

Does transformational leadership encourage organizational commitment?

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Received: 29-09-2021 | Revision: 22-10-2021 | Accepted: 30-10-2021
DOI: <https://doi.org/10.22219/jiko.v6i03.18425>

Abstract

This study aims to determine whether job satisfaction mediates the relationship between transformational leadership and the organizational commitment of civil servants. A structural equation modeling approach was used to test the collected data with a sample of 51 respondents. The results show that job satisfaction can mediate the relationship between transformational leadership and organizational commitment.

Keywords: Transformational leadership, organizational commitment, job satisfaction

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Introduction

Human resources (HR) is an essential aspect of a company or organization to mobilize other resources. The low level of Organizational Commitment and Job Satisfaction at the Department of Transportation of the City of Palangka Raya is indicated by direct interviews with several employees of the Department of Transportation of the City of Palangka Raya. Changes in organizational management today are a big challenge for public sector organizations or government organizations. Several studies have emphasized the importance of leadership in the process of change in public organizations, but empirical evidence is still limited (van der Voet, 2016).

Leadership is a critical factor in determining the performance of an organization, including public sector organizations. Effective leadership in the public sector is shaped not only by personal traits and characteristics but also by the leaders' style of dealing with situations (Cont'd 2020). One of the leadership models is the Transformational Leadership model, which is seen as more complete and has many advantages, especially for organizational change. Because this type of leadership can increase job satisfaction and organizational commitment (Mohammad, 2012). Meanwhile, Eliyana & Ma (2019) shows that Transformational Leadership has a direct effect on Organizational Commitment. Research results from Siswatiningsih et al. (2016) also indicates that Transformational Leadership has a positive impact on job satisfaction.

The purpose of this study was to examine: 1) Does Transformational Leadership affect the Organizational Commitment of the employees of the Department of Transportation of the City of Palangka Raya?; 2) Does Transformational Leadership affect the Job Satisfaction of the employees of the Department of Transportation of the City of Palangka Raya?; 3) Does job satisfaction affect the Organizational Commitment of the employees of the Department of Transportation of the City of Palangka Raya?; and 4) does Transformational Leadership affect Organizational Commitment through Job Satisfaction at the Department of Transportation of the City of Palangka Raya?.

This study expands the literature on Transformational Leadership and job satisfaction as a mediator for organizational commitment, especially in the state civil apparatus. Practically, this study can also be one of the considerations for policy-making related to optimizing performance from leadership and human resources.

Method

The sample in this study were all employees of the Department of Transportation of the City of Palangka Raya, amounting to 51 people. Perform data analysis using the SmartPLS analysis tool. The selection of the analysis tool is because the variables used use indicators to measure variables, so the type of

variable is a latent variable. SmartPLS is used in this study because it can be applied to any data scale (nominal, ordinal, interval, ratio) and more flexible assumption requirements. The PLS approach is based on a shift in analysis from measuring model parameter estimates to measuring relevant predictions. So the focus of the analysis shifts from only estimation and interpretation of significant parameters to the validity and accuracy of forecasts. This analytical tool is also very appropriate for predictive research, referring to causal relationships.

Table 1. Indicators Variables

No	Variabel	Indikator
1.	Transformational Leadership (Northouse, 2016)	1. The effect of the ideal attribute 2. The influence of ideal behavior 3. Motivational inspiration 4. Intellectual stimulation 5. Individual considerations
2.	Organizational Commitment (Colquitt et al.,2018)	1. Affective commitment 2. Ongoing commitment 3. Normative commitment
3.	Job satisfaction (Robbins and Judge, 2017)	1. Job suitability 2. Appropriate compensation 3. supportive coworkers 4. promotion opportunity

During data analysis, the researcher applies cut-off values for evaluating the outer model stage 1, namely, indicator reliability, with the loading value of each indicator starting from 0.7 and above.(Ghozali & Latan, 2015), Internal Consistency Reliability, by looking at composite reliability and Cronbach's alpha, the cut off value is 0.6 -07 (Ghozali & Latan, 2015); Cronbach's alpha is higher than 0.6 (Ghozali & Latan, 2015); Convergent validity, evaluated by Average Variance Extracted (AVE) equal to or higher than 0.5. Discriminant validity was evaluated using a cross-loading value equal to or greater than 0.7 and the Fornell Larcker Criterion by comparing the square root value of the AVE against each construct. AVE root value > from other correlation values. The cut-off value used to evaluate the inner model: Collinearity test is evaluated with the VIF value; the value must be below 5. The coefficient of determination (R2) is expected to be close to 1, the value of R2 = 0.75 strong; 0.50 moderate and 0.25 weak (Ghozali & Latan, 2015). Chin gave the criteria for R2 values of 0.67 strong, 0.33 moderate and 0.19 weak (in(Ghozali & Latan, 2015). Cross-validated redundancy (Q2) or Q-square test uses predictive relevance. The Q-square test value is more than 0; the Q-square test is accurate to the construct

