

THE INFLUENCE OF TRANSFORMATIONAL LEADERSHIP ON EMPLOYEE PERFORMANCE WITH ORGANIZATIONAL COMMITMENT AS AN INTERVENING VARIABLE IN THE NATIONAL UNITY AND POLITICAL BODY OF BINJAI CITY

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Abstract

This study aims to analyze the Effect of Transformational Leadership on Employee Performance with Organizational Commitment as an intervening variable. The type of research used is associative quantitative. This research was conducted at the Office of National Unity and Community Protection in Binjai City. The population in this study was 50 employees consisting of 33 ASN employees and 17 honorary employees. The sample used was a saturated sample. The research model used is Path Analysis and the measurement tool is Smart PLS version 3.3.3. The results of this study are that Transformational Leadership has a positive and significant effect on Employee Performance. Transformational Leadership has a positive and significant effect on Organizational Commitment. Organizational Commitment has a positive and significant effect on Employee Performance.

Keywords: Transformational Leadership, Organizational Commitment, Employee Performance

INTRODUCTION

Humans in their daily lives cannot be separated from organizational life, where humans will always live in society. Both in life in society and in the world of work, which encourages every human being to interact with his environment. The quality of humans as a workforce is the most important element needed in the development period, especially in the current era of globalization. In order to survive in today's economic conditions, one of the things that is of great concern is how to be able to maintain an existing company so that it does not easily disappear in the changing times. Transformational leadership is a leadership model for a leader who tends to motivate subordinates to work better and places more emphasis on behavior to assist transformation between individuals and organizations. This model is also very helpful for organizations from leaders to subordinates so that they are able to achieve organizational goals and can keep making improvements. Quality performance will be realized if an organization can choose prospective employees who have the motivation that is appropriate to their work and have qualities that enable them to work optimally. Performance is basically what employees do or cannot do. This model is also very helpful for organizations from leaders to subordinates so that they are able to achieve organizational goals and can continue to make improvements. Quality performance will be realized if an organization can choose prospective employees who have the motivation that is appropriate to their work and have qualities that enable them to work optimally. Performance is basically what employees do or cannot do. This model is also very helpful for organizations from leaders to subordinates so that they are able to achieve organizational goals and can continue to make improvements. Quality performance will be realized if an organization can choose prospective employees who have the motivation that is appropriate

to their work and have qualities that enable them to work optimally. Performance is basically what employees do or cannot do.

An employee's performance will be good if the employee has quality expertise, willingness to work, decent wages or rewards and has hope for the future. Performance is very important for an organization because quality performance can certainly reduce absenteeism or not working due to laziness, with quality performance from laborers and employees, the tasks assigned, or work addressed to them will be completed in a shorter or faster time. Employee performance is the level of achievement or results of a person's work from the goals to be achieved or the tasks to be carried out in accordance with their respective responsibilities within a certain period of time. Performance is defined as a set of results that have been achieved and increased in the act of achieving and implementing a task requested. Organizational commitment becomes an important thing in this day and age. When a company is very difficult to find employees who have very good qualifications in doing their jobs, organizational commitment is one way to determine employees who have good qualifications, loyalty and performance. In other words, organizational commitment is used as an important thing in determining employees at the level of performance in a company. When a company is very difficult to find employees who have very good qualifications in doing their jobs, organizational commitment is one way to determine employees who have good qualifications, loyalty and performance. In other words, organizational commitment is used as an important thing in determining employees at the level of performance in a company. When a company is very difficult to find employees who have very good qualifications in doing their jobs, organizational commitment is one way to determine employees who have good qualifications, loyalty and performance. In other words, organizational commitment is used as an important thing in determining employees at the level of performance in a company.

The phenomenon that occurs at the Binjai City Kesbanglinmas Office is that changes in leadership make employee performance change too because with changes in the way of leading, the way of working also changes so that some employees have not been able to keep up with the changes made so they have to carry out training and organizational commitment will become a back up for employees that changing jobs will be a challenge for employees and show their commitment to the organization with changing leadership, making employees have to adapt.

