

Research Article

The Effect of Transformational Leadership and Job Satisfaction on Employee Performance through Work Motivation (Case Study at Tax Service Office, Pratama Banda Aceh, Indonesia)

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Abstract: This research aimed to analyze the effect of transformational leadership and job satisfaction on work motivation and their impact on employee performance. The sampling technique used was census, with the size of respondents as many 132 employees of Tax Service Office Pratama Banda Aceh. Data analysis technique used was Structural Equation Model. The results showed that transformational leadership has no significant effect on work motivation, while job satisfaction has a significant effect on work motivation; transformational leadership and job satisfaction have a significant effect on employee performance; transformational leadership indirectly has no significant effect on employee performance through work motivation, while job satisfaction indirectly has a significant effect on employee performance through work motivation.

Keywords: Transformational Leadership, Job satisfaction, Work Motivation, Employee Performance

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INTRODUCTION

Tax Service Office Pratama (KPPP) Banda Aceh is an organization that is dominated to The Regional Office of The Directorate General of Taxes, the agencies under Ministry of Finance. In carrying out its duties and functions, KPPP Banda Aceh requires quality human resources to support the success of the organization, the human resources in question are all employees and also organizational leader.

Leader has very large influence on the success of an organization, because a leader plays a key role in formulating the strategies set by the organization. Therefore, the leadership style used by a leader is often regarded as the most important factor in supporting organizational success.

One of the leadership styles that is often used by leaders in an organization is transformational leadership. Transformational leadership is a form of leadership style that can improve employee performance (Al Kindy et al., 2016). If the leader succeeds in influencing the employee with his vision, brings out his charisma, becomes an inspirator, and is able to stimulate creativity and respect for employees,

then it can be ascertained that employee performance will be better (O'Leary, 2000).

The performance of an employee can also be influenced by the level of job satisfaction owned by the employee. The performance of an employee will be optimal if the employee is satisfied with his work, when an employee has satisfaction with his job, then the employee will make every effort possible with all his abilities to optimally improve his performance (Johan, 2002).

Work motivation that an employee has can also improve the employee's performance. Work motivation can be said as a trigger for employees to produce better performance, if an employee has a high work motivation, then the employee's performance will also increase (Hasibuan, 2003).

Based on the description previously explained, it is known that transformational leadership, job satisfaction, and work motivation have a positive relationship with employee performance (O'Leary, 2000; Johan, 2002; Hasibuan, 2003). The results of the research by Jauhari et al. (2016) also found that transformational leadership, job satisfaction, and work motivation had a significant effect on employee

performance. However, the results of the research by Tobing & Syaiful (2016), Sunarsih & Helmiatin (2017), and Gita & Yuniawan (2016) found that transformational leadership, job satisfaction, and work motivation did not significantly effect on employee performance.

Based on the results of the research differences mentioned, it is necessary to conduct further research in order to find out and explain whether transformational leadership, job satisfaction, and work motivation affected on the employee's performance of Tax Service Office Pratama (KPPP) Banda Aceh.

LITERATURE REVIEW

Employee Performance

Employee performance is a real behavior that is displayed by an employee as a job evaluation that is produced in accordance with its role and an important matter in achieving the stated goals (Zainal et al., 2015). Employee performance can also be defined as the quantity and quality produced by an employee in carrying out a particular job (Luthans, 2010). Employee performance in this research was measured using indicators adapted from Pradhan & Jena (2017) which consists of the following three aspects: task performance, adaptive performance, and contextual performance.

Work Motivation

Work motivation is a strength possessed by an individual who can generate enthusiasm and perseverance to carry out certain actions (Daft, 2010). Work motivation can also be defined as strength in an individual that takes into account the level, direction, and perseverance of the effort to do a job (Schermerhorn et al., 2002). Work motivation in this research was measured using indicators adapted from

Herzberg et al. (1957) cited in Armstrong (2006) which consists of the following two aspects: intrinsic motivation and extrinsic motivation.

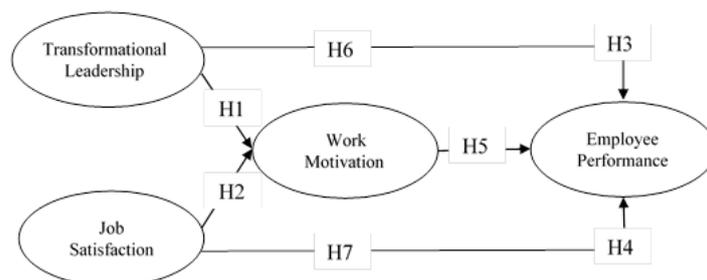
Job Satisfaction

Job satisfaction is a positive or negative feeling that is owned by an individual which is the result of an evaluation of the characteristics of the work he has (Robbins & Judge, 2013). Job satisfaction can also be defined as a state of an individual that is reflected in the feeling of pride, pleasure and satisfaction as an affective response to the behavior of the leader, work and the situation of his work environment that meets the aspirations, desires, needs, and expected values of his work (Luthans, 2010). Job satisfaction in this research was measured using indicators adapted from Weiss et al. (1967) cited in Martins & Proença (2012) which consists of the following two aspects: intrinsic job satisfaction and extrinsic job satisfaction.

