

THE EFFECT OF TRANSFORMATIONAL LEADERSHIP STYLE AND WORK PRODUCTIVITY ON EMPLOYEE PERFORMANCE IN THE MEDIATION OF JOB SATISFACTION

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ABSTRACT

This study aims to analyze the influence of transformational leadership style and work productivity on employee performance with job satisfaction as a mediating variable. The research sample consisted of 110 employees selected using the proportional sampling method. Data collection was carried out through a questionnaire with a Likert scale of 1-5, and data analysis used Structural Equation Modeling-Partial Least Square (SEM-PLS). The results of the study indicate that both transformational leadership style and work productivity have a positive and significant effect on employee performance. Furthermore, both of these factors also significantly increase job satisfaction. Job satisfaction itself plays a dual role: it directly improves employee performance and acts as a mediator. The result means that transformational leadership and high productivity don't just help performance directly; they also boost performance indirectly by making employees more satisfied with their roles.

Keywords: Transformational Leadership; Work Productivity; Job Satisfaction; Employee Performance

INTRODUCTION

Employee performance is a key aspect in human resource management, because a company's success depends not only on technology and capital, but also on optimizing human resources in achieving predetermined targets. Performance is a concrete representation of individual contributions to achieving organizational goals. According to Khan (2018) and Zeindra and Lukito (2020), employee performance is an individual's success in carrying out tasks and responsibilities as measured by achieving organizational targets or goals. Mangkunegara (2017) identified two main factors influencing performance. Internal factors include technical capability, personal motivation, commitment to targets, and procedural discipline. External factors include leadership quality, compensation systems, work environment, human resource development, and organizational culture.

Leadership quality is also determined by leadership style, including transformational leadership. Transformational leadership is a leadership strategy that prioritizes the leader's capacity to inspire the team to achieve performance beyond expectations by changing the mindset, principles, and value orientations of followers (Bass and Riggio, 2006). Research results Muhajiroh and Noermijati (2024) show that transformational leadership significantly influences employee performance, with job satisfaction serving as a mediating variable. Several studies have shown different results. Research by Putri and Soedarsono (2017) shows that transformational leadership has no significant effect on employee performance. The same thing was produced by Narsih et al. (2024) show that there is no significant influence between work productivity and employee performance.

Job satisfaction is often considered a mediating variable between transformational leadership and performance. According to research Muhajiroh and Noermijati (2024) stated that transformational leadership significantly influences employee performance, with job

satisfaction serving as a mediating variable. According to Ratnaningrum, et al. (2022) direct relationship between transformational leadership and the work environment with Employee performance shows a stronger influence than mediation on job satisfaction. Research by Adi (2022) shows that job satisfaction significantly mediates the relationship between work productivity and employee performance. Some studies show that this mediating role is not always significant. According to Ratnaningrum, Haryanti, and Nurhidayat (2022), the role of satisfaction as a mediator between transformational leadership and performance is also inconsistent, that a direct relationship actually shows a more substantial impact (Ratnaningrum, Haryanti, and Nurhidayat 2022).

Productivity supported by knowledge transfer and an innovative attitude contributes to performance, although innovation does not automatically boost productivity (Muhammad Sulhan, Anggra Mauludin, and Wahyu Astutuik 2022). The psychological pressures of economic uncertainty also hamper performance, so productivity does not always correlate with work results (Narsih, Pamungkas, and Sari 2024). Study by Todingbua and Lambe (2024) show that work productivity positively influences employee performance, with job satisfaction acting as a mediator. This is different from the results of research by Narsih et al.(2024), which states that there is no significant influence between work productivity and employee performance. Likewise, the results of the study by Lova et al.(2024) show that there is an insignificant positive influence of work productivity on job satisfaction.

Based on the phenomenon, it indicates the existence of variables that influence employee work results through leadership approaches, levels of productivity, and employee satisfaction. Therefore, the study aims to analyze the effect of transformational leadership style and work productivity on employee performance in the mediation of job satisfaction.

The conceptual framework can be shown at the [Figure 1](#).

RESEARCH METHODS

Sample

The population used in this study was 150 employees at PT. Tri Eka Investama Makmur Semarang, while the sample taken was a portion or a representative of the population to be studied. The sampling technique uses the proportional sampling method, namely, the sample size is in accordance with the work division PT. Tri Eka Investama Makmur Semarang, with a sample using the Slovin formula as many as 110 respondents.

