

The Influence Of Transformational Leadership And Job Satisfaction By Motivating Employee Performance At KSP CU. Damai Sejahtera Medan

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Abstract

This study aims to test the effect of transformational leadership and work satisfaction, which is mediated by motivation, on employee performance in the CUSA of Line Banjam (KSP) CU. Peace Seperate Medan. This research uses quantitative approach with survey design. Data obtained through questionnaire that was spreaded to 120 employees working in KSP CU. Peace Seperate Medan. The results of the analysis using multiple linear regression suggest that transformational leadership, job satisfaction, and motivation has a significant effect on employee performance. In addition, motivation proves to mediate the relationship between transformational leadership and job satisfaction on employee performance. This study provides important insights for KUP CS management. Peace to improve employee performance through inspirational leadership, high work satisfaction, and sustainable motivation.

Keywords:

Transformational Leadership, Work Satisfaction, Motivation, Employee
Performance, Cooperative

Introduction

Employee performance plays an important role in achieving organizational goals. One of the factors that can improve performance is transformational leadership, which is able to inspire and provide a clear vision to employees. In addition, job satisfaction is also an important aspect that affects employee motivation to work better (Setiawan et al., 2020). Good employee performance is not only influenced by internal factors such

as leadership and job satisfaction, but also by the motivation provided by the organization (Mesra, 2018; Pane & Tarigan, 2022; Wahyuni et al., 2022).

CU Savings and Loan Cooperative (KSP). Damai Sejahtera Medan, as a financial institution with many members, relies heavily on employee performance to provide the best service to customers. Therefore, understanding the influence of transformational leadership, job satisfaction, and motivation on employee performance is essential to improve the efficiency and effectiveness of organizational performance (Mesra et al., 2021; Sebayang et al., 2021; Setiawan et al., 2020; Wahyuni et al., 2022).

In the world of business and organizations, it is important for companies to understand the factors that can affect employee performance (Kuncoro et al., 2024; Umar et al., 2020). Job satisfaction and motivation are one of the key factors that can have an impact on the performance of individuals and the organization as a whole. In addition, transformational leadership has also been shown to have a significant influence on employee performance.

Employee performance will not be separated from the leadership role that exists in the organization. This is because leadership can direct organizational goals, motivate behavior towards the achievement of these goals, and be able to define organizational culture. Leadership is an important factor of a company because in reality leaders can affect employee morale and job satisfaction, safety, quality of work life, and especially the level of achievement of an organization.

As an organization engaged in lending and collecting members' deposits, the Cu.Damai Sejahtera Medan Savings and Loan Cooperative (KSP) has the goal of improving employee performance in order to provide good and satisfactory service to members. Employee performance will not be separated from the leadership influence of a leader in the organization.

Adinata U, W, S (2015) stated that the leadership factor has a very important role in improving employee performance, because effective leadership provides direction to the efforts of all workers in achieving organizational goals. This shows that leadership is very important to encourage an organization to achieve its goals. Leadership involves interaction between leaders and their followers, and is built on the relationship between the two

According to Ritawati in Nasution, M,I (2018) job satisfaction is a form of reaction felt by employees in order to be the attention of leaders in the company, because job satisfaction is a pleasant work behavior from a positive emotional side of the assessment of work carried out by the company, job satisfaction is determined by the



difference between everything that employees feel about the work. The importance of job satisfaction for employees will affect their performance, in fact in Ksp Cu, Damai Sejahtera employee job satisfaction is still not optimally felt, one of the factors that makes employees feel dissatisfied is that the salary is still low or still not commensurate with the performance results of employees at Ksp Cu, Damai Sejahtera. According to Tati (2016) motivation is a basic psychological process. A comprehensive analysis based on recent data concluded that the biggest competitiveness problem seems to be largely motivation in nature. Along with perception, personality, attitude and learning motivation are very important elements in behavior. In fact, the work motivation applied at Ksp Cu, Damai Sejahtera is still not optimal in improving the human resources that exist in each employee, and will have an impact on the quality of service to members at Cu Damai Sejahtera which is carried out by the performance of the employee.

From the phenomenon of the above problem, we can see that there is still a lack of transformational leadership in Ksp Damai Sejahtera Medan which will affect the performance of employees and the quality of service of the Ksp members. This is because leadership can direct organizational goals, motivate behavior towards the achievement of these goals, and be able to define organizational culture. Employee job satisfaction at Ksp Cu, Damai Sejahtera is still not optimal is felt, One of the factors that make employees feel dissatisfied is the low salary and inadequate facilities to encourage employee performance at Ksp Cu, Damai Sejahtera. Still not optimal The work motivation applied at Ksp Cu, Damai Sejahtera in Improving Human Resources that exist in each employee and will have an impact on the quality of service to members at Cu Damai Sejahtera which is carried out by the performance of the employee. Good employee performance will affect the level of member satisfaction and provide better benefits for the organization. Therefore, this research is important to be carried out as an effort to improve employee performance at KSP Cu. It is hoped that the results of this study can provide recommendations and strategies to improve employee performance through improving transformational leadership and job satisfaction.

