



The Influence of Transformational Leadership Style on Job Satisfaction and Employee Performance at the Arifah Gowa Foundation

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ABSTRACT

This study aims to examine the influence of transformational leadership style on job satisfaction and employee performance at the Arifah Gowa Foundation. The research adopts a quantitative approach using a survey method involving 90 employees selected through a saturated sampling technique. Data were collected using structured questionnaires based on a Likert scale and analyzed using Structural Equation Modeling with the Partial Least Squares (SEM-PLS) approach. The results indicate that transformational leadership has a positive and significant effect on job satisfaction, as evidenced by a t-statistic value of 7.555 and a p-value below 0.05. Furthermore, job satisfaction significantly influences employee performance with a t-statistic value of 6.360. Transformational leadership also directly affects employee performance (t-statistic = 2.633; $p < 0.05$). In addition, job satisfaction mediates the relationship between transformational leadership and employee performance, demonstrating an indirect significant effect (t-statistic = 3.843; $p < 0.05$). These findings highlight that transformational leadership plays a crucial role in enhancing employee performance both directly and indirectly through increased job satisfaction. The study contributes to the literature by providing empirical evidence within the context of an educational foundation, which remains relatively underexplored. Practically, the results suggest that organizational leaders should adopt transformational leadership practices to improve employee satisfaction and optimize performance outcomes.

1. Introduction

Education is a fundamental right of every Indonesian citizen and plays a crucial role in determining the quality of human resources within a country. In accordance with the Republic of Indonesia Law Number 20 of 2003 concerning the National Education System, education is defined as a conscious and planned effort to create a learning environment and learning process that enables students to actively develop their potential, including spiritual strength, self-control, intelligence, noble character, and skills needed for themselves, society, the nation, and the state. Therefore, educational institutions are required not only to provide learning services, but also to ensure organizational effectiveness in achieving educational goals.

Educational foundations have an important role in managing and organizing educational activities ranging from elementary to higher education levels. The success of a foundation in carrying out its mission is highly dependent on the quality and performance of its human resources, including educators, administrative staff, and organizational leaders. Employee performance is considered a strategic factor because it directly affects organizational productivity, educational quality, and institutional competitiveness. In the global context, educational organizations are currently facing increasing pressure due to rapid technological development, educational reforms, organizational restructuring, and demands for improved service quality. Consequently, leadership effectiveness has become a critical issue in ensuring

organizational sustainability and employee productivity.

One important factor influencing employee performance is leadership style. Leadership determines how organizational goals are communicated, how employees are motivated, and how organizational culture is developed. Among various leadership approaches, transformational leadership has received significant attention because of its ability to inspire employees, encourage innovation, and build organizational commitment. Transformational leaders not only provide direction but also motivate employees to exceed expectations through shared vision, intellectual stimulation, and individualized consideration. In organizational studies, transformational leadership is frequently associated with higher employee motivation, stronger organizational commitment, increased job satisfaction, and improved employee performance.

In educational organizations, transformational leadership becomes increasingly important because educational institutions often face challenges such as limited resources, curriculum changes, increasing public expectations, and the need to maintain educational quality. Leaders who apply transformational leadership are expected to create a supportive work environment that encourages employees to contribute optimally and develop their potential. Furthermore, transformational leadership is also believed to increase employee job satisfaction because employees feel appreciated, supported, and involved in organizational decision-making processes.

Job satisfaction is another important factor closely related to employee performance. Employees who experience high job satisfaction generally demonstrate stronger motivation, better discipline, and greater commitment toward organizational objectives. Conversely, dissatisfaction may lead to decreased productivity, low morale, absenteeism, and weak organizational commitment. In this regard, job satisfaction may function as an intervening variable that mediates the relationship between transformational leadership and employee performance. This means that transformational leadership may improve employee performance indirectly through increased job satisfaction.

At the local level, these issues are also experienced by educational foundations in Indonesia, including the Arifah Education

Foundation in Gowa Regency. The Arifah Education Foundation is one of the institutions responsible for developing educational quality and coordinating educational activities within the community. Employees within the foundation are expected to contribute actively in supporting educational development and organizational effectiveness. However, several organizational problems have been identified, including declining employee motivation, lack of time discipline, delays in completing tasks, and inadequate utilization of office facilities. These conditions indicate that employee performance has not yet reached the expected level.

The phenomenon became more evident after organizational restructuring and leadership changes within the foundation. Based on initial interviews and observations conducted with the head of the Arifah Education Foundation, a decline in employee performance was identified following the leadership transition. Non-teaching staff performance was reflected in reduced participation and achievement in external academic and non-academic activities, while teaching staff performance was indicated by declining student achievement. These conditions suggest that leadership changes may influence employee attitudes and organizational performance.

The replacement of the foundation chairman occurred because the previous chairman was appointed as a member of the DPR, limiting his ability to actively manage the organization. Following this leadership transition, the organization experienced several performance challenges, including declining school achievements in both academic and non-academic areas. This phenomenon indicates the importance of leadership effectiveness in maintaining employee motivation, satisfaction, and performance within educational organizations.