Measure

To collect data and information, a questionnaire with a Likert scale was used as a measurement tool to assess respondents' attitudes, opinions, and perceptions. Data was collected through online questionnaire distribution to obtain information efficiently and systematically.

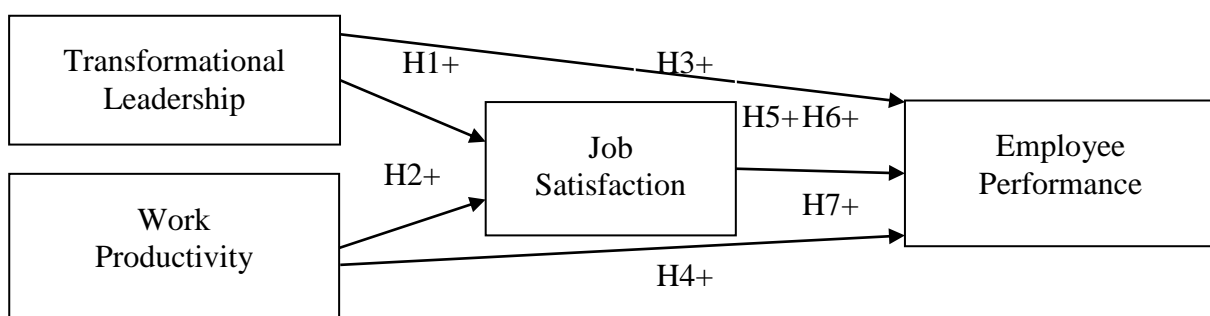


Figure 1. Research Framework

Data analysis

The analysis method used the Partial Least Squares Structural Equation Modeling (PLS-SEM) data analysis method operated through SmartPLS software version 3.0. Hypothesis testing of this study was carried out with the help of SmartPLS 3.0 software. The rules of thumb used in this study are t-statistics >1.98 with a significance level of 0.05 (5%) and a positive beta coefficient (Ghozali, 2014).

RESULT AND DISCUSSION

Result

Based on the results of the quantitative analysis, where in the initial stage of Outer and Inner Model Evaluation, Hypothesis Testing used Partial Least Square (PLS) Analysis Technique with SmartPLS 3.0 software. The Outer Model is a measurement model to assess validity, measurement model parameters, namely convergent validity, discriminant validity, composite reliability, and Cronbach's alpha. To test convergent validity, the outer loading or loading factor value is used. An indicator is considered to meet convergent validity in the good category if the outer loading value is > 0.7 . The following are the outer loading values for each indicator in the research variables. Based on the data presented in the [Table 1](#), it is known that each research variable indicator has an outer loading value > 0.7 . This indicates that each indicator has a strong contribution to the variable it measures. The data above shows that the indicators are deemed suitable or valid for research use and can be used for further analysis.

An indicator is deemed to have discriminant validity if its cross-loading value on its variable is the largest compared to other variables. The [Table 2](#) is the cross-loading values for each indicator. The data in the table above shows that each indicator in the research variable has the largest cross-loading value on the variable it forms compared to the cross-loading values on the other variables. Based on these results, it can be concluded that the indicators used in this study have good discriminant validity in compiling their respective variables.

In addition to observing the cross-loading value, discriminant validity can also be determined through other methods, namely by looking at the average variance extracted (AVE) value for each indicator. The required value must be > 0.5 for a good model. Based on the data in the [Table 3](#), the AVE values for all variables are above 0.5. Therefore, each variable has good discriminant validity. This indicates that the indicators in each variable adequately represent their constructs.

A variable can be declared to meet composite reliability if it has a composite reliability value > 0.6 . The composite reliability value of each variable is shown in [Table 4](#). The reliability test using the composite reliability test above can be strengthened by using the Cronbach's alpha value. A variable is considered reliable or meets the Cronbach alpha requirement if it has a Cronbach alpha value > 0.6 . This result indicates that each research variable meets the Cronbach alpha requirement, thus concluding that all variables have a high level of reliability.

Based on the results of the R Square and R Square Adjusted analysis of the research model In [Table 5](#), for the employee performance variable, the R Square value was obtained at 0.611 with an Adjusted R Square of 0.599, which indicates that the transformational leadership style, work productivity, and job satisfaction variables together were able to explain variations in employee performance by 59.9%, while the remaining 40.1% was explained by other variables outside the research model. These results indicate that the

research model has quite good predictive ability, especially in explaining variations in employee performance, although its predictive ability for Job Satisfaction is relatively lower.