(Sarstedt et al., 2017). Measuring the path coefficient between constructs to see the significance, values -1 to +1. The closer to +1, the stronger the relationship between the two constructs (Ghozali & Latan, 2015).

Empirical Result

Based on Table 1 in the appendix, it is known that each research variable indicator has various outer loadings. Still, the data shows that all hands have an external loading value of more than 0.70, so the needle is declared feasible or valid to be used in research and can be used for further analysis. Furthermore, the Average Variance Extracted (AVE) variable of Transformational Leadership, Organizational Commitment, and Job Satisfaction has a value of more than 0.50; Thus, it can be stated that the indicator variables in the study are feasible or valid.

The value of cross-loading and Fornell Larcker Criterion; An indicator is declared to meet the requirements of discriminant validity of the cross-loading of the syndicator on the variable is the largest compared to other variables, and the AVE root value higher than the correlation value. Based on the results obtained, it can be stated that the variables and indicators used in this study have good discriminant validity based on predetermined conditions (see Table 1 and Table 2).

Still, in Table 1, it can be seen that the composite reliability value of each research variable is more significant than 0.70. These results indicate that each variable has met the requirements of composite reliability. It can be stated that the research variables have a good and acceptable level of reliability. Also, it can be seen that the Cronbach's alpha value of each research variable is more significant than 0.60. These results indicate that each variable has met the requirements of Cronbach's alpha so that it can be stated that the research variables have a good level of reliability and can be accepted

Inner Model Research Results

The R-Square value for Job Satisfaction is 0.316, which means that the Transformational Leadership variable affects the Job Satisfaction Variable in the weak category. Meanwhile, for the employee Organizational Commitment variable, the R-Square value is 0.682, which means that the Transformational Leadership variable affects the Organizational Commitment variable in the strong category. Based on the R-Square value, it can be said that Organizational Commitment is influenced by the independent variable and the mediating variable (intervening) by 68.2%. In comparison, 31.8% is influenced by other variables outside the variables studied by the researcher. Furthermore, the value of Q Square is used to measure how well the observed values produced by the model and the parameter estimates are. When relevant predictive.

Meanwhile, the VIF values are all below 3; it can be concluded that there is no collinearity problem between predictor constructs (see Table 1).

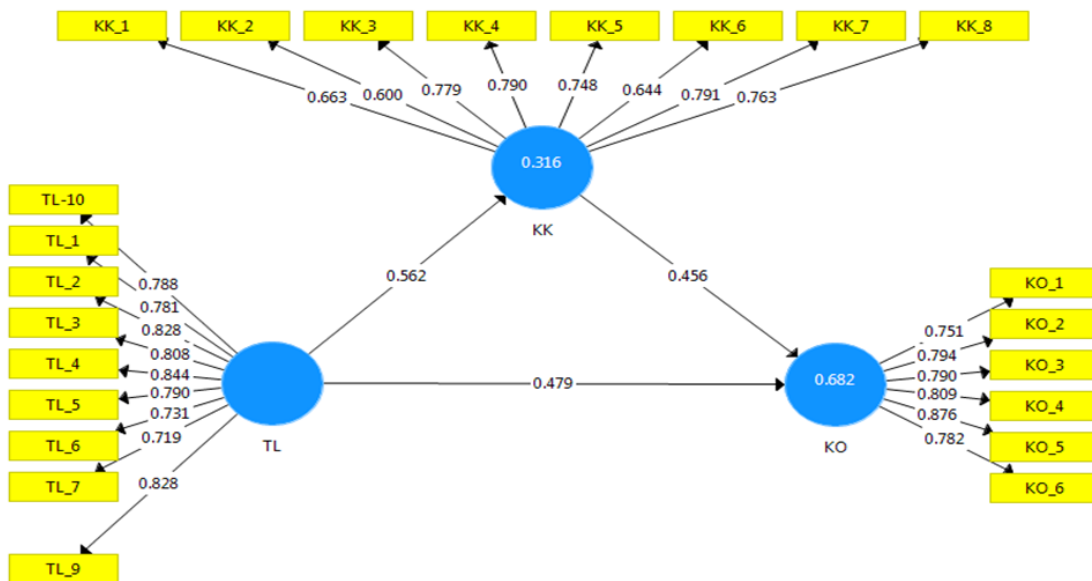


Figure 1. Result of research’s model

Based on the results of hypothesis testing (see Fig.1), it can be concluded that the Transformational Leadership variable affects employee organizational commitment through job satisfaction; this means that the higher the intensity of the application of Transformational Leadership, the higher the level of organizational commitment of employees and increased job satisfaction.