Several previous studies have generally examined the influence of transformational leadership on employee performance with job satisfaction as a mediating variable. Most findings indicate that transformational leadership positively affects employee performance and job satisfaction. However, previous studies also demonstrate inconsistent results regarding the strength and direction of these relationships across different organizational contexts. Some studies found that

transformational leadership significantly improves employee performance directly, while others reported that job satisfaction plays a stronger mediating role. These inconsistencies indicate that further research remains necessary, particularly within educational foundation settings, which are relatively underexplored compared to corporate or public sector organizations.

Based on these gaps, the research problem in this study focuses on whether transformational leadership style influences employee performance directly and indirectly through job satisfaction at the Arifah Education Foundation, Gowa Regency. Specifically, this study seeks to examine the relationship between transformational leadership style, job satisfaction, and employee performance within the organizational context of an educational foundation experiencing leadership transition and organizational restructuring.

Accordingly, the objectives of this study are: (1) to analyze the influence of transformational leadership style on job satisfaction; (2) to analyze the influence of transformational leadership style on employee performance; (3) to analyze the influence of job satisfaction on employee performance; and (4) to examine the mediating role of job satisfaction in the relationship between transformational leadership style and employee performance at the Arifah Education Foundation, Gowa Regency.

Theoretically, this study contributes to the development of leadership and organizational behavior literature, particularly regarding transformational leadership theory and job satisfaction in educational organizations. This study also enriches empirical evidence concerning the mediating role of job satisfaction in influencing employee performance within nonprofit educational institutions. Practically, the findings are expected to provide useful insights for educational foundation leaders, policymakers, and organizational managers in developing effective leadership strategies to improve employee satisfaction and performance. The novelty of this study lies in its focus on the educational foundation context in Gowa Regency, particularly during a period of leadership transition and organizational restructuring, where limited previous studies have explored the interaction between transformational leadership, job satisfaction, and employee performance simultaneously.

2. Literature Review

2.1 Conceptual and Theoretical Foundations

2.1.1 Leadership

In any organization, the presence of a leader or key figure is inherent. The success of each employee is undeniably related to the leadership style applied by the individual leading the organization. Anorago (Edison 2017). Defines leadership as the capacity to influence others, achieved through direct or indirect communication, with the aim of inspiring individuals to understand, realize, and be willing to obey the leader's directions.

Siagian asserts that leadership is the ability of an individual to persuade others, especially subordinates, in a way that encourages their willingness to fulfill the leader's request, even though they may not personally support it. Gary Yuki's perspective on leadership (Edison 2017) emphasizes the process of influencing others to understand and support the required actions, ensure effective task implementation, and facilitate collaborative efforts of individuals and groups to achieve common goals.

2.1.2 Job satisfaction

Job satisfaction is very important in an organization because it can affect behavior related to work-related behavior, including persistence, productivity, and many more. It is closely related to various organizational behaviors. Job satisfaction represents the emotional state experienced by each employee in assessing his/her job, indicating his/her satisfaction or dissatisfaction. Basically, it summarizes an individual's loyalty to his/her job. The topic of job satisfaction has become important in the context of contemporary human resource development and employment.

This concern is mainly related to increasing employee education levels and their increasing living needs (Sule % Priansa, 2018: 169). Mangkunegara (2011) emphasized that job satisfaction is related to emotions related to one's profession, providing support to individual employees in relation to their work or overall situation. Job satisfaction is an inherent aspect experienced by every individual during work. Given the diversity of individual characteristics, of course the level of job satisfaction varies between individuals.

According to Yuniarsih (2017: 45), job satisfaction can be seen as an employee's psychological response to the results of his work. The level of individual satisfaction is mainly influenced by the intrinsic value system in each person, so that the measurement of satisfaction is unique to each individual. Although individuals achieve work to get rewards for personal and family support, obtaining rewards alone is often not enough. People want self-satisfaction in their work, thus creating challenges in job satisfaction metrics. Even when individuals have the same job and receive the same rewards and receive similar rewards, their levels of satisfaction can differ. One person may experience satisfaction, while another may not find satisfaction (Wibowo 2015: 131).

2.1.3 Employee Performance

The term "performance" comes from work achievement or can be called actual performance. According to Mangkunegara (2011), performance is defined as the result of work, taking into account quality and quantity, which is successfully completed by an employee in carrying out his duties in accordance with the responsibilities given. Employee performance can be interpreted as work achievement that includes the quality and quantity of work results achieved by an employee in carrying out his duties in accordance with the responsibilities given (Gibson, Kurniawan, 2012), in the quote (Brahmasari and Artadi 2015:10), describes performance as the realization of organizational goals, which are manifested in quantitative or qualitative output, creativity, flexibility, reliability, or other attributes desired by the organization.

Abdullah (2014), stated that performance is a reaction to work achievements resulting from the implementation of work plans formulated by a company. These plans are implemented collaboratively by leaders and employees in the organization, both private and non-private companies with the main goal of achieving organizational goals. According to Fatchur et al (Bushra 2011) also emphasized that performance is the result of work done by each individual, even in an organization, by adhering to the authority given. Therefore, the essence of performance lies in the success of achieving work, both quality and quantity, by individuals and groups in carrying out their duties in accordance with the responsibilities

given by the company where the individual is located, by meeting the specified criteria.

