

THE INFLUENCE OF TRANSFORMATIONAL LEADERSHIP AND WORK MOTIVATION ON EMPLOYEE PERFORMANCE MEDIATED BY JOB SATISFACTION

JAM

16, 1

Received, June 2017
September 2017
Revised, December 2017
Accepted, February 2018

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Abstract: This research aims to examine and to analyze the influence of transformational leadership and work motivation on employee performance Hotel Kartika Graha Malang in Indonesia either through or without through job satisfaction. This study used a sample of 78 employees of Hotel Kartika Graha Malang in Indonesia. This research applies quantitative analysis by using explanatory study. The data is analyzed by using PLS for significant test and Sobel test for mediating test. The result shows that transformational leadership has no significant influence on employee performance but has significant influence toward job satisfaction. Nevertheless, work motivation has a significant influence on both employee performance and job satisfaction. Moreover, job satisfaction has a significant influence on employee performance. Job satisfaction is also fully mediated the influence of transformational leadership toward employee performance and partially mediated the influence of work motivation toward employee performance. The indicator that causes the non-significant influence of the transformational leadership toward employee performance is an individualized consideration, which is not running optimally in Hotel Kartika Graha.

Keyword: transformational leadership, work motivation, job satisfaction, employee performance, hospitality industry.



Journal of Applied
Management (JAM)
Volume 16 Number 1,
March 2018
Indexed in Google Scholar

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DOI: [http://dx.doi.org/
10.21776/ub.jam.2018.016.
01.20](http://dx.doi.org/10.21776/ub.jam.2018.016.01.20)

Competition in the business world both in the field of products and services in the current era of globalization becomes very tight. Competition is a challenge every businessperson faces. Every businessperson must have the right strategy in order to maintain a competitive position amid today's competition. Speaking of competition issues, it can be reflected in the competitive conditions in

the hospitality services business at the moment. As at the end of 2015, competition in seizing market share for hotel occupancy in Malang is considered more competitive. One of the factors that caused the competition is due to the proliferation of new hotels in Malang City (Maulida, 2015).

The growing business in the field of hospitality services, the hospitality business is required to be able to transform in the concept and management system of the hotel. Transformation is required by every hotel service business actor. This is according to Sulastiyono (2001) required for the hotel is not assimilated by the development of other hotels that have international chain network. Transforma-

tion needs to be done by the perpetrators of hospitality services, because at the end of 2015, Indonesia is committed to developing the tourism industry. According to Riyani (2015), the hotel services sector supports the government's efforts with many improvements related to the MICE-based tourism industry (Meeting, Incentive, Convention, and Exhibition).

One important aspect to consider in maximizing employee performance is to look at the leadership style applied to the hospitality business. Leadership has an important role in an organization, especially in increasing the role of the employees themselves and coordinating to work together to overcome the problems that exist in an organization. According to Maharani, et al. (2013), Muthuveloo et al. (2014), Rasool et al. (2015), Noermijati (2015), and Akbar, et al. (2016), it is said that the transformational leadership style has an influence on employee performance. Leadership applied in an organization, especially the hotel is expected to provide a good organizational climate and can improve employee performance. As stated by Buble, et al. (2014), leadership is an individual's ability to influence, motivate, and make others contribute to the effectiveness and success of an organization. Research conducted by Hinkin and Tracey (1996), says that transformational leadership is very suitably applied to the service business or industry dynamic and always changing according to the times, just like hospitality. This is because transformational leadership has a good impact on satisfaction and can later explain the direction and mission of an organization.

Work motivation is needed to improve employee performance at Hotel Kartika Graha Malang. According to Chuang, et al. (2009), with high motivation in an organization, especially hospitality services, the impact will be able to lead a person to achieve the satisfaction of a certain needs and expectations. Job motivation variables are said to affect employee performance, it is the same as research that examines the relationship between work motivation on employee performance. In accordance with research from Chitiris (1988) and Jayaweera (2015). Job satisfaction is needed in improving employee performance at Hotel Kartika Graha Malang be-

cause basically job satisfaction is a psychological aspect that reflects one's feelings towards a job. The research of Gu and Siu (2009), Tsai, et al. (2010), Maharani, et al. (2013), Rahayu (2014), and Elgelal and Noermijati (2015), found a positive correlation between job satisfaction and performance employees within an organization. The brief description is that if employees are satisfied with their work, then they are willing to sacrifice themselves and devote to the organization.