LITERATURE REVIEW

Transformational leadership

Transformational leadership style is a type of leader who inspires his followers to put aside their personal interests and has extraordinary influencing abilities according to Kharis (2015). In transformational leadership provides the ability to inspire and motivate followers to achieve greater results than originally planned and for internal rewards, Gibson (2008).

Transformational Leadership Indicators

There are several indicators of transformational leadership style according to Kharis (2015):

1. Charisma Charisma is considered to be a combination of personal charm and charm that contributes to the uncanny ability to get others to support a vision and also promote it passionately.
2. Inspirational Motivation Inspirational motivation describes a passionate leader in communicating the idealistic future of the organization. Leaders use verbal communication or the use of symbols that are intended to motivate subordinates.
3. Intellectual Stimulation Intellectual stimulation describes leaders as being able to encourage employees to solve old problems in new ways. Leaders try to encourage the attention and awareness of subordinates to the problems faced. Leaders then try to develop the ability of subordinates to solve problems with new approaches or perspectives.
4. Individual attention Individual attention illustrates that leaders always pay attention to their employees, treat employees individually, train and advise. The leader invites employees to be observant in seeing the abilities of others. Leaders focus employees on developing personal strengths.

Organizational Commitment

According to Kreitner and Kinicki (2014), organizational commitment is the degree to which a person knows the company and its goals. According to Sianipar (2014) organizational commitment is an employee's decision to continue membership in an organization by wholeheartedly accepting organizational goals and making the best contribution to the progress of the organization.

Organizational Commitment Indicator

According to Kreitner and Kinicki (2014) there are three indicators of organizational commitment, namely:

1. Affective Commitment Affective commitment is emotional attachment to employees, employee identification, and employee involvement in the company.
2. Continuing Commitment Continuing commitment is the awareness of the losses due to leaving the company.
3. Normative Commitment Normative commitment reflects a sense of responsibility to continue working.

Employee Performance

According to Kasmir (2016) performance is the result of work and work behavior that has been achieved in fulfilling the tasks and responsibilities given during a certain period of time. Mangkunegara (2012), argued that the notion of performance (work achievement) is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him.

Employee Performance Indicators

According to Kasmir (2016) several indicators can be used to measure employee performance, namely:

1. Quality Performance measurement can be done by looking at the quality (quality) of the work produced through a certain process.
2. Quantity To measure performance can also be done by looking at the quantity (amount) produced by a person.
3. Time For certain types of work, a time limit is given to complete the job. If you violate or do not meet the time limit, then your performance is considered not good, and vice versa.

METHOD

The type of research that will be used is quantitative associative, namely research that aims to determine the relationship between two or more variables (Sugiyono, 2013). In this study, the exogenous variable is Transformational Leadership (X) while the endogenous variable is Employee Performance (Y) and the Intervening Variable is Organizational Commitment (Z). This research was conducted at the Binjai City Regional Inspectorate Office on Jalan Veteran No. 2 Binjai. The time of this research was carried out from March 2023 to July 2023.

According to Sugiyono (2013), the population is a generalized area consisting of objects/subjects that have certain qualities and characteristics determined by the researcher to be studied and then the conclusion is drawn that the population used is ASN 33 Honorary Employee 17 employees with a total of 50 employees. The sampling technique used is a saturated sample technique, which involves all respondents to become a sample, meaning that the sample to be used is 50 employees.

Data analysis technique

The data analysis technique used in this study is a quantitative data analysis method. Data analysis in this study used Partial Least Square (PLS) based Structural Equation Modeling (SEM) using SmartPLS 3.3.3 software.

Measurement Model (Outer Model)

The procedure for testing the measurement model consists of a validity test and a reliability test.

1. Validity Test

The validity test is used to assess whether or not a questionnaire is valid. A questionnaire is said to be valid if the questionnaire questions are able to reveal something that is measured by the questionnaire. Validity testing is applied to all question items in each variable. There are several stages of testing that will be carried out, namely through Test.