2.2 Review of Empirical Studies

Previous empirical studies have consistently shown that leadership significantly influences employee attitudes and organizational outcomes. Research in organizational behavior demonstrates that effective leadership enhances employee motivation, organizational commitment, and work engagement, which ultimately improve employee performance. Leadership styles characterized by support, communication, and motivation tend to foster positive work environments and encourage employees to achieve organizational objectives effectively.

Studies on job satisfaction also indicate that employee satisfaction is strongly associated with organizational productivity and employee retention. Employees who experience higher levels of job satisfaction generally demonstrate stronger commitment, higher motivation, and better work performance. Conversely, dissatisfaction may lead to absenteeism, reduced productivity, and higher turnover intentions. Empirical findings suggest that both intrinsic factors, such as recognition and self-fulfillment, and extrinsic factors, such as salary and working conditions, contribute to job satisfaction levels.

Furthermore, empirical research on employee performance highlights the importance of organizational support, leadership effectiveness, and employee satisfaction in determining work outcomes. Studies reveal that employee performance is multidimensional, involving quality, quantity, reliability, and efficiency in task completion. Research also indicates that organizations with effective leadership and high employee satisfaction tend to achieve superior performance outcomes compared to organizations with weak leadership practices and low employee morale.

Although many studies have examined leadership, job satisfaction, and employee performance, several inconsistencies remain regarding the strength and direction of relationships among these variables across different organizational contexts. Differences in organizational culture, employee characteristics, and management practices often produce varying

research findings.

2.3 Identification of the Research Gap

Based on the theoretical and empirical review, it can be identified that leadership, job satisfaction, and employee performance are closely interconnected variables that significantly influence organizational success. However, previous studies have largely focused on examining these variables separately, while limited attention has been given to understanding their relationships simultaneously within specific organizational contexts.

In addition, inconsistencies in prior findings indicate that the influence of leadership on employee performance may vary depending on employee satisfaction levels and organizational conditions. Several previous studies also relied heavily on general organizational settings, creating limited empirical evidence regarding the interaction of these variables in certain institutional or regional contexts.

Therefore, this study seeks to address these limitations by examining the relationships between leadership, job satisfaction, and employee performance within a more specific organizational environment. The study contributes to the existing literature by providing contextual evidence regarding how leadership and job satisfaction influence employee performance simultaneously.

2.4 Development of the Conceptual Framework

This study discusses three main variables, namely leadership, job satisfaction, and employee performance. Leadership is viewed as the ability of leaders to influence and direct employees toward achieving organizational objectives. Job satisfaction reflects employees' emotional and psychological responses toward their work conditions, while employee performance represents the achievement of work outcomes in terms of quality and quantity.

The conceptual relationship in this study emphasizes that effective leadership can improve employee job satisfaction and ultimately enhance employee performance. Likewise, higher levels of job satisfaction are expected to encourage employees to work more productively and responsibly, resulting in better organizational performance outcomes.

This study does not explicitly provide a visual conceptual framework figure in the original

manuscript; therefore, the conceptual framework is explained narratively.

2.5 Hypotheses or Research Propositions

The original manuscript does not explicitly formulate research hypotheses or qualitative research propositions. Therefore, this section is not specifically utilized in the study. However, based on the theoretical and empirical discussion, the study implicitly assumes that leadership and job satisfaction are related to employee performance within the organizational context examined.

3. Research Methods

3.1 Research Design

This study employed a quantitative research design to analyze the relationships among transformational leadership, job satisfaction, and employee performance. Quantitative research was selected because it enables researchers to systematically measure variables and statistically test hypotheses using numerical data. The study utilized a survey approach through questionnaires distributed directly to respondents. According to Tjahjono (2009), primary data are data obtained directly from individuals or respondents. The quantitative design was considered appropriate because the study aimed to examine causal relationships among variables and evaluate the mediating role of job satisfaction.

3.2 Research Context and Setting

The research was conducted at the Arifah Education Foundation, located on Jalan Bokolu, Pangkabinanga, Pallangga District, Gowa Regency, South Sulawesi. The institution was selected as the research setting because it represents an educational organization where leadership style, employee satisfaction, and employee performance play essential roles in organizational effectiveness. The research was conducted from August to October 2024. The selected context was considered relevant for examining how transformational leadership influences employee performance through job satisfaction within an educational institution environment.

3.3 Population and Sample / Research Participants

The population is defined as a collection of objects or subjects with specific characteristics determined by researchers for investigation and conclusion drawing (Sugiyono, 2000). The population in this study consisted of all employees working at the Arifah Education Foundation, totaling 90 employees.

The sampling technique used in this study was saturated sampling. According to Sugiyono (2012), saturated sampling is a sampling technique in which all members of the population are used as research samples. This method is appropriate when the population size is relatively small or when researchers aim to minimize sampling error. Since the population in this study consisted of fewer than 100 individuals, all 90 employees were included as research respondents. The use of the entire population ensured comprehensive representation and strengthened the reliability of the research findings.

3.4 Data Sources and Data Collection

This study utilized primary data collected directly from respondents through questionnaires. The questionnaire method was employed because it enables researchers to gather perceptions, opinions, and attitudes systematically from a relatively large number of respondents.

