



The Impact Of Transformational Leadership And Motivation On Employee Performance With Job Satisfaction As Intervening Variable In Indonesian Banking Industry During Digital Transformation

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Abstract - Digital transformation is currently a very important agenda in the Indonesian Banking Industry. The era of globalization, and changes in customer transaction preferences during the Covid 19 pandemic, have encouraged companies to make various changes related to technology. Being adaptive and agile throughout the process is one of the foundations in maintaining the reliability and sustainability of the company. However, drastic changes and various uncertainties that arise during the transformation process can affect various aspects of human resources, such as motivation, job satisfaction and performance. In this study, the effect of transformational leadership and employee motivation on employee performance will be calculated through job satisfaction as an intervening. This research was conducted at a private bank in Indonesia with 95 respondents located in Tangerang, an industrial area located near the Indonesian capital city. Sampling using purposive sampling technique and the type of research is quantitative. Collecting data using a survey method through distributing questionnaires using a likert scale, the analysis method using SEM-PLS. The results of data analysis show that transformational leadership has a positive and significant effect on employee performance through job satisfaction. Direct work motivation has no significant effect, but through job satisfaction it has a positive and significant effect on employee performance.

Keywords: Digital Transformation, Work Motivation, Employee Performance, Job Satisfaction, Transformational Leadership

1. INTRODUCTION

Advances in technology and changes in consumer lifestyles greatly affect the banking industry. Many Indonesian banks are starting to leave conventional transaction products and patterns and change toward new technology-based transaction modes. Changes in banking transaction patterns force business players in the banking sector to make adjustments and even change strategies. The strategy undertaken must be in line with the needs and demands of consumers because the banking world cannot be separated from the active role of customers. Banks are forced to change the concept from



conventional services to technology-based services that have advantages in terms of ease and flexibility in each transaction process.

Facing change is certainly not an easy thing for a company, because it must be followed by changes in the system, structure, process, procedure and management. The change that occurs due to digital transformation is a radical change, which changes the perception and conventional work systems that have been running for years into a digital-based work system that is more reliable, eliminating many procedural and bureaucratic steps. When companies make radical changes, these changes will affect employees psychologically and emotionally (Leyer et al, 2020). The important issue is how to manage this into positive energy, as well as maintain the psychological condition of employees, so that they can provide supportive encouragement in the change process (Winasis, 2020).

The company must be able to activate all elements in the organization to adapt to change and move together to achieve goals, including the most important element in the company, namely human resources. Human resources are seen as one of the determining elements of a company's competitive advantage, therefore the company must be able to carry out human resource management activities optimally in terms of planning, organizing, coordinating, implementing and supervising procurement, development, remuneration, integration, maintenance and separation of labor in order to achieve organizational goals (Mangkunegara, 2015: 4). This makes it clear that without satisfying human resources at work that will provide optimal performance, other resources in the company such as capital, methods and machines will not be able to provide results that are in line with company expectations.

Several previous studies that show the influence of several variables on employee performance are the results of research conducted by Saleem (2019) that transformational leadership has a significant effect on employee performance. However, from the results of research conducted by Yuniawan (2016), it can be concluded that although transformational leadership style has a positive and significant effect on employee performance, but motivation hasn't have a positive effect on performance. Agree with Adha's research (2019) where the results of his research show that there is no significant effect between work motivation on employee performance. Meanwhile, the results of research conducted by Rustamaji (2017) show that transformational leadership variables on performance and job satisfaction have a positive and significant effect, but job satisfaction on performance does not have a significant effect.

Therefore, in this paper, researchers try to explain consequences arise from digital transformation i.e. transformational leadership, motivation and job satisfaction and their impact on employee performance in one private bank that has been undergoing a digital transformation process for 3 years.

2. LITERATURE REVIEW

Transformational Leadership

The function of leadership in an organization is very important, with the role of the leader it is predicted that organizational goals can be achieved through their ability to mobilize and empower individuals in the organization. Robbins and Judge (2015: 249, 262) argue that leadership is the ability of a person to



influence a group to try to achieve the vision or goals of the organization, therefore organizations need strong leadership for optimal effectiveness. Influencing is an attempt to change attitudes, behavior, thought patterns, opinions, goals, needs, values, abilities and actions to move towards targeted goals (Wirawan, 2017: 283).

Transformational leader is a leader who can influence, stimulate and inspire his followers to achieve something extraordinary. Transformational leadership is seen as a more effective leadership style during organizational changes, because they have a positive and creative personality, they also encourage followers to develop and be more creative. Transformational leadership behavior dares to take greater responsibility and has a strong influence to increase the self-effectiveness of its followers in achieving organizational goals.

