TRANSFORMATIONAL LEADERSHIP, JOB COMPETENCE, AND JOB SATISFACTION AS A CRITICAL PREDICTOR OF EMPLOYEE PERFORMANCE: A QUANTITATIVE STUDY

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Abstract: Every employee has the same goal: to be successful and develop where they currently work. For a business to be successful, it needs to promote the performance of its employees. This study uses quantitative methods to explore the influence of transformational leadership and job competence on job satisfaction and their impact on employee performance. The research was conducted at PT BPRS Bhakti Sumekar Sumenep, with a total sample of 91 employees participating. After testing the hypothesis using the Multivariate Analysis Structural Equation Model Partial Least Square (SEM-PLS), the research findings reveal that transformational leadership and job competence have a positive and significant effect on job satisfaction and impact employee performance. Theoretical and practical implications are examined in this study.

Keywords: Transformational leadership, job competence, job performance, employee performance, qualitative research.

INTRODUCTION
Al-kharabsheh et al. (2023), Eliyana et al. (2019), and Muzakki and Pratiwi (2019) revealed that in today's modern business world, a number of companies are concentrating their efforts on finding ways to improve employee performance and job satisfaction. According to the findings of several studies, high levels of job satisfaction and employee performance can positively impact the frequency of absenteeism and the likelihood of employee turnover (Lo et al., 2023). In addition, Ayuvisda and Made (2019) reported that performance has been associated with the results of a process that refers to and is measured over a certain period based on
predetermined criteria or agreements. This performance has been linked to the process's results over time. Herdyanti et al. (2020) also report that every business is expected to continue to strive to improve its performance to realize the goals set for the company. There are several factors, such as leadership style, work competence, and job satisfaction, that have the potential to be significant predictors of employee success, including their performance at work (Chi et al., 2023; Hilton et al., 2023; Purwanto & Sulaiman, 2023).

A leader's leadership style is a method by which they exert influence or motivate subordinates to achieve maximum productivity in pursuit of business/organizational goals (Usprech & Palmert, 2023). Leadership has the potential to influence job happiness as well as employee performance. Because leaders are expected to be able to delegate responsibilities effectively to their subordinates, they need a specific pattern or style that must be adhered to to influence their subordinates successfully. Companies can grow, and even progress is inseparable from the functions of a leader; thus, company leaders must have their distinguishing traits or tactics to achieve their corporate goals (Awan et al., 2023). According to the findings of research conducted and presented by (Eliyana et al., 2019; Haq et al., 2022), transformational leadership does have a good impact on employee performance. In addition, in another study, it is said that transformational leadership encourages work creativity in the workplace (Adiebah & Pradana, 2022).

Another empirical study saw that employee work competence is an essential factor that cannot be separated from improving employee performance (Haijiali et al., 2022; Iskamto, 2022). Competency is believed to be a blend of skills, personal attributes, and knowledge reflected through performance behaviors (job behavior) that can be observed, measured, and evaluated (Esthi, 2022). In addition, Mawarni et al. (2023) assert that individual competence levels can be tested objectively, and the results can be used to distinguish between superior and average individual behavior. Competencies can be problem mastery, cognitive and behavioral skills, goals, temperament, self-concept, attitudes, or values (Iriani et al., 2023). Therefore, the level of work competence of workers is an essential component that plays a role in determining the work attitude of company employees. According to the findings of a widely published study by Iriani et al. (2023) and Abubakar et al. (2023) reported that work competence affects job satisfaction and employee performance, and in their research, they strongly emphasize that work competence is a fundamental constituent.

In addition, job satisfaction for workers is also an element that is considered important because the extent to which people feel satisfied in their jobs is one of the main factors that determine how positively they view their work (Sudarsih & Supriyadi, 2019). Satisfaction with a person's job may benefit their behavior, leading to improvements in areas such as the level of discipline and morale typically seen. Since job satisfaction is also linked to outcomes, having high levels of job satisfaction will lead to more excitement at work when those results are positive. Therefore, it will be easier for a person to achieve a high level of performance (Al-Sada et al., 2017; Talukder et al., 2018). According to Pang and Lu (2018), a person can determine whether or not their work is fun by assessing their level of job satisfaction. The investigation also reported that employees who are happy and satisfied in their jobs also tend to perform better (Aung et al., 2023; Hilton et al., 2023). Looking at some of these findings, this study needs to be followed up and reviewed to strengthen theories related to transformational leadership, job competence, job satisfaction, and employee performance.

