positively. Transformational leadership does not affect the performance of its members directly but provides social influence and shapes the behavior of its members to build a conducive relationship. In line with the findings by Hasib et al. (2020) that transformational leadership has no significant effect on performance but is influenced by leader-follower interaction as a form of the leader's ability to inspire followers to improve performance. It is likely because District-3 PT WKS is a functionally and physically purposeful corporate operating unit. An employee is considered to be working mechanically to meet production and planting goals when his actionable SOPs already exist. Members continue their activities as standard, with or without a leader. Members feel that it is sufficient to achieve the main objectives of their work, even if their actions are not aligned with the leader's desire to build strong relationships. Transformational leadership models are seen as less effective at organizational levels such as districts. Employees are better suited to work under company direction and apply at the top level, so a high degree of creativity and innovation is required to meet external challenges.

The Effect of Organizational Culture on Employee Performance

Organizational culture does not significantly affect employee performance, but the direction of the relationship is positive. District 3 teaches the importance of teamwork: when one member goes on leave, another member becomes a substitute member. A strong bond between team members allows them to become like family within the organization, where they felt comfortable working and engaged, shaping their behavior as expected. However, District-3 is at a technical level where orientation is a physical goal. That is their performance appraisal, so behaviors shaped by organizational culture do not have a clear, direct impact on production or planting performance. These findings do not support the results of research conducted by Kuswati (2020) and Paais & Pattiruhu (2020).

The Effect of Transformational Leadership on Job Satisfaction

Transformational leadership does not significantly affect job satisfaction, but the direction of the relationship is positive. Some aspects of intrinsic satisfaction in job satisfaction tend to be hidden from the line manager's role and exposure. The tasks assigned to employees by human resource trainers according to the needs of the enterprise are tasks that do not require different skills, tend to achieve production and planting goals stably, and employees are proportional to production. It is assumed not to provide a role benefit to others. These findings support previous research by Singgih et al. (2020) that transformational leadership does not significantly influence job satisfaction.

The Effect of Organizational Culture on Job Satisfaction

Organizational culture is perceived to be able to influence job satisfaction significantly. The culture of District 3 is now considered to be highly cultural. It is evidenced by the strong relationships between team members, making her like one big family. Because the values and beliefs rooted in the organization are embedded in the members, they are aligned with the company's vision. They can inspire employees to act under the organization's wishes. Members' sense of belonging to the organization indicates how satisfied they are with the organization, which reflects and makes them proud. This finding supports previous research by Iqbal et al. (2017) that organizational culture significantly affects job satisfaction but contradicts the findings of Paais & Pattiruhu (2020) findings.

The Effect of Job Satisfaction on Employee Performance

Job satisfaction is perceived as not being able to influence employee performance positively. This finding adds to the theoretical gap that job satisfaction can affect employee performance, as in previous studies. These findings do not support the results of previous studies conducted by Mira et al. (2019) and Ramli (2019). However, This is because District 3 employees believe that their organization has goals and that they are responsible for the work they choose. Therefore they must take responsibility for the work to achieve the set goals. As well as feel obligated to continue working well to achieve the goals set. We are also pleased with the current situation in which we recognize that factors do not fully meet expectations. Intrinsic and external satisfaction is usually used to measure an employee's job satisfaction, but each person's satisfaction is different. Some people are satisfied with their relationship with their leader but not with the work itself. Conversely, some people are satisfied with their jobs but not their relationships with their leaders.

The Effect of Job Satisfaction as a Mediator of Transformational Leadership and Organizational Culture on Employee Performance

In contrast to the findings of research conducted in District-3 PT WKS, it does not support the opinion of Vitria et al. (2021) and Eliyana et al. (2019). Still, it supports the findings of research conducted by Singgih et al. (2020). The results do not indicate that job satisfaction can positively reflect innovative leadership and organizational culture in employee performance. It is likely because transformational leadership shapes member behavior, makes members feel trusted and valued, and tends to make them more engaged and motivated than the content of the work itself. Similarly, job satisfaction cannot positively reflect company culture on employee performance. Culture as a social condition formed by the founder and management team makes the organization feel like one big family. Still, its impact on overall job satisfaction is unclear if it improves employee performance.

Conclusion

Based on the analysis of the influence of transformational leadership and organizational culture on employee performance with job satisfaction as an intervening variable, transformational leadership has a negative and insignificant effect on Employee Performance. Organizational Culture has a positive and insignificant effect on Employee Performance. Transformational Leadership has a positive and insignificant effect on Job Satisfaction. Organizational Culture has a positive and significant effect on Job Satisfaction. Job satisfaction has a negative and insignificant effect on employee performance. Job Satisfaction cannot mediate the influence of Transformational Leadership and Organizational Culture on Employee Performance.

As a result of this finding, District-3 PT WKS supervisors or coordinators don't need to use a transformational leadership model. Still, strengthening strong personal relationships with members, shaping behavior, and engaging members more may be considered more loyal and motivating. Work more than usual. You can also shape the mindset of your members by having confidence in your vision for the entire organization as a self-development process. The existing organizational culture needs improvement in several aspects. For example, it relates to its dominant trait. It helps members see what characterizes their organization and where the organization forms some culture. Culture is also the social glue that binds members of an organization together. A strong bond between team members makes them feel like family within the organization and makes employees feel more comfortable working.

Supervisors and coordinators are considered necessary to maintain good relationships with members, create favorable conditions, and evaluate their work. It is satisfied with the quality of supervision provided by the manager. Limitations of this study are necessary to measure employee performance considering other variables such as organizational commitment, Organizational Citizenship Behavior (OCB), compensation, work-life balance, and so on.

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