Satisfied employees tend to be more loyal to the organization. Transformational leadership can create a good and compelling atmosphere so that employees will feel confident in their work. It will impact employees being dedicated to their work and not wanting to leave the organization. The result is in line with research conducted by Siswatiningsih et al. (2016), Santoso (2014) and Widyastuti et al. (2014), Rosnani (2016), (Mwesigwa et al. (2020), Goddess (2013), Arif Darmawan (2016), Sari et al. (2017), Indicators of Transformational Leadership such as Inspirational Motivation, Intellectual Stimulation, and Individual consideration are indicators that can explain or describe Transformational Leadership. It can be concluded that individual behavior is the dominant indicator in describing Transformational Leadership in this study.

Conclusions

The results show that job satisfaction can mediate the relationship between transformational leadership and organizational commitment. This research has been attempted and carried out by scientific procedures. However, it still has limitations, such as the sample used is limited to one government organization,

so it has not provided results that can be generalized to all government organizations. For further researchers, the results of this study are expected to expand the population used to offer broad conclusions for all offices, especially in the city of Palangka Raya.

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Appendix

1. Inner Model dan outer loading

Laten Variable	Indicator	Outer Loading	Composite Reliability	AVE	VIF	Cronbach's Alpha	Coefficient of Determination (R2)	Cross-Validated Redundancy (Q2)
Transformational Leadership	TL_1	0.784	0.938	0.627	2.504	0.925	68.20	0.417
	TL_2	0.823			2.975			
	TL_3	0.806			2.542			
	TL_4	0.835			3,272			
	TL_5	0.788			2.082			
	TL_6	0.730			2,067			
	TL_7	0.726			2.491			
	TL_9	0.827			3.276			
Organizational Commitment	TL_10	0.788	0.915	0.642	2.349	0.888	31.6	0.144
	KO_1	0.751			1.962			
	KO_2	0.794			2.192			
	KO_3	0.790			2.211			
	KO_4	0.808			2.481			
	KO_5	0.876			3.244			
Job Satisfaction	KO_6	0.783	0.898	0.572	2.448	0.871	31.6	0.144
	KK_1	0.663			1.748			
	KK_2	0.600			1.530			
	KK_3	0.779			2.607			
	KK_4	0.790			2.158			
	KK_5	0.748			1.917			
	KK_6	0.645			1.564			
	KK_7	0.791			2.314			
KK_8	0.763	2.237						

Notes: Cross loading: all variable indicator values are greater than the indicator values in other variables; The AVE Root Value is greater than the Correlation Value.

2. Cross Loading

Indicator	Transformational Leadership	Organizational Commitment	Job Satisfaction
TL_1	0.784	0.503	0.508
TL_2	0.823	0.517	0.444
TL_3	0.806	0.648	0.565
TL_4	0.835	0.617	0.383
TL_5	0.788	0.634	0.469
TL_6	0.730	0.536	0.352
TL_7	0.726	0.542	0.408
TL_9	0.827	0.619	0.408
TL_10	0.788	0.592	0.440
KO_1	0.576	0.751	0.455
KO_2	0.497	0.794	0.561
KO_3	0.519	0.790	0.523
KO_4	0.600	0.808	0.629
KO_5	0.672	0.876	0.683
KO_6	0.580	0.873	0.602
KK_1	0.245	0.536	0.663
KK_2	0.163	0.318	0.600
KK_3	0.426	0.627	0.779
KK_4	0.478	0.544	0.790
KK_5	0.456	0.554	0.748
KK_6	0.431	0.527	0.645
KK_7	0.482	0.548	0.791
KK_8	0.396	0.475	0.763

3. Fornell Larcker Criterion

	Transformational Leadership	Organizational Commitment	Job Satisfaction
Transformational Leadership	0.792	0.735	0.562
Organizational Commitment		0.801	0.725
Job Satisfaction			0.762

