
The Effect of Transactional Leadership on Work Performance with Organizational Commitment as A Mediating Variable in BPJS Ketenagakerjaan Branch Office Se-Medan Raya

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Article Information

Article History:

Received, 17 August, 2024

Revised, 22 September, 2024

Accepted, 27 September, 2024

Published, 30 September, 2024

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ABSTRACT

In this study, researchers wanted to see the direct and indirect effects between transactional leadership variables as independent variables and organizational commitment as a mediating variable and work performance as the dependent variable. This type of research uses quantitative, this research was conducted at BPJS Employment Branches throughout Greater Medan consisting of BPJS Employment City Medan Branch Office, North Medan Branch, Tanjung Morawa Branch and Binjai Branch. The population of this study was 82 employees and the sample used was all the population using the saturated sample technique. The data source used is primary data sources and data collection is done by distributing questionnaires. The research model used is path analysis with smart PLS version 3.3.3. as a research measurement tool. The results of this study are as follows transactional leadership has a positive and significant effect on organizational commitment with an original sample value of 0.683 and P values of 0.000. Transactional leadership has a positive and significant effect on work performance with an original sample value of 0.391 and p values of 0.012. Organizational commitment has a positive and significant effect on job performance with an original sample value of 0.177 and p values of 0.001. Transactional leadership has a positive and significant effect on work performance through organizational commitment directly with the original sample result of 0.124 and p values 0.003.

Keywords: Transactional Leadership, Organizational Commitment, Work performance.

1. INTRODUCTION

BPJS employment is one of the companies engaged in work safety services which requires a high level of patience to serve its customers. Thus job satisfaction is something that needs to be considered by the company to achieve company continuity and if this is not considered by the organization, it will have a negative impact on the organization. Where it does not create a sense of satisfaction for employees and will have an impact on reducing employee performance and in reality employees are less satisfied with the fulfillment provided by the company.

Transactional leadership is a rigid leadership style, and is very compliant with the standard operational procedures (SOP) that have been set (Alvesson, 2020), they encourage employees to focus on the work tasks at hand (Awan & Mahmood, 2020). Transactional style leadership is more likely to prioritize work results, where this type of leader also slightly inhibits employees to innovate because of its rigid and systematic work system (Al Khajeh, 2018), but they are more centered on rewarding employees who are able to achieve work tasks as expected.

In this regard, leaders who provide clarity of work and are able to keep promises on rewards for employee performance in accordance with expectations will gain more trust from their subordinates (Hidayat et al., 2021). According to Bass (Armansyah, 2020), Transactional is a dynamic exchange between leaders and followers, in which leaders set specific goals, monitor progress, and determine what rewards or rewards followers can expect when goals are achieved. Meanwhile, Transformational leadership is about motivating others to achieve performance that exceeds the standards that have been set.

Meanwhile, employee organizational commitment will be achieved if the leader can take responsibility for his role, and also provide work needs and facilities that make employees feel comfortable and motivated (Adhan et al., 2019; Hidayat et al., 2021; Suryanto & Prihatiningsih, 2016). Ma'rufi & Anam's research (2019) found factors that greatly impact and greatly influence organizational commitment, two of which are employee job satisfaction and the leadership style applied to an agency or company (Ma'rufi & Anam, 2019), job satisfaction creates harmonious relationships (Bentley et al., 2013), while leadership style provides clarity of work and creates a strong encouragement to subordinates (Nolan-Arañez & Ludvik, 2018).

In previous research from Hidayati (2014), found that organizational commitment strengthens the relationship between transactional leadership and employee performance. This means that when the company/organization guarantees job satisfaction for employees, and a transactional leadership style with work clarity and congruence of words and deeds (Hidayat et al., 2021), it will have a positive effect on their commitment (Toh et al., 2019). Furthermore, that commitment will also have a positive effect on improving overall employee

performance, and strengthening the influence of leaders and management in convincing employees of the real goals of the company (Chua et al., 2018). Yeh and Hong (2018) found that leadership style is partially mediated by employee organizational commitment to employee performance.