LITERATURE REVIEW

Transformational leadership

Transformational leadership is a type of leadership that is able to integrate creative insight, persistence, energy, intuition, and sensitivity to employees to gain organizational goals or desires and have a tremendous impact on these employees. According to Boehnke, et al. (2002), transformational leadership styles articulate a realistic vision of the organization's future, stimulate followers in an intellectual way, and put attention to the differences that its followers have. The existence of transformational leaders has an effect both at the organizational level and on the individual level. There are four dimensions of transformational leadership by Bass & Avolio (1997) in Rothfelder, et al. (2013), which is an idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration.

Work motivation

Work motivation can be interpreted as the power possessed by someone who can increase their potential in carrying out an activity. Work motivation can be sourced from within the individual itself or from outside the individual. Herzberg's two-factor theory has many terms in the world of education, especially in Work motivation. In order to measure work motivation there are eleven dimensions that refer to Herzberg's two-factor theory, combining the dimensions of motivator according to Chitiris (1988), and the dimensions of hygiene according to Noermijati (2013), that is initiative, advancement in hierarchy, content of work itself, opportunity to learn and grow, merit bonuses, company policies, rela-

tionships with colleagues, job security, personal life, working conditions, and status.

Job satisfaction

Job satisfaction is a perception of a pleasant or unpleasant emotional state in an employee when looking at his or her own work and it also has an impact on an employee’s performance. According to Paracha, et al. (2012), job satisfaction is a very important aspect of a modern organization. There are four dimensions in job satisfaction that refer to Clark’s research, et al. (2009), in Rothfelder, et al. (2013), that is your overall job, your supervisor, the support provided by your organization, and your opportunities for advancement with this organization.

Employee performance

The success of an organization can be seen from the performance of the organization itself in managing existing resources. Brown & Arendt (2010), states that employee performance is basically what is done or not done by employees who are in the organization. In order to measure employee performance refers to the opinion of Brown & Arendt (2010), it is because in this study employee performance is measured by developing reliable research items that measure employee performance specifically in the field of hospitality services.

RESEARCH METHODS

This study uses quantitative methods with explanatory study approach. This study was done at Hotel Kartika Graha Malang. The sample population in this study is 78 people. Data collection techniques used primary and secondary data through questionnaires and interviews. Variable measurement technique using a Likert scale, while data analysis method using SEM-PLS and Sobel test for a test of mediation variable.

The population in this research are employees who work in Hotel Kartika Graha Malang with total employee counted 78 people consisting of personnel, front office, food and beverage, housekeeping, engineering, accounting, and sales and marketing. Selection of the population because each part has the same contribution to the Hotel Kartika Graha Malang.

The sampling technique used in this study is a census or saturated samples, which is by involving all members of the population, which is all the employees who fit the sample criteria. The criteria involve employees who have a working period of one year at Hotel Kartika Graha Malang. As stated by Sekaran (2010) that the census sample is a sample determination technique when all members of the population are used as a sample. This can be done if the population size is relatively small.

RESULTS

The following is the result of information processing from the description or correlation relationship of the four variables obtained from research at Hotel Kartika Graha Malang.

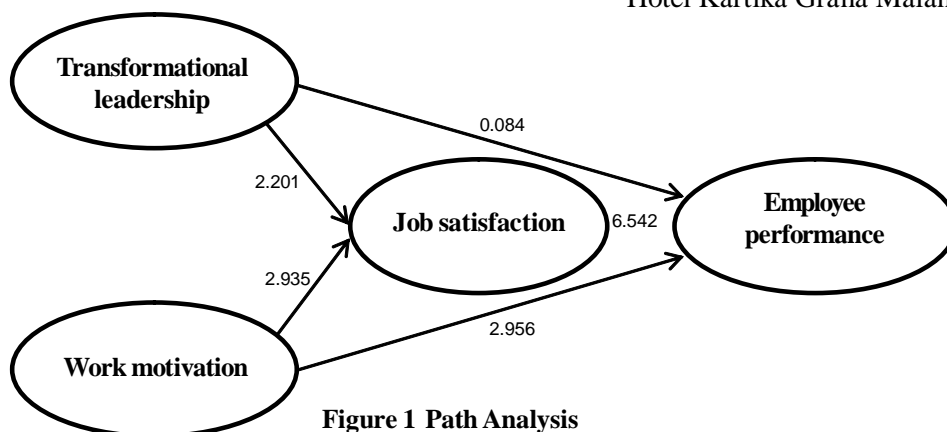


Figure 1 Path Analysis

The results obtained related to the basis of decision making for testing the hypothesis in this study is to use the statistic t-test, where the value of t

Statistics greater than the value of t Table of 1.960 shows a significant influence.