The questionnaire contained statements related to transformational leadership, job

satisfaction, and employee performance. Respondents were asked to provide honest and objective answers based on their experiences within the organization. In this study, transformational leadership served as the independent variable, employee performance as the dependent variable, and job satisfaction as the mediating variable.

The measurement of respondents' perceptions used a Likert scale consisting of five response categories:

1 = Strongly Disagree

2 = Disagree

3 = Neutral

4 = Agree

5 = Strongly Agree

The use of a Likert scale facilitated quantitative measurement and statistical analysis of respondents' attitudes and perceptions.

3.5 Measurement of Variables and Research Instruments

This study consisted of three main variables, namely transformational leadership (X) as the independent variable, employee performance (Y) as the dependent variable, and job satisfaction (Z) as the mediating variable. Each variable was operationalized using specific indicators adapted from established theoretical references.

Table 1. Operational Variable

Variable	Definition	Indicators	Measurement
Employee performance (Y)	The quality and quantity of work achieved by an employee in their job role (Mangkunegara, 2009).	Work quality, quantity, responsibility, cooperation, initiative	Likert Scale
Job satisfaction (Z)	A positive attitude encompassing feelings and behaviors in response to one's job (Afandi, 2018).	Work itself, supervision, coworkers, wages	Likert Scale
Transformational leadership (X)	A leadership style that motivates and inspires employees (Bass & Avolio in Suwatno & Priansa, 2012).	Idealized influence, inspirational motivation, intellectual stimulation, individualized consideration	Likert Scale

The research instrument used in this study was a structured questionnaire developed based on the indicators of each variable. The instrument was designed to ensure consistency, clarity, and relevance to the research objectives.

3.6 Data Analysis Techniques

The study employed Structural Equation

Modeling (SEM) using the Partial Least Squares (PLS) approach to analyze the relationships among variables. SEM is a multivariate analysis technique that integrates path analysis, confirmatory factor analysis, and regression analysis to examine complex relationships among observed and latent variables. According to Hidayat (2012), latent variables in SEM are categorized into endogenous variables

(dependent variables) and exogenous variables (independent variables), represented by η (eta) and ξ (xi), respectively.

The SEM-PLS approach was selected because it is suitable for analyzing complex models with relatively small sample sizes. SEM-PLS is a variance-based structural equation modeling technique that simultaneously evaluates the measurement model and structural model. The analysis was conducted using Smart-PLS software (Gunari, 2022).

Several advantages of SEM-PLS include:

- The ability to accommodate reflective and formative indicators.
- Suitability for small sample sizes.
- Capability to analyze recursive models and complex data structures.
- No strict assumption of data normality due to the bootstrapping procedure.

The statistical analysis process involved evaluating the outer model and inner model. The outer model assessment focused on validity and reliability testing. Convergent validity was measured using outer loading values greater than 0.70 and Average Variance Extracted (AVE) values greater than 0.50. Reliability testing was conducted using composite reliability values greater than 0.70 and Cronbach's Alpha values greater than 0.60 (Ramadhani, 2018; Gunari, 2022).

3.7 Validity, Reliability, and Trustworthiness

To ensure the quality and robustness of the research findings, validity and reliability testing were conducted on the research instrument. Validity testing was performed to assess whether the questionnaire accurately measured the intended constructs. According to Ghozali (2018), an instrument is considered valid if the significance value is below 0.05, while a value above 0.05 indicates invalidity.

Reliability testing was conducted to evaluate the consistency and stability of respondents' answers. The reliability analysis used Cronbach's Alpha, where a value greater than 0.70 indicates that the instrument is reliable (Ghozali, 2018). The reliability and validity tests were performed using SPSS 21 software.

Additionally, the SEM-PLS analysis assessed convergent validity, discriminant validity, composite

reliability, and Average Variance Extracted (AVE) to ensure measurement accuracy and consistency.

3.8 Ethical Considerations

This study prioritized ethical considerations throughout the research process. Respondents participated voluntarily and were informed about the purpose of the study before completing the questionnaire. The confidentiality and anonymity of respondents' identities and responses were maintained to protect participants' privacy.

The collected data were used solely for academic and research purposes. Respondents were also given the opportunity to provide answers freely and honestly without coercion or pressure from any party. These ethical practices were implemented to maintain academic integrity and ensure the credibility of the research process.

3.9 Research Procedure

The research procedure was conducted systematically through several stages. First, the researcher identified the research problem and formulated the research objectives related to transformational leadership, job satisfaction, and employee performance.

Second, the researcher reviewed relevant literature and developed the research framework and hypotheses. Third, the questionnaire instrument was designed based on established theoretical indicators. Fourth, data collection was conducted by distributing questionnaires to all employees of the Arifah Education Foundation.

Fifth, the collected data were tested for validity and reliability using SPSS 21. Sixth, the data were analyzed using SEM-PLS through Smart-PLS software to evaluate both the measurement model and structural model. Finally, the researcher interpreted the findings and formulated conclusions based on the statistical analysis results.

3.10 Methodological Limitations

This study has several methodological limitations. First, the study was conducted only within one educational institution, namely the Arifah Education Foundation, which may limit the generalizability of the findings to other organizational contexts or sectors.