2. Reliability Test

In general, reliability is defined as a series of tests to assess the reliability of statement items. The reliability test is used to measure the consistency of measuring instruments in measuring a concept or measuring the consistency of respondents in answering statement items in questionnaires or research instruments. To measure the level of reliability of research variables in PLS, you can use the value of the alpha coefficient or Cronbach's alpha and composite reliability). Cronbach's alpha value is suggested to be greater than 0.7 and composite reliability is also suggested to be greater than 0.7. (Now, 2014)

Structural Model (Inner Model)

This test was conducted to determine the relationship between exogenous and endogenous constructs which has become a hypothesis in this study (Hair et al., 2017). To produce inner model test values, steps in SmartPLS are carried out using the bootstrapping method. The structural model is evaluated using the R-square for the dependent variable, the Stone-Geisser Q-square test for predictive elevation and the t test and the significance of the structural path parameter coefficients with the following explanation:

1. Coefficient of Determination / R Square (R²)

In assessing the model with PLS begins by looking at the R-square for each dependent latent variable. The interpretation is the same as the interpretation in regression. Changes in the R-square value can be used to assess the effect of certain independent latent variables on the dependent latent variable whether it has a substantive effect (Ghozali, 2012). The value of R² is generally between 0 and 1.

2. Predictive Relevance (Q²)

This test is used to measure how well the observed values are generated by the model and also the parameter estimates. If the Q² value is greater than 0, it indicates that the model has predictive relevance, which means it has a good observation value, whereas if the value is less than 0, it indicates that the model does not have predictive relevance (Ghozali, 2014).

3. t-Statistics

at this stage it is used for hypothesis testing, namely to determine the significance of the relationship between variables in research using the bootstrapping method. In the full Structural Equation Modeling model besides confirming the theory, it also explains whether or not there is a relationship between latent variables (Ghozali, 2012). The hypothesis is said to be accepted if the t statistic value is greater than the t table. According to (Latan and Ghozali, 2012) the criteria for a t table value of 1.96 with a significance level of 5%

4. Path Coefficient (Path Coefficient)

This test is used to determine the direction of the relationship between variables (positive/negative). If the value is 0 to 1, then the direction of the relationship between variables is positive. Meanwhile, if the value is 0 to -1, then the direction of the relationship between variables is declared negative.

5. Model Fit

This test is used to determine the level of suitability (fit) of the research model with the ideal model for this study, by looking at the NFI value in the program. If the value is closer to 1, the better (good fit).

RESULTS AND DISCUSSION

Outer Model Analysis

Testing the measurement model (outer model) is used to determine the specification of the relationship between latent variables and their manifest variables. This test includes convergent validity, discriminant validity and reliability.

1. Convergent Validity

Convergent validity is used to determine the validity of each indicator on its latent variables, in the SmartPLS software to see the results of the validity, it can be seen in the outer loading table. In the outer loading table, there are numbers or values that indicate indicators that show similarities with the construct variables. The value for the indicator is said to be valid, if the indicator explains the construct variable with a value of > 0.7 . The structural model in this study is shown in the following figure:

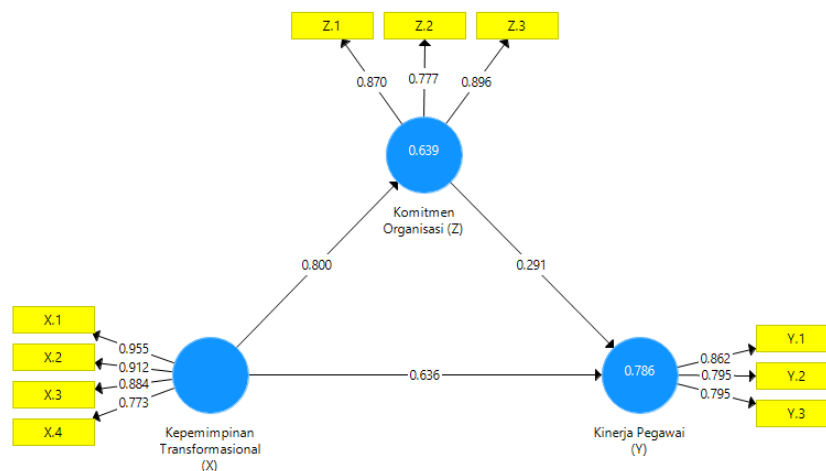


Figure 1. Outer Model
Source: Smart PLS 3.3.3

The Smart PLS output for the loading factor gives the results in the following table: Outer Loadings. In this study there are equations, and the equation consists of two substructures for substructure 1.