Work performance is the quality and quantity of an individual or group's work (output) in a particular activity that is caused by natural abilities or abilities gained from the learning process and the desire to perform better. All behaviors that are controlled by individuals and contribute to achieving goals. Factors that affect work performance include organizational climate, organizational commitment and organizational culture.

Based on the description above, the researcher is interested in conducting research with the title *The Effect of Transactional Leadership on Work Achievement with Organizational Commitment as a Mediating Variable at BPJS Employment Branch Office Se-Medan Raya*.

2. LITERATURE REVIEW

a. Transactional Leadership

According to Budiwibowo (2019) defines transactional leadership, namely leadership conducts transactions to motivate followers by calling for the personal interests of followers, transactional leadership involves an exchange process that can produce follower compliance with the leader does not produce enthusiasm and commitment to task goals.

Indicators of transactional leadership according to Budiwibowo (2019) are as follows:

- 1) Contingent reward, the leader gives rewards to members who have completed carefully the tasks that have become their responsibility.
- 2) Management by exception active (active exception management), is a condition where the leader will actively closely monitor the implementation of the work tasks of his subordinates so that they avoid mistakes.
- 3) Management by exception Passive (passive exception management). The new manager or leader acts after a failure by his subordinates, the leader's actions are carried out to achieve organizational goals.
- 4) Laizez Farie. The leader gives freedom to subordinates so that they can carry out work assignments without any supervision from him. d. Laizez Farie.

b. Organizational Commitment

According to Wibawa et al (2019) that organizational commitment is seen as a value orientation towards the organization that shows individual thoughts and prioritizes their work and organization.

The indicators in organizational commitment according to Wibawa et al (2019) are as follows:

- 1) Affective commitment: related to the employee's emotional relationship with the organization.
- 2) Continuance commitment: relates to employees' awareness of the disadvantages of leaving the organization.
- 3) Normative commitment: describes the feeling of attachment to continue to be in the organization.

c. Work Achievement

According to Badriyah (2018), work performance is the result of work achieved by a person in carrying out the tasks assigned to him, which is based on skills, experience, and seriousness and time.

According to Badriyah (2018), indicators of work performance are:

- 1) Work quantity, namely the amount of work in accordance with the available work time.
- 2) Quality of work, namely the quality of work results based on established standards. Usually measured through accuracy, accuracy, skill, and cleanliness of work results.
- 3) Reliability, namely the ability to fulfill or follow instructions, initiative, craft, and cooperation.
- 4) Initiative, namely the ability to recognize problems and take corrective action, make suggestions for improvement and accept responsibility for completion.
- 5) Craft, namely the willingness to do tasks without coercion and which are routine.

d. Conceptual Framework

Based on the description in the literature review and theoretical basis, the main focus in this study is on the effect of achievement motivation and work discipline on employee performance with the work environment as a moderating variable. To get a simpler picture, it can be explained through the following scheme:

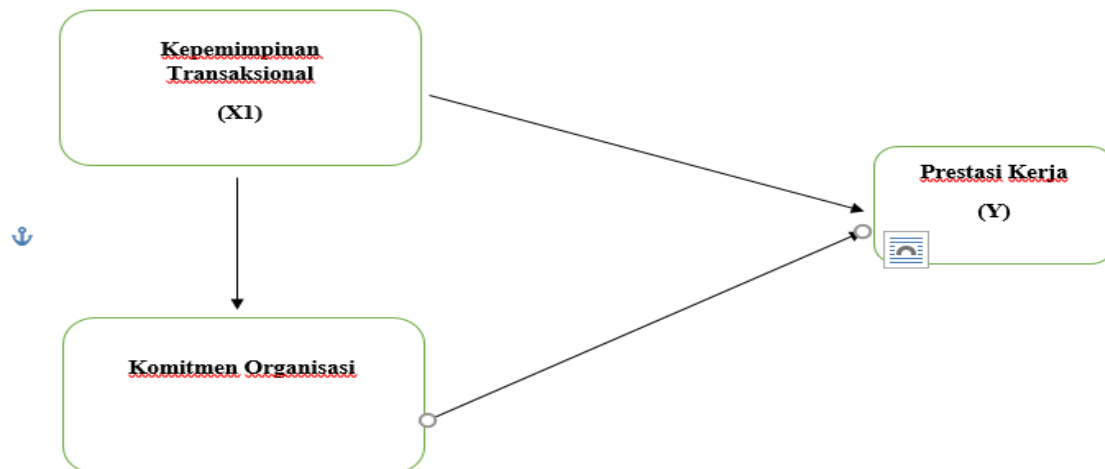


Figure 1 Research Conceptual Framework

e. Research Hypothesis

Based on the formulation of the problem, literature review and conceptual framework previously described and described, the hypotheses proposed in this study are as follows:

- 1) Transactional leadership has a positive and significant effect on organizational commitment at the BPJS Employment Branch Office in Greater Medan.
- 2) Transactional leadership has a positive and significant effect on work performance at the BPJS Employment Branch Office in Greater Medan.
- 3) Organizational commitment has a positive and significant effect on work performance at the BPJS Employment Branch Office in Greater Medan.
- 4) Transactional leadership has a positive and significant effect on work performance through organizational commitment at BPJS Employment Branch Office Se-Medan Raya.

3. RESEARCH METHOD

a. Type of Research

According to Sugiyono (2010) quantitative research can be interpreted as a method based on the philosophy of positivism, used to research on certain populations or samples, sampling techniques are generally carried out randomly, data collection using research instruments, data analysis is quantitative / statistical with the aim of testing predetermined hypotheses. This type of quantitative research is conducted to make a study that aims to adjust a study and to influence transactional leadership on work performance with organizational commitment as a mediating variable in BPJS Employment Branch Office Se-Medan Raya.

b. Research Location and Research Time

The research location was conducted at the BPJS Ketenagakerjaan Branch in Greater Medan which consists of 4 branch offices with a total correspondence of 132 people, with details, namely:

- 1) BPJS Ketenagakerjaan Medan Kota Branch, located at Jl. Kapten Patimura No.334, Darat, Kec. Medan Baru, Medan City, North Sumatra, with a total of 41 employees.
- 2) BPJS Ketenagakerjaan North Medan Branch, located at Jl. Marelan Raya No.108, Tanah Enam Hundred, Medan City, North Sumatra, with 27 employees.
- 3) BPJS Employment Tanjung Morawa Branch, located at Jl. Raya Medan - Tanjung Morawa Km.14.5, Bangun Sari Baru Village, Tanjung Morawa District, Deli Serdang Regency, North Sumatra, with 36 employees.
- 4) BPJS Employment Binjai Branch located on Jl. Soekarno-Hatta No. 262, Km No.19.5, Tungkurono, Kec. East Binjai, Binjai City, North Sumatra. with a total of 28 employees.

The research time was carried out for 3 months.

c. Population and Sample

Sugiyono (2017) population is a generalization area consisting of objects or subjects that have certain qualities and characteristics set by researchers to study and then draw conclusions. The population and sample in this study were all permanent employees at the BPJS Employment Branch Office Se-Medan Raya, totaling 80 employees (saturated sample)

d. Research Data Sources

The data source used in this research is primary data.

e. Operational Definition of Research Variables

Table 1. Definition of Variable Operations

Variable Type	Definition	Indicator
Transactional Leadership (X1)	According to Budiwibowo (2019) defines transactional leadership, namely leadership makes transactions to motivate followers by calling for the personal interests of followers, transactional leadership involves an exchange process that can produce follower compliance with the leader does not produce enthusiasm and commitment to task goals.	Indicators of transactional leadership according to Budiwibowo (2019) are as follows: <ul style="list-style-type: none"> • Contingent reward • Management by exception active • Management by exception Passive • Laizez Farie.
Organizational Commitment (Z)	According to Wibawa et al (2019), organizational commitment is seen as a value orientation towards the organization that shows individual thoughts and prioritizes their work and organization.	According to Wibawa et al (2019) the indicators in organizational commitment are: <ul style="list-style-type: none"> • Affective commitment • Continuous commitment. • Normative commitment
Work Achievement (Y)	According to Badriyah (2018), work performance is the result of the work achieved by a person in carrying out the tasks assigned to him, which is based on skills, experience, and seriousness and time.	According to Badriyah (2018), indicators of work performance are: <ul style="list-style-type: none"> • Quantity of work. • Quality of work. • Reliability. • Initiative. • Craft