**LITERATURE REVIEW**

**Transformational Leadership**

According to Udin (2023), leadership is an art that influences human behavior and can guide others. Transformational leadership is one of the many leadership styles a leader can utilize. According to Aldrin and Yunanto (2019), a leader with a transformational leadership style can motivate and encourage (transform) his followers to achieve extraordinary things. According to Gozukara and Simsek (2016), transformational leadership inspires followers to develop feelings of trust, loyalty, and respect for leaders, as well as motivation to do more than expected. Meanwhile, Purwanto et al. (2021) report that transformational leadership is a type of leadership that is able to integrate creative insight, perseverance, energy, intuition, and sensitivity to
employees to achieve organizational goals or desires and have a tremendous impact on those employees.

There are several characteristics that define transformative leadership, as outlined by Choi et al. (2016). Some of them include: having a precise level of strategy. Leaders are responsible for implementing effective change plans aligned with the organization's vision, goals, and design and communicating effectively with organizational members and their concerns. Leaders pay attention to every problem their members face, and they motivate, pay attention, and stimulate their members. Leaders incite and assist people in the pursuit of constructive goals while discouraging counterproductive activities. Ensuring the team stays compact. Leaders should always strive to maintain the unity of their team, avoid getting caught up in members' views, and value members' various opinions and perspectives. Leaders recognize the value of multiple perspectives in pursuing optimal outcomes and encourage all participants to respect each other's views and viewpoints. According to the findings by Robbins (2008), the spirit of transformational leadership can be associated with a leader if the leader has charisma, inspirational motivation, intellectual stimulation, and individual attention. Several previous studies have confirmed that transformational leadership positively and significantly affects job satisfaction and employee performance (Eliyana et al., 2019; Haq et al., 2022).

**Job Competence**

According to AR et al. (2023), competence is the ability to carry out a job based on skills and knowledge supported by the required work attitude. Competence is the ability to carry out tasks based on skills and knowledge. Iriani et al. (2023) state that "competence is inherent in every human being; It is a permanent component of a person's personality, and it can predict behavior and performance broadly across all situations and job tasks." On the other hand, Haris et al. (2023) Competence is built from five characteristics: reason, attributes, self-concept, knowledge, and abilities. These are the components of makeup competence. Since this is a fundamental ideology consisting of core values and goals for the future, which every organization always dreams of, it must rely on its vision framework to have deep and complete competencies. In other words, the organization must lean on the framework of the organization's vision. Consequently, organizational goals will only succeed in the presence of core values and competencies.

In addition, every company's core competencies must include qualities exclusive to the organization in question. For these core skills to be used successfully, it must be able to respond to the challenges posed by its competitors. This ability is called having a competitive advantage. According to Sutaguna et al. (2023), there are several reasons and benefits associated with the competency itself. These include clarifying work standards and directions to be achieved, employee selection tools, maximizing productivity, a basis for developing a remuneration system, facilitating adaptation to change, and completing work behavior in accordance with organizational values. According to Esthi (2022), some indications of these competencies include the suitability of employee knowledge, skills, and talents with the tasks given by the organization. Previous research said that the high level of work competence possessed by employees could bring employee performance to their highest level of performance in the company/organization, which in turn can promote overall company targets (Irvan & Heryanto, 2019; Saban et al., 2020).

**Job Satisfaction**

Robbins (2008) defines job satisfaction as a general attitude toward one's job. It defines it as the difference between the rewards an employee earns and the number of prizes a worker considers to receive. Furthermore, Robbins (2008) says that a person can measure their level of satisfaction based on the reality they face and the rewards they receive in return for the time and effort they put in. The level of conformity to expectations and actual performance is an important factor in job satisfaction (Matijaš et al., 2018). Research findings conducted by Pang and Lu (2018) reported that job satisfaction is an emotional state of employees that reflects their feelings about their work. This expression of emotion expresses joy, unhappiness, satisfaction, or dissatisfaction with the results of their labor. Mangkunegara (2017) said that a person's level of satisfaction could be influenced by various factors, including but not limited to the following: Internal characteristics, such as intelligence (IQ), special skills, age, gender, physical condition, education, work experience, working years, personality, emotions, ways of thinking, perceptions, and work attitudes. Other determinants include aspects of the job itself, such as the nature of the task, its...
organizational structure, rank (or group), position, quality of supervision, financial stability, prospects for advancement, social contacts, and labor relations.

On the other hand, (Coomber & Louise Barriball, 2007) suggests several factors can be used to assess job satisfaction. These factors include a cognitively demanding job, a supportive work environment, decent compensation or income, personality fit for the job, and supportive co-workers. A worker can feel job satisfaction if they get support from the brand’s direct supervisor (Mas-Machuca et al., 2016) (Talukder et al., 2018). When workers feel satisfied, they will put more effort into improving their performance (Chou & Robert, 2008; Octaviannand et al., 2017).