Based on the data presented in the [Table 6](#), the results of the hypothesis test can be seen that H1 about the influence of transformational leadership style on job satisfaction. It is known that the original sample value is 0.337, and the p-value is ($0.007 < 0.05$), so there is a positive and significant influence between transformational leadership style and job satisfaction. The next H2 is about the influence of transformational leadership style on employee performance. The result shows that the original sample value is 0.274, and the value is ($0.001 < 0.05$), so there is a positive and significant influence between transformational leadership style and employee performance. Furthermore, for H3, the influence of job satisfaction on employee performance is examined. The result shows that the original sample value is 0.199, and the p-value is ($0.000 < 0.05$), so there is a positive and significant influence between job satisfaction and employee performance. The next H4 is about the influence of work productivity on job satisfaction. The finding shows that the original sample value is 0.27,4 and the p-value is ($0.001 < 0.05$), so there is a significant positive influence between work productivity and job satisfaction. The H5 is about the effect of work productivity on employee performance. The calculation result shows that the original sample value is 0.453, and the value is ($0.003 < 0.05$), so there is a positive and significant influence between work productivity and employee performance.

The next, H6 is about the influence of transformational leadership style through job satisfaction on employee performance. It is known that the original sample value is 0.090, and the p-value is ($0.018 < 0.05$), so there is a positive and significant indirect influence of transformational leadership style on employee performance through job satisfaction as a mediating variable. Finally, H7 is about the influence of work productivity through job satisfaction on employee performance. It is known that the original sample is 0.141 and the p-values ($0.005 < 0.05$), so there is a positive and significant indirect influence of work productivity on employee performance through job satisfaction as a mediating variable.

Table 1.Outer Loading (Measurement Model)

Indicator	Transformational Leadership	Job Satisfaction	Employee Performance	Work Productivity
GKT1	0.908			
GKT2	0.865			
GKT3	0.800			
GKT4	0.817			
KIK1			0.889	
KIK2			0.896	
KIK3			0.904	
KIK4			0.910	
KK1		0.912		
KK2		0.897		
KK3		0.889		
KK4		0.896		
PK1				0.839
PK2				0.883
PK3				0.850
PK4				0.853

Source: SEM-PLS Data 2025

Table 2. Discriminant Validity (Cross Loading)

Indicator	Transformational	Work Productivity	Job satisfaction	Employee performance
GKT1	0.908	0.277	0.158	0.444
GKT2	0.865	0.277	0.144	0.429
GKT3	0.800	0.203	0.355	0.438
GKT4	0.817	0.088	0.244	0.471
PK1	0.235	0.839	0.248	0.389
PK2	0.157	0.883	0.384	0.492
PK3	0.194	0.850	0.308	0.420
PK4	0.263	0.853	0.272	0.464
KK1	0.263	0.311	0.912	0.554
KK2	0.189	0.274	0.897	0.582
KK3	0.240	0.314	0.889	0.528
KK4	0.289	0.382	0.896	0.638
KIK1	0.541	0.430	0.533	0.889
KIK2	0.382	0.492	0.610	0.896
KIK3	0.513	0.459	0.580	0.904
KIK4	0.463	0.486	0.594	0.910

Source: SEM-PLS Data 2025

Table 3. Average Variance Extracted (AVE)

Variable	Average AVE
Transformational Leadership	0.720
Job Satisfaction	0.808
Employee Performance	0.810
Work Productivity	0.734

Source: SEM-PLS Data 2025

Table 4. Composite Reliability and Cronbach Alpha

Variable	Composite Reliability	Cronbach's Alpha
Transformational Leadership	0.911	0.870
Work Productivity	0.944	0.880
Job Satisfaction	0.944	0.921
Employee Performance	0.917	0.922

Source: SEM-PLS Data 2025

Table 5. R-Square

Variable	R Square	R Square Adjusted
Job Satisfaction	0.166	0.149
Employee Performance	0.611	0.599

Source: SEM-PLS Data 2025

Table 6. Path Coefficients

The Direct Effect	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Transformational Leadership -> Job Satisfaction	0.199	0.224	0.072	2.756	0.007
Transformational Leadership -> Employee Performance	0.337	0.345	0.101	3.325	0.001
Job Satisfaction -> Employee Performance	0.453	0.428	0.085	5.351	0.000
Work Productivity-> Job Satisfaction	0.311	0.305	0.087	3,569	0.001
Work Productivity -> Employee Performance	0.274	0.291	0.090	3.035	0.003
Specific Indirect Effect	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Transformational Leadership -> Job Satisfaction -> Employee Performance	0.090	0.096	0.037	2.403	0.018
Work Productivity -> Job Satisfaction -> Employee Performance	0.141	0.132	0.049	2.896	0.005