According to Burns (1978) in Northouse (2013: 176) transformational leadership is a process of someone who engages himself with others and creates relationships that can increase motivation and morality in leaders and followers. Transformational leaders tend to pay attention to the needs of their followers and try to help them to develop and reach their best potential. Bass (1985) in Northouse (2013: 181) reveals that one of the roles of transformational leadership is to motivate followers to do more than expected, by emphasizing the understanding that they have an important role in achieving the organizational vision, and making them prioritize organizational interests rather than personal interests and move followers to achieve goals to a higher level than expected by the organization.

Several studies have been conducted regarding the effect of transformational leadership on performance, including previous research conducted by Lukita (2017), Adiwantari (2019) from the results of the study it was found that transformational leadership has a positive and significant effect on job satisfaction. It can be concluded that the better the transformational leadership applied in the organization, the higher the job satisfaction felt by employees. High job satisfaction will have an impact on employee performance.

The role of leadership in an organization is very important, the ability of a leader is very influential on the success of the organization in its function of empowering the abilities of individuals in the organization. Therefore, organizations really need leadership that has a strong influence that can move employees towards organizational goals optimally, especially during organizational changes.

Motivation

According to Robbins & Judge (2015: 127) motivation is a person's persistence in an effort to achieve goals. There are three basic elements, namely strength, direction and persistence. Strength describes how hard a person tries to achieve his goals. Strength alone will not be enough to be able to achieve the best performance, but it needs to be directed towards goals that are in line with the goals of the organization. And the last element is persistence, which is described as how long a person maintains his business. Motivated employees will be able to survive with all efforts at work to achieve their goals.

Motivation theory, known as McClelland's needs theory (Hasibuan, 2018), states that basically human behavior is influenced by three needs, first the need for achievement, which means the drive to achieve. The second is the need for power, in other words, the recognition of his own abilities, and the third is the



need for affiliation or acceptance of his existence. It can be said that needs are the basic things that underlie employee behavior at work, which drives their desires to achieve their goals.

In a study conducted by Supartini (2017), results show that work motivation directly has a significant effect on the performance of employees of a private bank in Indonesia. The motivation expected by employees is in the form of appreciation for work performance and provides opportunities to develop themselves and create a comfortable work environment for all employees. Saputra & Parwoto (2020), in his research that analyzes the effect of work motivation and employee satisfaction on employee performance shows that work motivation has a positive and significant effect on employee performance, meaning that high work motivation will greatly affect employee performance. Likewise, the results of research by Santoso & Riyanto (2020), Chien (2020) which show that work motivation has a significant effect on employee performance. Another study conducted by Sudiardhita (2018) on employees of state owned bank company, found that work motivation has a positive and significant effect on job satisfaction.

Based on the explanation of theory and previous research, researchers can interpret that work motivation is a reason that encourages someone to be eager to do their job optimally in order to achieve their goals. Employees with high motivation will be able to complete their work well and can feel the positive impact of work for the good of themselves and organizational goals.

Job Satisfaction

Job satisfaction according to Robbins (2015: 46) explains a positive feeling about their work, employees with high levels of satisfaction tend to have positive feelings about their jobs, on the other hand, employees with low levels of satisfaction will have negative feelings about their work. From collecting data on organizational satisfaction and productivity as a whole, it is found that organizations with more satisfied employees tend to be more effective than organizations with low employee satisfaction (Robbins, 2015).

Hasibuan (2018: 202) states that job satisfaction is a pleasant emotional attitude and loves his job. This attitude is reflected in work morale, discipline and work performance. Job satisfaction is enjoyed at work, outside work and a combination of both. Job satisfaction at work is the satisfaction enjoyed in work received in the form of praise for his work, placement, treatment, equipment and a good work environment. Employees who prefer to enjoy job satisfaction at work will prioritize their work rather than remuneration. Job satisfaction outside of work is job satisfaction that is enjoyed outside of work that is obtained by employees in the form of remuneration for work results to meet their needs. Employees who prefer to enjoy their satisfaction outside of work will prioritize remuneration rather than carrying out their duties. Combined job satisfaction inside and outside of work is job satisfaction that is reflected by a balanced emotional attitude between remuneration and the implementation of duties. Employees who prefer a combination of job satisfaction inside and outside of work will be satisfied if the work results and remuneration received are considered fair and reasonable.