Job Performance

Performance is the final result of a related process and is assessed over a certain period of time based on predetermined criteria or agreements (Al-Musadieq et al., 2018). According to Mangkunegara (2017), job performance is seen as the entire work process of a person whose results can be used to assess whether the individual’s work results are good or bad. In this context, performance refers to how well a person does his job. According to (Anwar & Abdullah, 2021), to improve employee performance, several factors are needed that can be supportive. These factors include; Ability factor; in this case, workers' ability consists of potential skills (IQ) above average (IQ 110-120) with adequate education for their position and skilled in doing daily work to make it easier to achieve the expected performance. As a result, it is necessary to assign workers to positions corresponding to their experience level (also known as "having the right people").

In addition, no less important component is the motivational aspect. This factor can be seen in the attitude of an employee in dealing with these circumstances and is one thing that should not be underestimated. Employees instructed to achieve organizational or work goals may benefit from a condition known as motivation, which drives them to strive to achieve those goals. A mental attitude is a mental attitude that motivates an employee to strive to achieve optimal work performance. The mental attitude of the employee must be psychophysically prepared (mentally prepared, physically, goals, and situations), which means that an employee must be mentally and physically prepared and understand the main goals and work targets to be achieved. According to (Kim et al., 2022), this performance can be evaluated based on several factors, including the quality of work done, the amount of work done, responsibility, cooperation, and initiative. Previous studies have said that workers can seamlessly improve their performance if workers get support from their superiors, especially if their leaders implement transformational leadership (Eliyana et al., 2019; Haq et al., 2022), then these workers also have a good level of job satisfaction and are also adequate competence (Al-Sada et al., 2017; Suhardi et al., 2018).

In addition, the five hypotheses proposed in this study were tested using Partial Least Square or SEM PLS analysis. The Smart PLS 3.0 program analyzes each view, investigating the

RESEARCH METHOD

In these investigations, quantitative research methodology is used. The sample used in this research topic was a permanent worker of PT Bank Pembinaan Rakyat Syariah (BPRS) Bhakti Sumekar Sumenep. The number of permanent employees is 91 people. The sampling method used is a saturated sample method taken from Antwi and Hamza (Antwi & Hamza, 2015). This study evaluated transformational leadership based on several factors, including charisma, individual attention, inspiring motivation, and intellectual stimulation (Li et al., 2019). In addition, work competence can be measured using several other metrics popularized by Iriani (Iriani et al., 2023). These measurements include the following; suitability of knowledge, skills, and abilities of employees for the job offered by the organization. At the same time, employee performance assessment based on the results of Mangkunegara’s work (2017) includes job quality, number of positions, responsibility, initiative, and cooperation criteria. Finally, job satisfaction was evaluated using indicators taken from Robbins (2008), including cognitively demanding work, supportive work environment, decent compensation or income, personality fit with the job, and supportive colleagues.

In addition, the five hypotheses proposed in this study were tested using Partial Least Square or SEM PLS analysis. The Smart PLS 3.0 program analyzes each view, investigating the
relationship between variables. PLS is a powerful way of analysis since PLS does not rely on many assumptions like other analysis methods (Hair et al., 2021). Therefore, it was chosen as the analysis method to be used. The data must have a normal distribution to give a single example, but the sample size does not have to be too high. PLS can be used to explain if there is a linkage between latent variables other than their capacity to be used in the theory confirmation process. PLS can assess the reflection and formative components simultaneously.

RESULTS

In this study, hypothesis testing was assessed using a technique known as partial least squares (PLS). Testing the outer and inner models is a significant aspect of PLS testing (Hair et al., 2014). PLS testing can be broken down into these two categories. Testing outer models can be done in several methods, the most common of which are convergent validity, construct validity, and combined reliability. To determine the validity and reliability of an instrument against each latent variable, testing is carried out by looking at several test results in Table 1.