Table 1 Path Analysis and Hypothesis Testing

Influence	Coefficient	Std. Error	t Statistics	Information
TL → EP	0.008	0.093	0.084	Not significant
WM → EP	0.294	0.100	2.956	Significant
TL → JS	0.194	0.088	2.201	Significant
WM → JS	0.310	0.106	2.935	Significant
JS → EP	0.599	0.092	6.542	Significant
TL → JS → EP	0.116	0.055	2.088	Significant
WM → JS → EP	0.186	0.069	2.667	Significant

Information:

- TL = Transformational Leadership
- EP = Employee Performance
- WM = Work Motivation
- JS = Job Satisfaction

The results in Table 1 point 1 show that the value of t Count is smaller than the value of T Table (0.084 < 1.960). This means that Transformational leadership declared no significant effect on employee performance. The next result in point 2 shows that the value of t Calculate is greater than the value of T Table (2.956 > 1.960). This means that Work motivation is said to have a significant effect on employee performance. The next result in point 3 shows that the value of t Calculate is greater than the value of T Table (2.201 > 1.960). This means that Transformational leadership is said to have a significant effect on job satisfaction. The next result in point 4 shows that the value of t Calculate is greater than the value of T Table (2.935 > 1.960). This means that Work motivation is said to have a significant effect on job satisfaction. Next result in point 5 indicates that the value of t Calculate is greater than t value of Table (6.542 > 1,960). This means that job satisfaction is said to have a significant effect on employee performance. The next result in point 6 shows that the value of t Calculate is greater than the value of T Table (2.088 > 1.960). This means that Transformational leadership if

through job satisfaction declared significant effect on employee performance. Next result in point 7 shows that the value of t Count is greater than the value of t Table (2.667 > 1.960). It means that Work motivation if through job satisfaction is stated significant effect on employee performance.

DISCUSSION

The analysis results found that H1 is rejected. It means that the potential of Transformational Leadership in encouraging employee performance has no effect as it is because leaders pay less attention to the characteristics of Transformational Leadership and apply the Transformational Leadership characteristic, mainly related to the lowest value obtained on the Individualized consideration. Submission of expectations on individualized consideration indicators has the lowest value compared to other indicators. The matter is supported by the opinion of Personnel Manager Hotel Kartika Graha Malang, who said that the style of Transformational leadership applied at Hotel Kartika Graha Malang is in the transition process. This is supported by research conducted by Moeljanto (2009), Brown & Arendt (2010), Nugroho (2014), Indrayanto, et al. (2014), and Elgelal & Noermijati (2015), stating that Transformational leadership has no effect on employee performance in an organization. While the results do not support research conducted by Maharani, et al. (2013), Muthuveloo, et al. (2014),

Rasool, et al. (2015), Noermijati (2015), and Akbar, et al. (2016), which states that Transformational leadership affects employee performance.

Based on the analysis results found that H2 is accepted. This is because basically Work motivation employees have a very important role to increase employee performance. Theoretically Work motivation has a role to improve organizational performance through employee performance. This is in accordance with research conducted by Putra & Subudi (2013), Bana (2015), and Jayaweera (2015), which states that work motivation directly has a positive and significant impact on employee performance. In the study, it is said that employees perform better performance when they are motivated.

Next, the analysis results found that H3 accepted. This is because basically, Transformational leadership employees have a very important role to increase job satisfaction. Theoretically, Transformational leadership has a role to increase job satisfaction. This is in accordance with research from Tracey and Hinkin (1996) and Rothfelder, et al. (2013), where the results of these studies indicate that job satisfaction is strongly influenced by leadership behaviors. The results also explain that the most appropriate and positive leadership behavior to influence employee job satisfaction is Transformational leadership, where it is explained that Transformational leadership has a direct impact on employee satisfaction perceptions and leader effectiveness.