Second, the study relied entirely on self-reported questionnaire data, which may introduce

response bias due to respondents' subjective perceptions. Third, the sample size was relatively limited to 90 respondents, although SEM-PLS was selected because it is appropriate for small sample sizes.

Finally, this study used a cross-sectional research design in which data were collected at one point in time. Therefore, the findings may not fully capture changes in employee perceptions and organizational conditions over time. Future research is recommended to involve broader research settings, larger sample sizes, and longitudinal

approaches to enhance the comprehensiveness of the findings.

4. Results and Discussion

4.1 Research Results

4.1.1 Sample Description and Descriptive Statistics

a. Descriptive Analysis

This section presents the data obtained from respondents. Descriptive data provides additional information to better understand the research results.

Table 2. Characteristics of Respondents

Characteristics	Frequency	Percentage
Gender		
Male	38	42%
Female	52	58%
Age		
< 20 Years	0	0%
21 - 30 Years	17	19%
31 - 40 Years	25	28%
41 - 50 Years	36	40%
> 50 Years	12	13%
Education		
High School Equivalent	10	11%
Bachelor's Degree (S1)	63	70%
Master's Degree (S2)	15	17%
Doctorate (S3)	2	2%
Years of Service		
< 1 Year	3	3%
2 Years	15	17%
3 Years	25	28%
4 Years	20	22%
> 5 Years	27	30%
Total	90	100%

Source: Data processed, 2026

Based on Table 2, most respondents were female (58%), while male respondents accounted for 42%. Respondents' ages were primarily between 41-50 years (40%), followed by 31-40 years (28%), 21-30 years (19%), and >50 years (13%). Regarding education, most respondents held a Bachelor's Degree (70%), followed by Master's (17%), High School Equivalent (11%), and Doctorate (2%). In terms of years of service, 30% had worked for more than five years, while 28% had three years of service, 22% had four years, 17% had two years, and 3% had less than one year of service.

b. Descriptive Statistical Analysis of Variables

Descriptive analysis involves the frequency distribution of respondents' responses to questions related to each variable: Transformational Leadership (X), Job Satisfaction (Z), and Employee Performance (Y). Responses were categorized into five levels: Strongly Disagree, Disagree, Neutral, Agree, and Strongly Agree, using the following calculation:

- Maximum Value = 5
- Minimum Value = 1

- Interval Distance = (Maximum Value – Minimum Value) / Number of Classes = (5-1)/5 = 0.8

The resulting interval categories are shown in Table 3.

Table 3. Interval Scale

Interval	Category
1.00 - 1.79	Strongly Disagree
1.80 - 2.59	Disagree
2.60 - 3.39	Neutral
3.40 - 4.19	Agree
4.20 - 5.00	Strongly Agree

Source: Data processed, 2026

1) Transformational Leadership Variable

Leadership is presented in Table 4.

Respondents' evaluation of Transformational

Table 4. Respondents' Evaluation of Transformational Leadership

No	Question	Mean	Category
1	My leader sets a good example, ensuring all commands and statements are followed.	4.231	High
2	My leader motivates and involves employees to complete tasks and solve organizational problems effectively.	4.231	High
3	My leader demonstrates high intelligence, encouraging the generation of new ideas and creative solutions.	4.192	High
4	My leader listens to complaints, understands needs, and provides attention.	4.269	High

Source: Data processed, 2026

The analysis in Table 4 indicates an average rating of 4.230 for Transformational Leadership, categorized as high. The highest-rated item (4.269) was "My leader listens to complaints, understands needs, and provides attention." The lowest-rated item (4.231) was "My leader motivates and involves

employees to complete tasks and solve organizational problems effectively."

2) Job Satisfaction Variable

Respondents' evaluation of Job Satisfaction is shown in Table 5.

Table 5. Respondents' Evaluation of Job Satisfaction

No	Question	Mean	Category
1	I can complete the workload assigned by the company.	4.231	High
2	I can perform work perfectly and am skilled in my job.	4.231	High
3	I can perform work quickly.	4.212	High
4	I arrive and leave the office on time and work according to the schedule.	4.251	High

Source: Data processed, 2026

The analysis in Table 4 shows an average rating of 4.251 for Job Satisfaction, categorized as high. The highest-rated item (4.251) was "I arrive and leave the office on time and work according to the schedule." The lowest-rated item (4.212) was "I

can perform work quickly."

3) Employee Performance Variable

Respondents' evaluation of Employee Performance is shown in Table 6.

Table 6. Respondents' Evaluation of Employee Performance

No	Question	Mean	Category
1	My superior is fair in evaluating work performance.	4.250	High
2	My superior treats subordinates fairly when evaluating performance.	4.288	High
3	Relationships among colleagues are good and foster teamwork.	4.135	High
4	I have enough time to complete my work.	4.288	High
5	The salary I receive aligns with my roles and responsibilities.	4.135	High
6	There are opportunities for promotion.	4.135	High

Source: Data processed, 2026

The analysis in Table 6 indicates an average rating of 4.205 for Employee Performance, categorized as high. The highest-rated items (4.288) were “My superior treats subordinates fairly when evaluating performance” and “I have enough time to complete my work.” The lowest-rated item (4.135) was “There are opportunities for promotion.”