Based on the description above, the researcher is interested in conducting a study entitled "The Influence of Transformational Leadership and Job Satisfaction by Providing Motivation on Employee Performance at KSP Cu. Peace and Prosperity of Medan".



Research Methods

This research will be conducted at the Savings and Loan Cooperative / KSP Cu. Damai Sejahtera Medan which is located on Jalan Dame, Timbang deli, Medan Sandpaper, Medan City, North Sumatra 20149.

The type of approach used in this study is a quantitative research method. Research using quantitative methods is a research approach that is widely demanded using numbers, starting from data collection, interpretation of the data and the appearance of the results. According to A, Muri, Yusuf (2015:58) the quantitative approach looks at predictable human behavior and social reality; objective and measurable.

Data Collection Techniques The data collection used in this study is Observation Method, Interview Method, Questionnaire or Questionnaire, and Documentation Method. Thus, the use of quantitative research with valid and realistic instruments as well as appropriate and appropriate statistical analysis causes the research results achieved not to deviate from the actual conditions. This is supported by problem selection, problem identification, problem limitation and accurate problem formulation, as well as the determination of the correct population and sample.

The subject of this study is to find out how transformational leadership and job satisfaction affect work motivation, as well as how much employee performance is influenced as an intervening variable in the relationship. The procedure that can be used in this study is to use data from respondents who are employees of the Ksp Cu that is studied.

Transformational leadership is a leadership style that encourages positive change through employee inspiration, motivation, and empowerment. Transformational leaders motivate their subordinates to reach their best potential and focus on achieving the organization's long-term goals (Bass, 1990). This type of leadership is able to increase employee commitment and performance.

Job satisfaction is the positive or negative feelings that employees have towards their work. Job satisfaction is influenced by a variety of factors, including salary, work environment, and relationships between coworkers. Employees who are satisfied with their work tend to perform better (Locke, 1976).

Motivation is the driving factor that causes a person to behave or act to achieve a certain goal. Motivation in the workplace plays an important role in encouraging employees to provide maximum performance. Motivation can come from a variety of factors, including appreciation, recognition, and job satisfaction (Deci & Ryan, 1985).

Employee performance refers to the extent to which an employee can achieve the expected results in carrying out the assigned tasks and responsibilities. Good performance is influenced



by a variety of factors, such as effective leadership, job satisfaction, and motivation provided by the organization (Robinson & Judge, 2013).

Results And Discussion

Of the 120 employees who filled out the questionnaire, the majority (60%) were between 26-35 years old, and the majority (55%) had an employment period of between 3-5 years. Based on the results of the questionnaire, the majority of employees are satisfied with the leadership and working conditions at KSP CU. The data collected was analyzed using multiple linear regression to test the direct influence between transformational leadership, job satisfaction, and motivation on employee performance.

The results of multiple linear regression show that transformational leadership has a positive and significant effect on employee performance with a t-value of 4.10 ($p < 0.05$). Job satisfaction also had a positive and significant effect on employee performance with a t-value of 3.15 ($p < 0.05$). Motivation plays a significant role as a mediator in the relationship between transformational leadership and job satisfaction to employee performance. The multiple regression model shows an R^2 of 0.72, which means that 72% of the variability of employee performance can be explained by transformational leadership, job satisfaction, and motivation. In addition, pathway analysis was used to test the role of motivation as a mediator variable.

The population of this study is all employees of KSP CU. Damai Sejahtera Medan which totaled 150 people. The sample taken was 120 people using a purposive sampling technique with the criteria of employees who have worked for at least 1 year.

Conclusion

Based on the results of the data analysis, it can be concluded that:

1. Transformational leadership has a significant effect on employee performance at KSP CU. Peace and Prosperity of Medan
2. Job satisfaction has a significant effect on employee performance at KSP CU. Peace and Prosperity of Medan.
3. Motivation plays a significant role as a mediator in the relationship between transformational leadership and job satisfaction to employee performance.



Recommendations for KSP CU management. Damai Sejahtera is to continuously improve motivating leadership, create a work environment that supports satisfaction, and provide appropriate rewards and respect to employees.

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