f. Data Analysis Technique

Data analysis in this study used Structural Equation Modeling (SEM) based on Partial Least Square (PLS) using SmartPLS 3.3.3 software. According to (Gozali, 2014) Partial Least Square (PLS) is a fairly powerful analysis method because it is not based on many assumptions.

g. Measurement Model (Outer Model)

The procedure in testing the measurement model consists of a validity test and a reliability test.

- 1) Validity Test
 - a) Convergent Validity
 - b) Discriminant Validity
- 2) Reliability Test

The Cronbach's alpha value is recommended to be greater than 0.7 and the composite reliability is also recommended to be greater than 0.7 (Sekaran, 2014).

h. Structural Model (Inner Model)

This test is conducted to determine the relationship between exogenous and endogenous constructs that have become hypotheses in this study (Hair et al., 2017). To generate inner model test values, the step in SmartPLS is carried out using the bootstrapping method. The structural model is evaluated using R-square for the dependent variable, Stone-Geisser Q-square test for predictive relevance and t-test and significance of the structural path parameter coefficients with the following explanation:

1) Coefficient of Determination / R Square (R²)

In assessing the model with PLS, we start by looking at the R-square for each dependent latent variable. The interpretation is the same as the interpretation in regression. Changes in the R-square value can be used to assess the effect of certain independent latent variables on the dependent latent variable whether it has a substantive effect (Ghozali, 2012). The R² value is generally between 0 and 1.

2) Predictive Relevance (Q²)

This test is used to measure how well the observed value is generated by the model and also the parameter estimate. If the Q² value is greater than 0, it indicates that the model has predictive relevance, which means it has a good observation value, while if the value is less than 0, it indicates that the model does not have predictive relevance (Ghozali, 2014).

3) t-Statistic

At this stage it is used for hypothesis testing, namely to determine the significance of the relationship between variables in the study using the bootstrapping method. In the full model Structural Equation Modeling in addition to confirming the theory, it also explains whether or not there is a relationship between latent variables (Ghozali, 2012).

The hypothesis is said to be accepted if the t statistical value is greater than the t table. According to (Latan and Ghazali, 2014) the criteria for the t table value is 1.96 with a significance level of 5%.

4) Path Coefficient (Path Coefficient)

This test is used to determine the direction of the relationship between variables (positive / negative). If the value is 0 to 1, then the direction of the relationship between variables is positive. Meanwhile, if the value is 0 to -1, then the direction of the relationship between variables is negative.

4. RESULTS AND ANALYSIS

a. Outer Model Analysis

Measurement model testing (outer model) is used to determine the specification of the relationship between latent variables and their manifest variables, this test includes convergent validity, discriminant validity and reliability.

1) Convergent Validity

This test is seen from the loading factor, the value limit is 0.7, and the limit of the Average VarianceExtracted value (AVE) is 0.5, if above this value it is said to be valid. This means that the value for the indicator is said to be valid, if the indicator explains the variable construct with a value > 0.7. The structure model in this study is shown in the following figure:

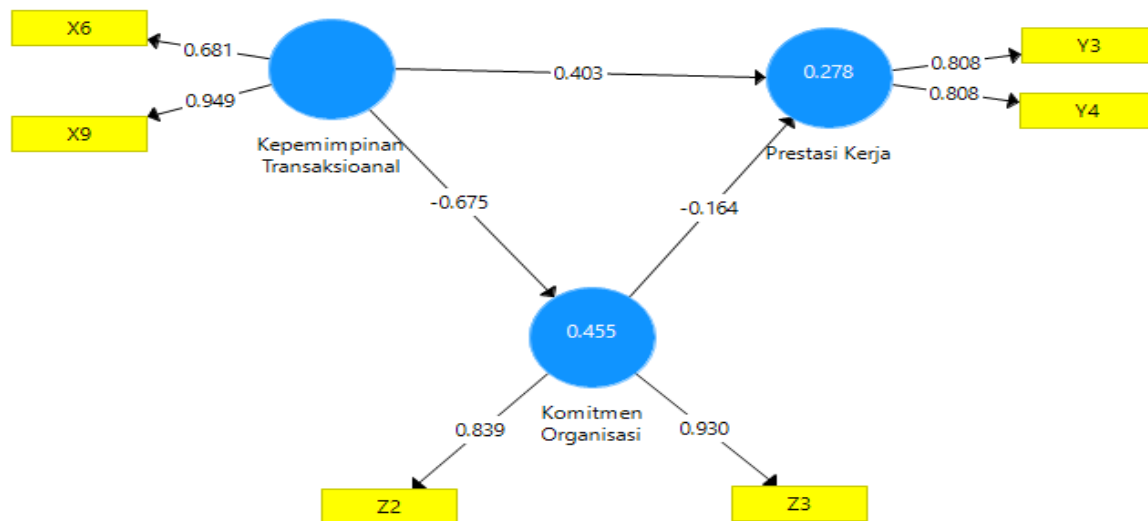


Figure 2. Outer Model
Source: Smart PLS 3.3.3

Smart PLS output for loading factors provides results in the following table: Outer Loadings In this study there is an equation and the equation consists of two substructures for sub structure 1.

$$Z = b1X1 + e1$$

$$Z = 0.403 + e1$$

For substructure 2

$$Y = b1X1 + b1Z + e2$$

$$Y = 0.675X1 + 0.164 + e2$$

Table 2. Outer Loadings

	Kepemimpinan Transaksioanal	Komitmen Organisasi	Prestasi Kerja
X6	0.781		
X9	0.949		
Y3			0.808
Y4			0.808
Z2		0.839	
Z3		0.930	

In the table above, the value of each variable is stated that the indicators in each variable are higher than 0.7, which means that each indicator item has a value higher than 0.7 so that the data is declared valid and can continue further research.

2) Discriminat Validity

Further research to find out valid data in Discriminat Validity, aims to determine whether the cross loading value is greater than other latent variables so as to determine the results of highly correlated indicators on the construct The following table shows the results of cross laoding from validity testing as follows:

Table.3. Discriminat Validity

	Kepemimpinan Transaksioanal	Komitmen Organisasi	Prestasi Kerja
Kepemimpinan Transaksioanal	0.826		
Komitmen Organisasi	0.675	0.886	
Prestasi Kerja	0.713	0.736	0.808

The results of table 2 above have a value greater than other variables in each indicator and variable so that it can be concluded that the results of discriminant validity research are validly distributed.

3) Composite reliability

In composite reliability research to see each variable with its reliability value and if the variable value is greater than 0.60 then the research is considered reliable and if it is below 0.60 and 0.7 then it is not reliability there are several blocks to determine whether the research is reliable or not and valid or not including the Coranbach alpha value, composite reliability and AVE value can be seen in the table below:

Table 4. Construct Reliability and Validity

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Kepemimpinan Transaksioanal	0.788	0.883	0.807	0.682
Komitmen Organisasi	0.734	0.814	0.879	0.784
Prestasi Kerja	0.767	0.767	0.789	0.652

In table 3 above, it can be seen that in the Cronbach alpha column there is a value for each variable greater than 0.7, which means that the reliability data for each variable. The composite reliability column has a value greater than 0.6 so that it can be explained that each variable is considered reliable because the data is greater than 0.6. It can be seen from the AVE column that each variable has a value greater than 0.7, which means that the data is valid in AVE. All variables from the Cronbach alpha column, reliability column and AVE column have values greater than 0.7 and 0.6 so that they are considered reliable and valid.