4.1.2 Data Quality and Preliminary Analysis

a. Evaluation of Measurement Model (Outer Model)

The measurement model testing was conducted to determine the validity and reliability of the constructs. In this study, the validity test was used to assess whether the constructs meet the required conditions for further analysis. The evaluation involved two primary aspects:

1) Convergent Validity

Convergent validity assesses the relationship between item scores and their corresponding construct values. This is measured using Average Variance Extracted (AVE), composite reliability, R-square, and Cronbach's alpha. Based on Table 4.7, the composite reliability and AVE values indicate high reliability and validity, as they exceed the recommended thresholds of 0.7 and 0.5, respectively.

- Cronbach's alpha values for all variables (Leadership Transformational, Satisfaction Work, and Employee Performance) were above 0.7, confirming reliability.
- The outer model test results, as illustrated in Figure 4.2, showed loading factor values above 0.7 for all items, supporting the constructs' convergent validity (see Tables 4.8, 4.9, and 4.10).

2) Discriminant Validity

Discriminant validity ensures that constructs are distinct from one another. This is evaluated by comparing the loading values of an item on its construct against other constructs. As shown in Table 4.11, all cross-loading values exceeded 0.7, indicating adequate discriminant validity.

3) Composite Reliability

Composite reliability measures the consistency of a construct. Table 4.12 confirms that

all constructs meet the reliability criteria, with Cronbach's alpha and composite reliability values exceeding 0.7. AVE values are also above 0.5, validating the constructs for structural model testing.

4) Second-Order Confirmatory Analysis

The evaluation of the second-order constructs was performed using bootstrapping. The significance of the indicators to their latent variables was assessed, as shown in Table 4.13. All t-statistic values exceeded 1.96, and p-values were below 0.05, indicating that the constructs are significant.

4.1.3 Main Analytical Results

The structural model evaluation aims to predict relationships between latent variables. This was achieved using R-square values for the dependent constructs and hypothesis testing.

R-square values measure the predictive strength of the structural model. As shown in Table 4.14, the R-square value of 0.874 indicates that 87.4% of the variation in employee performance is explained by transformational leadership and work satisfaction. The remaining 12.6% is influenced by other variables outside the study.

4.1.4 Hypothesis Testing Results / Key Findings

Hypotheses were tested using t-statistics and p-values. Table 4.15 summarizes the results:

- **H1:** Transformational leadership significantly influences work satisfaction (t-statistic = 7.555, p-value < 0.05).
- **H2:** Work satisfaction significantly influences employee performance (t-statistic = 6.360, p-value < 0.05).
- **H3:** Transformational leadership significantly influences employee performance (t-statistic = 2.633, p-value < 0.05).
- **H4:** Work satisfaction mediates the relationship between transformational leadership and employee performance (t-statistic = 3.843, p-value < 0.05).

4.1.5 Visual Presentation of Results

The research findings are presented in tables and structural model visualizations to enhance clarity and understanding; these can be found in Tables 2 through 6.

4.2 Research Discussion

4.2.1 Interpretation of Key Findings

a. Testing influence style leadership transformational (X) against variable satisfaction work (Z) At the Arifah Gowa Foundation.

The results of the Partial Least Square (PLS) analysis show that style leadership transformational influential significant to satisfaction Work at the Arifah Gowa Foundation. Based on results data processing obtained t- statistic value as big as 7,555 more big of 1.96, and p-values of 0.000 or more small from 0.05. From the results study This show existence similarity research conducted Diet Setyo (2016). Research results show existence influence positive show existence influence positive between leadership transformational to satisfaction to performance employees, and leadership transformational against performance employee, with satisfaction Work as variable mediation. And research conducted by Yuliabto Wahyu (2017). The results of the research show that leadership transformational influential positive and significant to satisfaction work.

b. Testing satisfaction work (Z) to variable performance employee (Y) at the Arifah Gowa Foundation.

The results of the Partial Least Square (PLS) analysis show that variable satisfaction Work influential significant to performance employee At the Arifah Gowa Foundation. Based on results data processing obtained t- statistic value more than 6,360 big of 1.96, and the p-value is 0.000 more small from 0.05. From the results study This show existence similarity research conducted Djabir Hamzah (2014). Research results show that satisfaction Work play role important in increase performance the spirit of as shown by the results study this. Muhammad Fauzi (2016) results study show existence connection positive and significant between satisfaction Work with performance employee.

c. Testing style leadership transformational (X) to variable performance employee (Y) at the Arifah Gowa Foundation.

The results of the Partial Least Square (PLS) analysis show that variable style Leadership transformational influential significant to

performance employee At the Arifah Gowa Foundation. Based on results data processing obtained t- statistic value by 2,633 more big of 1.96, and the p- value is 0.008 more small from 0.05. Research result This support research conducted by Mubarak & Darmanto (2016) Research results show existence influence positive and significant between leadership transformational to performance employee.

d. Testing style leadership transformational (X) influential No direct to variable performance employee (Y) through Satisfaction Work (Z) At Arifah Gowa Foundation

The results of the Partial Least Square (PLS) analysis show that variable style leadership transformational influential significant to performance employee through satisfaction work at the Arifah Gowa Foundation.