The results of Lantara's (2017) research state that job satisfaction has a positive effect directly on employee performance, likewise the effect of job satisfaction as a variable that mediates work motivation on employee performance also has a positive effect. This shows that job satisfaction has a positive and



significant effect on employee performance both directly and as a mediating variable, therefore it is recommended that companies pay attention to employee job satisfaction, especially in terms of salary, promotion and supervision. Because work motivation has an indirect effect on employee performance through job satisfaction. Likewise, Rinny & Purba's (2020) research shows that job satisfaction has a positive and significant effect on employee performance.

It can be said that job satisfaction is the attitude and feelings of someone seeing and loving their job. The more things that are felt to be appropriate and meet their expectations, the higher the level of job satisfaction will be, and job satisfaction will be reflected in the attitudes and ways of working of employees.

Employee Performance

The definition of performance according to Mangkunegara (2015: 67) is the work achieved by an employee in carrying out his duties in accordance with the responsibilities given both in quality and quantity. Employee performance is considered effective if it can meet and even exceed the set standards, the more employees with the best performance in a company, the better the organizational performance.

Gibson (2013) defines performance as the result of work related to organizational goals such as quality, efficiency, and other effectiveness criteria. Performance reflects how well and how precisely an individual meets job standard. According to Wirawan (2017: 790) performance stands for work energy kinetics or in English, performance is the output of functions or dimensions of work performed by human resources or employees within a certain period of time. According to Kasmir (2016) performance is the result of work and work behavior achieved by a person in completing the tasks and responsibilities given in a certain period. Individual performance has a strong influence on corporate performance. If employee performance increases, company performance will also increase.

There are many factors that affect employee performance, including employee motivation, job satisfaction levels, and leadership, as found in previous studies. Research conducted by Pancasila (2020) showed that the job satisfaction factor directly has a positive and significant effect on employee performance.

From these theories it can be concluded that employee performance is the best work result of employees as a form of involvement in contributing to the company which has a positive impact both on itself and on the achievement of company goals.

Hypothesis

Based on the explanation from various studies above, the hypothesis in this study are :

1. Transformational Leadership has a significant effect on Employee Performance.
2. Work motivation has a significant effect on employee performance.
3. Transformational Leadership has a significant effect on Job Satisfaction.
4. Work motivation has a significant effect on job satisfaction.
5. Job satisfaction has a significant effect on employee performance.
6. Transformational Leadership through Job Satisfaction has a significant effect on Employee Performance.
7. Motivation through job satisfaction has a significant effect on employee performance.

3. RESERACH METHOD

This research uses a quantitative approach and SEM PLS analysis method using Smart PLS 3 analysis tool. In this study, a purposive sampling technique was used. The population in this study were all employees (124 person) at one private bank with 8 sub branches located in Tangerang. Total sample collected was 95. In this study, the unit of analysis used is employee respondents with work experience of at least 1 years in various work units in the branch office, considering that workers with tenure above 1 years have understood procedures, work processes and culture the company and thus, expected to be able to provide input on changes that occur during the transformation process, and avoid understanding bias that might exist.

4. RESULT AND DISCUSSION

Descriptive Test Result

The results of the analysis of the demographics of respondents as showed :

Table 1. Demographic Respondents

Profile	Frequency	%
1. Gender		
Male	34	35.80
Female	61	64.20
2. Age		
20-30 Years	54	56.8
30-40 Years	8	8.40
> 40 Years	33	34.70
3. Service Years		
1-5 Years	30	31.60
>5-10 Years	29	30.5
>10-20 Years	5	5.30
> 20 Years	31	32.60
4. Educational Background		
Senior High School	15	15.80
Diploma	3	3.20
Bachelor	75	78.90
Graduate	2	2.10
5. Working Position		
Staff	59	62.10
Supervisor	36	37.90
6. Job Descript		
Frontliner	58	61.10
Back Office	11	11.60
Account Officer	26	27,3
7. Working Location		
Branch	60	63.20
Sub Branch	35	36.80

Outer Model Analysis

In the Outer Model Test it can be seen how each indicator is related to its latent variable. The Outer Model is interpreted by looking at a number of things, including convergent validity, discriminant validity, composite reliability, Average Variance Extracted (AVE) and Alpha Cronbach.