b. Inner Model Analysis

Evaluation of the structural model (inner model) is carried out to ensure that the basic model created is strong and appropriate. The stages of examination carried out in the assessment of the primary model are seen from several markers, namely:

1) Coefficient of Determination (R2)

At the next stage, namely evaluating the measurement model or inner model by looking at the R-Square value criteria. The R-Square results from the smartPLS 3.0 software output are as follows:

Table.5. R Square Results

	R Square	R Square Adjusted
Komitmen Organisasi	0.755	0.751
Prestasi Kerja	0.778	0.766

Source: Smart PLS 3.3.3

There is an R square value of the work performance variable with an R square value of 0.778 and if it is percentageed by 77.8%, meaning that the effect of transactional leadership variables and organizational commitment on work performance is 77.8% and the remaining 22.2% is in other variables. The R squarae value of the organizational commitment variable is 0.755 and if it is perceded by 75.5%, it means that the effect of the transactional leadership variable and employee performance on organizational commitment is 75.5% and the remaining 24.55 on other variables.

2) Hypothesis Testing

After assessing the inner model, the next thing is to assess the connection between idle builds as speculated in this review. Testing the speculations in this review is done by looking at the T-Statistics and P-Values. Speculations are announced recognizing whether the T-Statistics > 1.96 and P-Values < 0.05. Next are the consequences of the direct impact Road Coefficient:

Table 6. Hypothesis Testing

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values
Kepemimpinan Transaksioanal -> Komitmen Organisasi	0.675	0.683	0.042	16.160	0.000
Kepemimpinan Transaksioanal -> Prestasi Kerja	0.403	0.391	0.159	2.530	0.012
Komitmen Organisasi -> Prestasi Kerja	0.164	0.177	0.169	0.970	0.001

The direct research results above will be explained as follows:

- a) Transactional leadership has a positive and significant effect on organizational commitment with an original sample value of 0.683 and P values of 0.000. This means that transactional leadership is able to make or increase organizational commitment, because transactional leadership makes the employee have organizational commitment and provides the best value for the company in the presence of transactional leadership....
- b) Transactional leadership has a positive and significant effect on work performance with an original sample value of 0.391 and p values of 0.012. This means that transactional leadership provides good and positive value to work performance. With professional transactional leadership, it will improve employee performance in the company.
- c) Organizational commitment has a positive and significant effect on work performance with an original sample value of 0.177 and p values of 0.001. This means that if

organizational commitment increases, work performance will increase if organizational commitment decreases, work performance will also decrease.

Table 7.Path Coefficients (Indirect Effect)

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Kepemimpinan Transaksioanal -> Komitmen Organisasi -> Prestasi Kerja	0.111	0.124	0.119	0.929	0.003

Source: Smart PLS 3.3.3

The results of the indirect effect above can be explained as follows:

Transactional leadership has a positive and significant effect on work performance through direct organizational commitment with original sample results of 0.124 and p values of 0.003. This means that transactional leadership is a mediating variable because it is able to influence transactional leadership on employee performance directly.

5. CONCLUSION

Based on the research results above, the following conclusions are drawn:

- a. Transactional leadership has a positive and significant effect on organizational commitment in BPJS Employment Branches throughout Greater Medan.
- b. Transactional leadership has a positive and significant effect on work performance at BPJS Employment Branch Office Se-Medan Raya.
- c. Organizational commitment has a positive and significant effect on work performance at BPJS Employment Branch Office Se-Medan Raya.
- d. Transactional leadership has a positive and significant effect on work performance through organizational commitment at BPJS Employment Branch Office Se-Medan Raya.

Suggestion

After drawing conclusions on the results, the researcher makes suggestions for the company as follows:

- a. The company must maintain transactional leadership in the company by making organizational commitment to employees in working to improve the quality of the company's human resources.
- b. The company must maintain organizational commitment at work properly and safely. With maximum employee organizational commitment, it will improve company performance in general.

- c. Work performance in the company must be improved, with increased transactional leadership, the company's work performance will increase and provide great benefits for the company with increased work performance.

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