Based on results data processing obtained t- statistic value by 3,843 more big of 1.96, and the p- value is 0.000 more small from 0.05.

From the results This show existence similarity research conducted Ahmad Djuraidi (2020) who shows that Satisfaction Work as an intervening relationship Leadership Transformational on Employee Performance. The research results of Amri and Raharja (2016) show that performance employee can improved with satisfaction Work and leadership transformational. Next leadership transformational as well as Satisfaction Work influence performance employee through loyalty employees. Research this also shows similarity with research conducted by Angelina Falika (2018) Research result disclose that leadership transformational influential positive and significant towards satisfaction work. Besides that find that leadership transformational influential positive to performance employees, and satisfaction Work play a role positive in increase performance employee. Next results research show that leadership transformational to war positive and significant to performance entrepreneurship and influence to dimension by satisfaction Work

4.2.2 Comparison with Previous Studies

The findings of this study indicate that transformational leadership has a significant positive effect on job satisfaction at the Arifah Gowa Foundation. The Partial Least Square (PLS) analysis

demonstrated a t-statistic value of 7.555, which exceeds the critical value of 1.96, with a p-value of $0.000 < 0.05$. These findings are consistent with the study conducted by Diet Setyo (2016), which found that transformational leadership positively influences employee satisfaction and performance, with job satisfaction acting as a mediating variable. Similarly, the findings align with the research of Yuliabto Wahyu (2017), which reported that transformational leadership has a positive and significant effect on job satisfaction. The consistency of these findings strengthens the argument that transformational leadership is an important determinant of employee satisfaction in organizational settings.

Furthermore, the results reveal that job satisfaction significantly influences employee performance at the Arifah Gowa Foundation. The t-statistic value of 6.360 and p-value of 0.000 indicate a statistically significant relationship. This finding supports the study conducted by Djabir Hamzah (2014), which emphasized the important role of job satisfaction in improving employee morale and performance. In addition, the findings are consistent with the study by Muhammad Fauzi (2016), which demonstrated a positive and significant relationship between job satisfaction and employee performance. The similarity between previous studies and the present research confirms that satisfied employees tend to demonstrate higher levels of productivity and effectiveness.

The study also found that transformational leadership has a direct and significant effect on employee performance, as indicated by a t-statistic value of 2.633 and p-value of $0.008 < 0.05$. This result supports the findings of Mubarak and Darmanto (2016), who concluded that transformational leadership positively and significantly affects employee performance. The consistency of these results suggests that leaders who inspire, motivate, and support employees can directly improve organizational performance outcomes.

Moreover, the indirect effect analysis demonstrated that transformational leadership significantly influences employee performance through job satisfaction, with a t-statistic value of 3.843 and p-value of $0.000 < 0.05$. These findings are in line with the research conducted by Ahmad Djuraiddi (2020), which showed that job satisfaction

serves as an intervening variable in the relationship between transformational leadership and employee performance. Likewise, the studies of Amri and Raharja (2016) explained that employee performance can be improved through job satisfaction and transformational leadership. Similar findings were also reported by Angelina Falika (2018), who found that transformational leadership positively affects job satisfaction and employee performance. Therefore, the current study strengthens previous empirical evidence regarding the mediating role of job satisfaction in enhancing employee performance through transformational leadership.

4.2.3 Theoretical Contributions

This study contributes theoretically to the development of transformational leadership theory and organizational behavior theory, particularly in explaining the relationship between transformational leadership, job satisfaction, and employee performance. The findings confirm that transformational leadership is capable of improving employee performance both directly and indirectly through job satisfaction. This supports the theoretical assumption that leadership behaviors characterized by inspiration, motivation, intellectual stimulation, and individualized consideration can foster positive employee attitudes and behaviors.

In addition, this study extends previous empirical findings by emphasizing the mediating role of job satisfaction within the context of educational foundations, specifically the Arifah Gowa Foundation. The results demonstrate that employee performance improvement is not solely influenced by leadership practices directly, but also through employees' psychological and emotional satisfaction at work. Therefore, the study enriches the literature by providing empirical evidence from the nonprofit educational sector, which remains relatively underexplored compared to corporate organizations.

4.2.4 Practical and Policy Implications

The findings of this study provide practical implications for organizational leaders and managers at educational foundations. Leaders are encouraged to implement transformational leadership practices by motivating employees, providing clear direction, encouraging innovation,

and maintaining supportive interpersonal relationships. Such leadership practices can increase employee job satisfaction and ultimately improve employee performance.

For organizational management, the study highlights the importance of creating a supportive work environment that enhances employee satisfaction. This can be achieved through fair treatment, recognition of employee contributions, effective communication, and opportunities for professional development. By improving employee satisfaction, organizations can strengthen employee commitment and productivity.

From a policy perspective, the management of educational foundations should develop leadership training programs focused on transformational leadership competencies. These programs may help leaders improve their ability to inspire employees and create a positive organizational climate. Furthermore, organizational policies related to employee welfare and career development should be strengthened to maintain high levels of job satisfaction and performance.