Table 2. Convergent Validity

Indicator	Value	Indicator	Value	Indicator	Value	Indicator	Value
KT1.1	0,889	MK1.1	0,904	KK1.1	0,908	KR1.1	0,916
KT1.2	0,918	MK1.2	0,877	KK1.2	0,927	KR1.2	0,909
KT1.3	0,888	MK1.3	0,872	KK2.1	0,909	KR2.1	0,928
KT2.1	0,873	MK2.1	0,883	KK2.2	0,884	KR2.2	0,920
KT2.2	0,904	MK2.2	0,858	KK3.1	0,881	KR3.1	0,909
KT2.3	0,878	MK2.3	0,886	KK3.2	0,872	KR3.2	0,889
KT3.1	0,923	MK3.1	0,885	KK4.1	0,941		
KT3.2	0,919	MK3.2	0,877	KK4.2	0,937		
KT4.1	0,957	MK3.3	0,820	KK5.1	0,931		
KT4.2	0,958			KK5.2	0,898		

The results of model testing, it appears that of the 35 indicators tested, all indicators already have a loading factor value of 0.7. This shows that each indicator is valid and able to represent the latent variable, so that none of the indicators is excluded and can still be used in this research model.

Table 3. Discriminant Validity

Indicator	Transformational Leadership	Work Motivation	Job Satisfaction	Employee Performance	Result
KT1.1	0,759	0,429	0,548	0,697	valid
KT1.2	0,909	0,464	0,647	0,707	valid
KT1.3	0,766	0,503	0,633	0,788	not valid
KT2.1	0,784	0,278	0,480	0,620	valid
KT2.2	0,793	0,318	0,421	0,507	valid
KT2.3	0,899	0,431	0,569	0,658	valid
KT3.1	0,894	0,403	0,551	0,619	valid
KT3.2	0,810	0,382	0,554	0,632	valid
KT4.1	0,818	0,357	0,530	0,526	valid
KT4.2	0,826	0,466	0,581	0,515	valid

Indicator	Transformational Leadership	Work Motivation	Job Satisfaction	Employee Performance	Result
MK1.1	0,496	0,778	0,449	0,524	valid
MK1.2	0,431	0,845	0,464	0,536	valid
MK1.3	0,365	0,804	0,424	0,412	valid
MK2.1	0,400	0,793	0,413	0,367	valid
MK2.2	0,419	0,742	0,566	0,497	valid
MK2.3	0,431	0,797	0,494	0,429	valid
MK3.1	0,311	0,783	0,427	0,392	valid
MK3.2	0,263	0,809	0,383	0,287	valid
MK3.3	0,350	0,750	0,408	0,446	valid
KK1.1	0,541	0,545	0,711	0,710	valid
KK1.2	0,593	0,507	0,793	0,735	valid
KK2.1	0,574	0,539	0,868	0,742	valid
KK2.2	0,615	0,547	0,772	0,629	valid
KK3.1	0,471	0,379	0,800	0,654	valid
KK3.2	0,529	0,499	0,773	0,588	valid
KK4.1	0,407	0,350	0,776	0,548	valid
KK4.2	0,388	0,285	0,756	0,558	valid
KK5.1	0,546	0,476	0,865	0,664	valid
KK5.2	0,568	0,292	0,718	0,540	valid
KR1.1	0,630	0,425	0,779	0,852	valid
KR1.2	0,641	0,558	0,682	0,820	valid
KR2.1	0,666	0,430	0,673	0,878	valid
KR2.2	0,608	0,470	0,650	0,834	valid
KR3.1	0,654	0,362	0,667	0,881	valid
KR3.2	0,644	0,551	0,679	0,802	valid

Based on the results of the discriminant validity analysis, it can be concluded that all the loading values of the indicator factors except for KT1.3 on the latent variables show a greater value than the cross loading values for other latent variables.

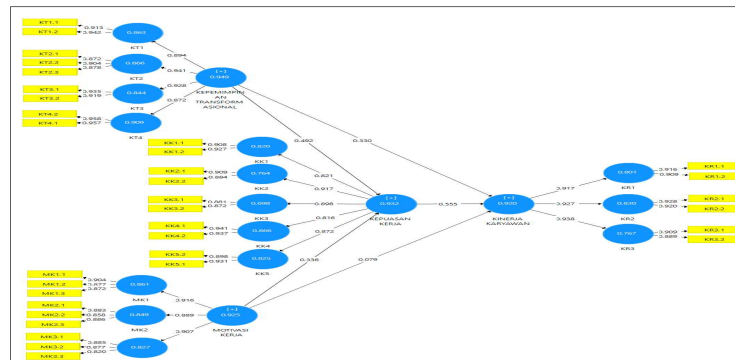


Figure 1. Outer Model

The composite reliability, AVE & Cronbach Alpha values are presented according to the following table.