Transformational Leadership

The transformational leadership is a process that influences major changes in attitudes and assumptions of organizational members who can build commitment to major changes in the achievement of organizational goals (Yukl & Fleet (1992) cited in Xiaoxia & Jing, 2006). Transformational leaders can also be said to be leaders who are able to change the personal value of employees to achieve the goals set by the organization (Bass (1985) cited in Stone et al., 2004). Transformational leadership in this research was measured using indicators adapted from Bass & Avolio (1993) cited in Aunjum et al. (2017) which consists of the following four aspects: idealized influence, inspirational motivation, intellectual stimulation, and individualize consideration.

The theoretical of framework in this research can be seen in the following figure:



Based on the research of framework, the hypotheses that can be formulated in this research are as follows:

- H1: Transformational leadership has an effect on work motivation.
- H2: Job satisfaction has an effect on work motivation.

- H3: Transformational leadership has an effect on employee performance.
- H4: Job satisfaction has an effect on employee performance.
- H5: Work motivation has an effect on employee performance.

- H6: Transformational leadership has an effect on employee performance through work motivation.
- H7: Job satisfaction has an effect on employee performance through work motivation.

employees who were determined using a census. Data collection in research using questionnaires, while data analysis techniques used are Structural Equation Model with SmartPLS version 3 software.

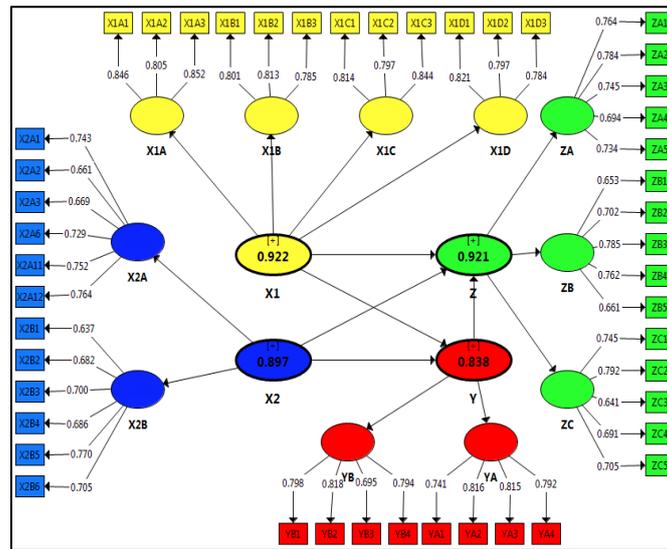
RESEARCH METHOD

Respondents in this research were all employees of KPPP Banda Aceh, amounting to 132

RESULTS

Measurement Model (outer model)

The results of the measurement model in this research can be seen in the following figure:



Based on that figures, it is known that the indicator loading of all latent variables has an indicator loading value > (0.60) so that the indicators of each latent variable can be declared valid. Then, based on that figures it is also known that the composite reliability value of the latent variables is as follows: transformational leadership (X1) of (0.922), job satisfaction (X2) of (0.897), work motivation (Y) of

(0.838), and employee performance (Z) of (0.921). Therefore, the indicators of latent variables are declared reliable because they have composite reliability value > (0.70).

Structural Model (inner model)

The results of the structural model in this research can be seen in the following table:

Table-1. The structural model

Effect	ρ	p-value
Direct		
X1 → Y	0,139	0,253
X2 → Y	0,588	0,000
X1 → Z	0,175	0,014
X2 → Z	0,459	0,000
Y → Z	0,329	0,000
Indirect		
X1 → Y → Z	0,046	0,263
X2 → Y → Z	0,194	0,001

Description:

X1 = Transformational Leadership; X2 = Job Satisfaction

Y = Work Motivation; Z = Employee Performance

Direct Effect:

(X→Y) and (X→Z) and (Y→Z)

Indirect Effect:

(X→Y) x (Y→Z) = X→Y→Z

Based on the results of the research, the information received or not the hypotheses formulated can be seen in the following table:

Table-2. Hypothesis

Hypothesis		
H1	Transformational leadership has an effect on work motivation	X
H2	Job satisfaction has an effect on work motivation	√
H3	Transformational leadership has an effect on employee performance	√
H4	Job satisfaction has an effect on employee performance	√
H5	Work motivation has an effect on employee performance	√
H6	Transformational leadership has an effect on employee performance through work motivation	X
H7	Job satisfaction has an effect on employee performance through work motivation	√

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

- 1) Transformational leadership does not affect work motivation, while job satisfaction affect work motivation.
- 2) Transformational leadership, job satisfaction, and work motivation affect employee performance.
- 3) Transformational leadership does not has an indirect effect on employee performance through work motivation, while job satisfaction has an indirect effect on employee performance through work motivation.

Recommendations

- 1) The Head the agency must always pay attention to employee job satisfaction so that employees have high work motivation in carrying out their duties and responsibilities.
- 2) The Head of the agency should apply a transformational leadership style as well as pay attention to job satisfaction and increase the motivation of employee work so that the performance produced by employees can be enhanced optimally, and in turn, will have a positive impact on overall organizational performance.

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