$$Z = b_1X_1 + e_1$$

$$Z = 0.800 + e_1$$

For substructure 2

$$Y = b_2X_1 + b_3Z + e_2$$

$$Y = 0.636 + 0.291 + e_2$$

Table 1. Outer Loadings

	Transformational Leadership (X)	Employee Performance (Y)	Organizational Commitment (Z)
X.1	0.955		
X.2	0.912		
X.3	0.884		
X.4	0.773		
Y. 1		0.862	
Y.2		0.795	
Y.3		0.795	
Z. 1			0.870
Z. 2			0.777
Z. 3			0.896

Source: Smart PLS 3.3.3

It can be seen in the table above that the outer loading shows that the value of each outer loading indicator is greater than 0.7 so that it is determined that the indicators in each variable have a value greater than 0.7 so that each indicator is declared valid and can continue research at the next stage. furthermore.

2. Discriminant Validity

Discriminant Validity can be tested by looking at the cross-loading table, this output is used to test discriminant validity at the indicator level with the condition that the correlation between indicators and their late variables is > compared to the correlation between indicators and other latent variables (outside the block). For more details can be seen in the table below:

Table 2. Discriminant Validity

	Transformational Leadership (X)	Employee Performance (Y)	Organizational Commitment (Z)
X.1	0.955	0.883	0.781
X.2	0.912	0.780	0.683
X.3	0.884	0.760	0.704
X.4	0.773	0.627	0.651
Y. 1	0.739	0.862	0.870
Y.2	0.676	0.795	0.498
Y.3	0.717	0.795	0.554
Z. 1	0.739	0.862	0.870
Z. 2	0.602	0.445	0.777
Z. 3	0.679	0.656	0.896

Source: Smart PLS 3.3.3

Based on the research table above, there is a loading factor for each variable and the loading factor value is greater than the loading factor value for other latent variables. This can be explained for the cross-loading factor for the Transformational Leadership variable, which has a cross loading value that is greater than the cross-loading value for other latent variables. for the cross-loading factor of the employee performance variable there is a greater value than the cross-loading factor of other latent variables, for the cross-loading factor of the Organizational Commitment variable there is a greater value than the cross loading of other latent variables. This means that discriminated data has valid results with each variable.

3. Composite reliability

Subsequent tests determine the reliable value with the composite reliability of each construct, the construct value that is considered reliability is where the composite reliability value is above 0.6 or greater than 0.6. If the value of Cronbach's alpha is also greater than 0.7 then the value of each construct in the block is considered reliable in each construct variable and if the AVE value is also above 0.7 then each construct variable is considered valid. The following is a table of loading values for the research variable construct resulting from running the Smart PLS program in table 3 below:

Table 3. Construct Reliability and Validity

	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Transformational Leadership (X)	0.904	0.934	0.781
Employee Performance (Y)	0.754	0.858	0.669
Organizational Commitment (Z)	0.809	0.885	0.721

Source: Smart PLS 3.3.3

Based on the research above, in the Cronbach Alpha column, there is a value above 0.7 for each variable, meaning that in the Cronbach Alpha column, the reliability data for each variable. As can be seen in the composite reliability table, the value of each variable is greater than 0.6. so that it can be interpreted that all variables in the composite column have reliable data. For the AVE column, there is a value greater than 0.7 for each variable so that in this study the value is stated to be valid by AVE and can carry out further research.

Inner Model Analysis

Evaluation of the structural model (inner model) is carried out to ensure that the structural model built is robust and accurate. The stages of analysis carried out in the evaluation of the structural model are seen from several indicators, namely:

1. Coefficient of Determination (R²)

Based on the data processing that has been done using the SmartPLS 3.0 program, the R Square value is obtained as follows:

Table.4. R Square results

	R Square	Adjusted R Square
Employee Performance (Y)	0.786	0.777
Organizational Commitment (Z)	0.639	0.632

Source: Smart PLS 3.3.3

Based on this study, there is an R Square value for the Employee Performance variable with a value of 0.786 with a percentage value of 78.6% meaning that the influence of the Transformational Leadership and Organizational Commitment variables on Employee Performance with a percentage value of 78.6% and the remaining 21.4% is in another variable. For the Organizational Commitment variable, the R square value is 0.639 and if it is percentaged in this study it is 63.9%, meaning that the influence of Transformational Leadership on Organizational Commitment is 63.9%, the remaining 36.1% is in other variables.