Source: SEM-PLS Data 2025

Discussion

Based on the results of the analysis using the SEM-PLS method, the following research results were obtained: first, the influence of transformational leadership style on employee performance, which obtained an original sample (o) value of 0.337, indicating that this influence is quite strong, meaning that transformational leaders can improve employee performance. This finding is also consistent with previous research that shows that transformational leadership style contributes positively to improving employee performance. With the presence of transformational leadership, employees feel valued and have a higher commitment to the organization, which ultimately has a positive impact on their performance.

Second, the influence of work productivity on employee performance original sample value of 0.274 indicates that the relationship between work productivity and employee performance is quite strong, meaning that work productivity is closely related to employee performance, where employees who have a high level of productivity can complete work faster, more efficiently, and with higher quality results. The results of this study are in line with the theory that states that work productivity is closely related to employee performance, where employees who have a high level of productivity can complete work faster, more efficiently, and with higher quality results. This finding is also consistent with previous research, which shows that work productivity is one of the main factors that influence employee performance. The higher the level of work productivity, the higher the contribution made by employees to the company.

Third, the influence of transformational leadership style on job satisfaction obtained an original sample value of 0.199, indicating that this influence is quite strong, which means that leaders who can provide increased job satisfaction. The results of this study are in line with the transformational leadership theory proposed by Bass and Riggio (2006), which states that leaders who can provide inspiration, intellectual challenges, and individual attention to employees will increase their job satisfaction and loyalty to the organization.

Fourth, the influence of work productivity on employee performance obtained an original sample value of 0.274, indicating that this relationship is quite strong, meaning that high productivity is usually associated with strong work discipline, adequate skills, high motivation, and a supportive work environment. The results of this study are in line with the theory that states that work productivity is one of the main factors that influence employee performance. This finding is also supported by previous research that shows that high work productivity has a direct impact on improving employee performance.

The next, the influence of job satisfaction on employee performance obtained an original sample value of 0.453, indicating a fairly strong influence, meaning that Job Satisfaction reflects the extent to which an employee feels satisfied with his/her job, such as the work environment, relationships with coworkers and superiors, compensation, and development opportunities. Satisfied employees tend to have a higher commitment to the organization and show better performance. The results of this study are in line with previous studies which show that job satisfaction plays an important role in determining employee performance. Satisfied employees are more likely to stay in the organization, have low absenteeism and turnover rates, and show higher dedication to completing their tasks well.

Furthermore, job satisfaction mediates the effect of transformational leadership style on employee performance original sample value of 0.090 indicates that the mediation effect is low, meaning that although transformational leadership can directly improve employee performance, the effect is still less strong if employees are satisfied with their jobs. With increased job satisfaction, employees are motivated, have a commitment to the organization, but still show less improvement in their performance.

Finally, the influence of work productivity through job satisfaction on employee performance. The original sample value of 0.141 indicates that this mediation effect is sufficient, meaning, although work productivity can directly improve employee performance, the effect is still quite strong if employees feel satisfied with their work. High work productivity reflects the ability of employees to complete their tasks efficiently and effectively. When employees feel that their productivity is valued and supported by the company, they tend to experience increased job satisfaction. Employees who are satisfied with their work will be more motivated, have a greater commitment to the organization, and ultimately show improvements in their performance.

CONCLUSION AND RECOMMENDATION

Based on the results of data analysis and discussion that have been done, it can be concluded that transformational leadership style has a positive and significant effect on job satisfaction and employee performance. Furthermore work productivity has a positive and significant effect on job satisfaction. Moreover, job satisfaction has a positive and significant effect on employee performance, and job satisfaction is proven to mediate the effect of transformational leadership style on employee performance. This shows that the effectiveness of transformational leadership in improving performance is strengthened through increased job satisfaction. Job satisfaction also plays a role as a mediator in the relationship between work productivity and employee performance. It is indicating that high work productivity can improve employee performance through increased job satisfaction.

A suggestion for management, investing in transformational leadership training is a high-leverage move. By inspiring and motivating employees (rather than just managing tasks), leaders can trigger a chain reaction where job satisfaction rises, which in turn maximizes performance. Furthermore, the organization must optimize output, and the

workplace must prioritize both productivity and the emotional well-being of the staff or satisfaction.

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