Based on the results of the analysis it was found that H4 was accepted. This is because basically Work motivation employees have a very important role to increase job satisfaction. Theoretically Work motivation has a role to increase job satisfaction. This is in line with research from Tyilana (2005) and Chuang (2008), where the results in the study say that high work motivation will have an impact and influence on employee job satisfaction level, especially in hotel services like Hotel Kartika Graha Malang.

Based on the results of the analysis it was found that H5 was accepted. This is because basically job satisfaction employees have a very important role to increase employee performance. Theoretically,

job satisfaction has a role to increase employee performance. This is in line with research from Gu and Siu (2009), Tsai, et al. (2010), Maharani, et al. (2013), Rahayu (2014), and Elgelal & Noermijati (2015), which results in the study illustrates that job satisfaction significantly affects employee performance. Support from colleagues and supervisors is considered a factor that can encourage job satisfaction that will have a positive impact on employee performance.

Based on the analysis results found that H6 accepted. This is because basically job satisfaction employees have a very important role in Transformational leadership to improve employee performance Hotel Kartika Graha Malang. Theoretically, Transformational leadership has a role to increase employee performance through job satisfaction. This is in line with research from Paracha, et al. (2012), Risambessy, et al. (2012), and Elgelal & Noermijati (2015), in which both transactional and transformational leadership significantly have a positive influence on employee performance. Another important finding is that job satisfaction does not mediate between transactional leadership and employee performance, but rather mediates Transformational leadership with employee performance.

Based on the results of the analysis it was found that H7 was accepted. This is because basically job satisfaction employees have a very important role in Work motivation to improve employee performance Hotel Kartika Graha Malang. Theoretically Work motivation has a role to increase employee performance through job satisfaction. This is in line with research conducted by Vandenabeele (2009), Sunarni (2011), Hayati and Caniago (2012), and Noermijati (2013), which states that a sense of satisfaction in an organization will be able to encourage employees to work better and have responsibility and able to accomplish their tasks very well.

LIMITATION OF RESEARCH

This study has limitations that allow weakening the outcome. The limitations arise after the known results of the distribution of respondents based on the level of educational employees who average is D1. The level of education tends to have difficulties

to understand the statements of abstract research variables, such as the merit bonuses of the Work motivation variables. So that can reduce the level of accuracy of answers to the questionnaire.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

Transformational leadership has no significant effect on employee performance. This means that the implementation of the Transformational leadership model in Hotel Kartika Graha Malang has no role in encouraging efforts to improve employee performance. Work motivation has a significant influence on employee performance. This means that the implementation of Work motivation model in Hotel Kartika Graha Malang plays a role in encouraging efforts to increase employee performance. Transformational leadership has a significant influence on job satisfaction. It shows that Transformational leadership in Hotel Kartika Graha Malang has been in accordance with the wishes of employees and able to create a feeling of satisfaction with their work. Work motivation has a significant influence on job satisfaction. It shows that with the increase of Work motivation, it will be followed by increasing job satisfaction in Hotel Kartika Graha Malang. Job satisfaction has a significant influence on employee performance. It shows that when employees feel satisfied, it will automatically affect employee performance and destination of Hotel Kartika Graha Malang will be fulfilled. Job satisfaction has a significant influence in mediating between Transformational leadership and employee performance. It shows that transformational leadership has an effect on employee performance if supported by job satisfaction of employees of Hotel Kartika Graha Malang is good and proper. Job satisfaction has a significant influence in mediating between Work motivation and employee performance. It shows that Work motivation has an influence on employee performance if supported by job satisfaction employees of Hotel Kartika Graha Malang is good and proper.

Suggestion

Provide socialization and knowledge related to how to unify the understanding between leaders and employees, namely by paying attention to what the employee needs and what the leader expects. Parties Hotel Kartika Graha Malang need to conduct periodic appraisal work in order to monitor employee performance. Performance appraisal needs to be done so that the Hotel Kartika Graha Malang can have standards in order to maintain and raise employee performance. There are many other variables that can be added in future researchers, such as commitment, organizational culture, and organizational citizenship behavior (OCB). Expanding the object of research, for example, further research can be done on the financial services business firm. The expansion aims to improve the results of research as well as to generalize a phenomenon that is found.

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