4.2.5 Integration with the Research Gap

This study successfully addresses the research gap identified in the literature review regarding the limited empirical evidence on the relationship between transformational leadership, job satisfaction, and employee performance within educational foundation institutions. Previous studies have largely focused on corporate organizations and government institutions, while research in nonprofit educational organizations remains limited.

By examining the Arifah Gowa Foundation, this study provides empirical evidence that transformational leadership significantly influences employee performance both directly and indirectly through job satisfaction. The findings therefore reinforce the originality and relevance of the study by demonstrating that transformational leadership theory is also applicable within educational foundation settings. In addition, the study contributes to a broader understanding of how job satisfaction functions as a mediating variable in improving organizational performance outcomes.

4.2.6 Acknowledgement of Study Limitations

This study has several limitations that should be considered when interpreting the findings. First,

the research was conducted only at the Arifah Gowa Foundation, which may limit the generalizability of the results to other organizations or sectors with different organizational cultures and management systems. Second, the study focused only on transformational leadership, job satisfaction, and employee performance, while other variables such as organizational commitment, work motivation, and organizational culture may also influence employee performance.

Additionally, the findings reflect employee perceptions within a specific organizational context and time period, which may differ under changing organizational conditions. Therefore, future research is recommended to involve broader research settings, larger sample sizes, and additional variables to obtain a more comprehensive understanding of factors influencing employee performance.

5. Conclusion

5.1 Summary of Key Findings

This study examined the influence of transformational leadership style on employee performance through job satisfaction at the Arifah Gowa Foundation. The findings indicate that transformational leadership has a positive and significant effect on job satisfaction. Leaders who provide motivation, inspiration, individual attention, and empowerment are able to enhance employees' sense of satisfaction in the workplace.

The study also found that job satisfaction significantly influences employee performance. Employees who experience higher levels of satisfaction tend to demonstrate better productivity, responsibility, and work outcomes. Furthermore, transformational leadership was proven to have a direct positive effect on employee performance.

In addition, the findings confirmed that job satisfaction acts as a mediating variable in the relationship between transformational leadership and employee performance. This indicates that transformational leadership not only improves performance directly but also indirectly through the enhancement of employee job satisfaction. Overall, the research objectives were successfully achieved, and the study provides empirical evidence regarding the importance of transformational leadership in improving organizational performance outcomes.

5.2 Theoretical Contributions

This study contributes to the development of organizational behavior and human resource management literature, particularly concerning transformational leadership, job satisfaction, and employee performance. The findings strengthen the theoretical assumption that transformational leadership plays an essential role in influencing employee attitudes and behaviors within organizations.

The study also extends previous research by demonstrating the mediating role of job satisfaction in the relationship between transformational leadership and employee performance within the context of an educational foundation. This contribution is important because most previous studies have primarily focused on corporate or industrial sectors, while limited attention has been given to non-profit educational institutions. Therefore, the research enriches the existing literature by providing empirical evidence from the educational foundation context and reinforcing the relevance of transformational leadership theory in different organizational settings.

5.3 Practical and Policy Implications

The findings of this study provide several practical implications for organizational leaders and management at the Arifah Gowa Foundation. Management is encouraged to strengthen the implementation of transformational leadership practices by emphasizing employee empowerment, motivation, inspiration, and individual support. Leaders who actively communicate organizational vision and appreciate employee contributions can create a more positive work environment and improve employee satisfaction and performance.

In addition, organizations should pay greater attention to factors that influence job satisfaction, such as recognition, communication quality, work environment, and employee involvement in decision-making processes. Improving these aspects may contribute to higher employee productivity and organizational effectiveness.

From a policy perspective, educational institutions and organizations may consider developing leadership training programs focused on transformational leadership competencies. Such programs can support the development of effective leaders capable of enhancing employee engagement,

satisfaction, and overall organizational performance.

5.4 Limitations of the Study

This study has several limitations that should be acknowledged. First, the research was conducted only at the Arifah Gowa Foundation, which may limit the generalizability of the findings to other organizations or sectors with different organizational cultures and structures.

Second, the study focused only on transformational leadership, job satisfaction, and employee performance, without considering other potential variables that may influence employee performance, such as organizational commitment, work motivation, organizational culture, or compensation systems.

Third, the study employed a cross-sectional design, meaning that the data were collected at a single point in time. As a result, the findings may not fully capture changes in employee attitudes and performance over longer periods. Therefore, the interpretation of the results should be considered within the context and scope of the study.

5.5 Directions for Future Research

Future studies are recommended to expand the research scope by involving organizations from different sectors and regions to improve the generalizability of the findings. Comparative studies between educational institutions, private companies, and public organizations may provide broader insights into the effectiveness of transformational leadership in different contexts.

Future researchers are also encouraged to incorporate additional variables, such as organizational commitment, work motivation, organizational culture, employee engagement, or compensation systems, as mediating or moderating variables in order to develop a more comprehensive research model.

Moreover, longitudinal research designs may be applied to observe changes in leadership effectiveness, job satisfaction, and employee performance over time. The use of mixed methods approaches combining quantitative and qualitative data may also provide deeper understanding regarding employee perceptions and organizational dynamics related to transformational leadership practices.

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