2. Assessment of Goodness of Fit (GoF)

The goodness of fit model test can be seen from the NFI value ≥ 0.697 which is declared fit. Based on the data processing that has been done using the SmartPLS 3.3 program, the Fit Model values are obtained as follows:

Table 5. Model Fit

	Saturated Model	Estimation Models
SRMR	0.099	0.099
d_ ULS	0.539	0.539
d_ G	1.445	1.445
Chi-Square	213,671	213,671
NFIs	0.911	0.911

Source: Smart PLS 3.3.3

Based on this study, the NFI value is 0.911 while the value that is considered fit must be greater than the base value, namely 0.697 and it can be seen that the NFI value is greater than the value of 0.697 so that in the GoF test research there is a fit value and is feasible for research and hypothesis testing.

3. Hypothesis Testing

After assessing the inner model, the next thing is to evaluate the relationship between latent constructs as hypothesized in this study. Hypothesis testing in this study was carried out by looking at the T-Statistics and P-Values. The hypothesis is declared accepted if the T-Statistics value is > 1.96 and the P-Values are < 0.05 . The following are the results of the Path Coefficients of direct influence:

Table 6. Path Coefficients (Direct Effects)

	Original Sample (O)	T Statistics (O/STDEV)	P Values	Results
Transformational Leadership (X) -> Employee Performance (Y)	0.636	4,834	0.000	Accepted
Transformational Leadership (X) -> Organizational Commitment (Z)	0.800	14,679	0.000	Accepted
Organizational Commitment (Z) -> Employee Performance (Y)	0.291	2,151	0.032	Accepted

Source: Smart PLS 3.3.3

Based on the table above, there is a hypothetical value for each variable so that the hypothesis can be explained as follows:

1. Transformational leadership has a positive and significant effect on employee performance with an original sample value of 0.636 and P values of $0.000 < 0.05$ meaning that changes in leadership style will determine employee performance with changes in how to lead employees will continue to follow the rules as long as the rules are in accordance with the leadership codridor and for the betterment of the organization.
2. Transformational Leadership has a positive and significant effect on Organizational Commitment with an original sample value of 0.800 and P values of $0.000 < 0.05$ meaning that changing leadership will create organizational commitment that is quite good because in a way leadership changes leadership patterns and makes employees fit the way he does lead so that employees think to increase their commitment to the organization.
3. Organizational commitment has a positive and significant effect on employee performance with an original sample value of 0.291 and a P value of 0.032 meaning that if organizational commitment increases, employee performance will increase and if it decreases, employee performance will decrease.

Table 7. Path Coefficients (Indirect Effects)

	Original Sample (O)	T Statistics (O/STDEV)	P Values	Results
Transformational Leadership (X) -> Organizational Commitment (Z) -> Employee Performance (Y)	0.233	2,261	0.024	Accepted

Source: Smart PLS 3.3.3

Based on this research, organizational commitment can be an intervening variable with significant values as follows: Transformational Leadership influences Employee Performance through Organizational Commitment positively and significantly with an original sample value of 0.233 and P values of 0.024 <0.000 meaning that with organizational commitment, performance will improve, and transformational leadership also has an effect on forming employee commitment to the organization so that performance will increase significantly.

CLOSING

Conclusion

1. Transformational Leadership has a positive and significant effect on Employee Performance.
2. Transformational Leadership has a positive and significant effect on Organizational Commitment.
3. Organizational Commitment has a positive and significant effect on Employee Performance.
4. Transformational Leadership has a positive and significant effect on Employee Performance through Organizational Commitment

Suggestion

1. Organizations must have a leader who has transformational leadership traits to make effective work changes and better for the progress of the organization.
2. Organizations must be able to make employees believe and want to work for the sake of the organization getting better and better.
3. Organizations must create employees with quality performance by conducting regular training to improve competence.

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