Table 1. Validity and Reliability

<table>
<thead>
<tr>
<th>Variable</th>
<th>Item</th>
<th>Factor loading</th>
<th>AVE</th>
<th>Cronbach’s alpha</th>
<th>Composite reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational leadership</td>
<td>TL1</td>
<td>0.905</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>TL2</td>
<td>0.813</td>
<td>0.717</td>
<td>0.871</td>
<td>0.910</td>
</tr>
<tr>
<td></td>
<td>TL3</td>
<td>0.841</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TL4</td>
<td>0.824</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>JC1</td>
<td>0.623</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job competence</td>
<td>JC2</td>
<td>0.899</td>
<td>0.506</td>
<td>0.632</td>
<td>0.747</td>
</tr>
<tr>
<td></td>
<td>JC3</td>
<td>0.567</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EP1</td>
<td>0.737</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EP2</td>
<td>0.847</td>
<td></td>
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<td></td>
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<tr>
<td>Employee performance</td>
<td>EP3</td>
<td>0.811</td>
<td>0.622</td>
<td>0.844</td>
<td>0.890</td>
</tr>
<tr>
<td></td>
<td>EP4</td>
<td>0.651</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>EP5</td>
<td>0.876</td>
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<tr>
<td></td>
<td>JS4</td>
<td>0.535</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>JS1</td>
<td>0.801</td>
<td></td>
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<td></td>
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<tr>
<td>Job satisfaction</td>
<td>JS2</td>
<td>0.764</td>
<td>0.563</td>
<td>0.797</td>
<td>0.863</td>
</tr>
<tr>
<td></td>
<td>JS3</td>
<td>0.871</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>JS5</td>
<td>0.739</td>
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</tbody>
</table>

Note: AVE = Average Variance Extracted

The loading factor values shown in Table 1 shows that most deals have met the rules of thumb set by (Hair et al., 2014), which is to have a value of more than 0.5 for each indicator. This shows that each hand used in this study has been considered to have statistical validity and can be used in the research construct. Meanwhile, it is known that the AVE value of each variable in the analysis model of this study already has a good construct validity value. This is indicated by an AVE value greater than 0.5 for each of the following variables sequentially: transformational leadership (0.717), job competence (0.506), job satisfaction (0.563), and employee performance (0.622). This information can be used to test construct validity. In addition, reliability tests can be seen from the value of Cronbach’s alpha and Composite reliability. According to Abdillah and Hartono (2016), for a construct to be considered trustworthy, it must have Cronbach’s alpha value greater than 0.6 and a composite reliability value greater than 0.7. As a result of the fact that all constructions in this study have an alpha Cronbach value greater than 0.6 and a combined reliability value greater than 0.7, it is safe to say that all structures can be considered reliable. From this, each component of the research model has internal consistency regarding instrument reliability tests.
The last test is the causality test, and the results are shown by the findings of testing the inner model using bootstrapping. Figure 1 shows the findings of a bootstrap test conducted on data from this study:

![Figure 1. Hypothesis testing](image)

Based on the data seen in Figure 1, transformational leadership is known to have a positive and significant influence on job satisfaction, with a parameter coefficient value of 0.531. This can be seen by finding a path coefficient with a p-value smaller than 0.05. The value of the parameter coefficient of influence of transformational leadership on employee performance is 0.462, which indicates that this influence is positive and significant. This can be seen from the finding of the path coefficient, which gives a p-value that is smaller or equal to 0.05, which is 0.004. Likewise, the effect of job competence on job satisfaction and employee performance shows a positive and significant impact, shown by values of 0.550 and 0.486 with a significance level of 0.000 smaller than 0.05. Based on the results of these findings, all hypotheses proposed in this study are supported.

**DISCUSSION**

According to the findings of the first study, transformational leadership has an enormous and beneficial impact on the level of job satisfaction experienced by employees. The results of this study suggest that a positive influence on employee job satisfaction can be achieved when a leader can communicate goals effectively and provides employees with opportunities to achieve what they want to accomplish in their way, and when a leader can perform, provide positive inspiration for employees by pointing out problems that may initially be very difficult for them, to be able to raise morale not only for themselves but also for their team. With this, employees may feel happy to complete the tasks given to them, especially considering that the job is heavy and following what they anticipate doing. They believe that they have received bonuses from the organization as expected, so in this case, they consider that the organization has well accommodated the remuneration they provide. Not only that, the results of this study show that employees believe that a leader can increase understanding and stimulate the emergence of new ways of looking at problems. This is also one of the reasons that can lead to satisfied employees. The findings of this study are consistent with those obtained from research conducted by (Alwali & Alwali, 2022; Siswanto & Yuliana, 2022; Walker, 2023); all three found that transformational leadership has a positive and significant influence on job satisfaction. In addition, the findings of their study suggest that leaders who want to increase employee job satisfaction through better transformational leadership should consider the policy insights available to them. According to research by Hilton et al. (2023) and Eliyana et al. (2019), elevating an organization’s transformational leadership level can be an efficient strategy to increase employee job satisfaction.

The second study's findings show that transformational leadership has a positive and significant effect on employee performance. This was found after looking at the correlation between the two factors. The results of this study present that workers feel leaders who apply a
transformational leadership style are more than just communicating goals and delegating responsibilities to subordinates while achieving those goals. This is a conclusion drawn from the findings of the study. However, when dealing with workers or associates, leaders can create trust, foster mutual respect, and cultivate positive working relationships with those workers. Employees believe this will drive their better performance, and they show this belief when they take the initiative to help with the better completion of work or tasks of the organization. In addition, this performance improvement is demonstrated by the ability of employees to carry out various functions that have been assigned to them even though they are carried out simultaneously. These results are in line with what Sattayaraksa & Boon-it (2018) and Nguon (2022) found transformational leaders can increase employee pride and confidence by showing confidence and confidence in the ability of subordinates to work optimally as expected and by rewarding subordinates' achievements. The study's findings are consistent with those findings.

Then, the results of this study are also compatible with previous research that found that transformative leadership has a beneficial and substantial influence on improving employee performance (Alwali & Alwali, 2022; Chi et al., 2023; Muzakki & Pratiwi, 2019).

According to the findings of the third study, a person's level of professional competence is a positive and significant influence on job satisfaction. The results of this study show that employees who have strong work competencies, more specifically have mastery of work knowledge, can complete work well, are supported by various abilities they have, and can efficiently and able to complete work, work together with other colleagues even in the process of completing work. In addition, they believe that having information and being able to master those abilities can contribute to increased levels of job satisfaction. They can work happily because they have the task and are considered according to their abilities. In addition, based on their responses, the responsibilities assigned by the organization correspond to their level of expertise at work; As a result, they judged the work to be very simple and undemanding. The findings of this study align with the findings of Amin (2022) and Wardana et al. (2022), who report that competence is the capacity to carry out work that is established in skills and knowledge and supported by work attitudes. Where this can be an essential factor in increasing employee job satisfaction. According to their research findings, having a high level of work competence has a positive and significant effect on a person's level of job satisfaction.

According to the findings of the fourth study, employee performance is positively and significantly influenced by work competence. Based on the results of this study, workers already know how they can complete their work correctly and also that the tasks assigned by the company or organization to them are relevant and in accordance with the employees' skills. In addition, they can support the completion of their work, which affects the high performance of the employees themselves. The capacity of workers to complete tasks or work on time as well as meticulously and cleanly is one of the factors contributing to the high performance of employees found in this study. Furthermore, they make sure to execute and do an excellent job on every responsibility and work delegated to them by their superiors, and they are even eager to come along to assist other administrators in completing the work or work they do. As a result, this study provides substantial evidence that high levels of employee performance can be positively and significantly influenced by the strong work competencies possessed by employees. This investigation's results align with previous studies found by Suhardi et al. (2018) and Renyut et al. (2020), who reported that the high level of competence possessed by employees could boost better employee performance. Then, the findings of the latter study said that the more satisfied employees are at their jobs, the better they can drive their version. This is also in line with the results of previous studies, which revealed that job satisfaction affects employee performance positively and significantly (Al-Sada et al., 2017; Hartika et al., 2023; Indrayani et al., 2023).

Conclusion, Implication, and Recommendations for Future Research

Based on the findings of research and analysis that have been discussed to date, it can be concluded that transformational leadership and job competence positively and significantly impact employee performance and job satisfaction in the workforce. In addition, this study also concludes that job satisfaction positively influences employee performance powerfully and profitably.
The results of this study provide several implications, both theoretical and practical implications. Theoretically, this study's results support strengthening the theory that examines the relationship between transformational leadership and job competence on employee performance and job satisfaction of the workforce, where transformational leadership and job competence have been recognized as essential predictors in increasing job satisfaction and employee performance. Then, practically, the results of this study can be a reference for the banking sector in carrying out corporate strategies and become a reference in their essential decision-making. In addition, based on the results of this study, the company needs to pay greater attention to its personnel, especially in terms of incentives provided to its workforce. On the one hand, it is crucial to pay attention to the competencies supplied to employees to ensure that they have accountability for their performance. Work competencies are specifically related to employees' knowledge, which is very important to help employees perform their duties more effectively.

Then, for future research, this research has limitations where the scope of the study is only in one branch sub-sector, so more comprehensive observations are needed at the district level and even regional. All that is for generalizing the findings and getting a more comprehensive sample. In addition, this study used cross-sectional studies that were limited to a short time. Future research can conduct research using longitudinal studies to find out better levels of findings. The following limitation is that this study only tested the effect of direct effect; future research also needs to examine the impact indirectly to find more complete results.

REFERENCES