Table 4. Composite Reliability, AVE & Cronbach Alpha

Variable	Cronbach Alpha	Composite Reliability	AVE
Transformational Leadership	0,946	0,955	0,685
Motivation	0.924	0.937	0,624
Job Satisfaction	0,930	0,941	0,616
Employee Performance	0,920	0,937	0,714

From the analysis results above, the composite reliability value for all variable all illustrates that the variable has a very good consistency value. Cronbach's Alpha value is used to test the consistency of each indicator used to measure latent variables. From the results of outer analysis, the Cronbach's Alpha value for each variable indicate excellent consistency for each indicator in measuring its latent variables. The recommended AVE value is > 0.50 which represents the amount of variance of the indicators extracted by the latent construct is greater than the error. Because all variables have an AVE value > 0.5 , it can be declared accurate or valid.

Inner Model Analysis

The R square test describes the magnitude of the effect of exogenous variables on endogenous variables, the higher the value of R square means the better. The results of Inner Model Analysis measuring R^2 on the job satisfaction variable, it was obtained a value of 0.511, meaning that 51.1% of the job satisfaction variable was influenced by the transformational leadership and work motivation variables. Meanwhile, 48.9% is influenced by other variables outside the variables studied. Measurement of measuring R^2 on employee performance variables obtained a value of 0.736, meaning that 73.6% of employee performance variables are influenced by transformational leadership variables, work motivation and job satisfaction. Meanwhile, 26.4% was influenced by other variables outside the variables studied.

Table 5. R-Square

Construct	R-Square
Job Satisfaction	0,511
Employee Performance	0,736

From the results of the calculation of the Q_2 value obtained a value of 0.871, this indicates that in this research model the endogenous latent variable has a relevance predictive value greater than 0 so that the exogenous latent variable as an explanatory variable is able to predict endogenous variables, namely job satisfaction and employee performance, or in other words others prove that the model has a good predictive relevance value. The f^2 test aims to see the magnitude of the influence of the exogenous latent variable on the endogenous latent variable on the structural construct. The results are shown as follows:

Table 6. Value of *f* square

Variable	Value of <i>f</i>
Transformational Leadership → Employee performance	0,233
Work Motivation → Employee Performance	0,016
Transformational Leadership → Job satisfaction	0,386
Work motivation → Job satisfaction	0,179
Job satisfaction → Employee Performance	0,572

The results show that the relationship between variables has a strong and moderate influence, except for the hub variable of Work Motivation on Employee Performance which has a weak influence with an *f* square value below 0.02, which is 0.016.

The results of the path coefficients of the relationship between variables, both direct and indirect, are shown as follows:

Table 7. Path Coefficient, STDEV, T-Values, P-Values

Variable	Original Sample	Standard Deviation	T _{Statistic}	P Values
Transformational Leadership → Employee Performance	0,330	0,136	2,426	0,016
Motivation → Employee Performance	0,079	0,070	1,124	0,262
Transformational Leadership → Job Satisfaction	0,492	0,086	5,730	0,000
Motivation → Job Satisfaction	0,336	0,093	3,593	0,000
Job Satisfaction → Employee Performance	0,555	0,126	4,401	0,000
Transformational Leadership → Job Satisfaction → Employee Performance	0,273	0,077	3,547	0,000
Motivation → Job Satisfaction → Employee Performance	0,186	0,069	2,693	0,007

Hypothesis Test

Hypothesis 1, transformational leadership has a significant effect on employee performance, from the research results obtained path coefficient value of 0.330 and t-value of 2.426 > t-table 1.986 and p-value <0.05 which is 0.016, so H1 is accepted and it can be concluded that transformational leadership has a positive and significant effect on employee performance. Transformational leadership perceived by employees is reflected through the role of a leader who always provides motivation and inspiration and has a positive influence in directing the team. A trusted leader will more easily direct employees to work



optimally and achieve the best work results. The results of this study are in line with previous research conducted by Supartini (2017), Lukita (2017), Andriani (2018), Nguyen (2019), Alshehhi (2019), and Rawashdeh (2020), where the results of the research show that transformational leadership has a positive effect on and significant to employee performance.

Hypothesis 2, work motivation has a significant effect on employee performance, from the results of the study the path coefficient value was 0.079 and the t-value was $1.124 < t\text{-table } 1.986$ and $p\text{-value} > 0.05$ was 0.262, so H2 was rejected and it can be concluded that work motivation has no significant effect on employee performance. This means that although there is an influence, work motivation does not have a big impact on increasing employee performance. Employees feel that work is an obligation that must be carried out without any encouragement from any party and achieving targets is part of the work responsibilities that must be realized. So that the role of motivation is only felt by employees as a motivator to be more active in doing work. The results of this study support the research conducted by Yuniawan (2016) and Adha (2019), where the results of his research show that there is no significant effect between work motivation on employee performance.

Hypothesis 3, transformational leadership has a significant effect on job satisfaction, from the research results obtained path coefficient value of 0.492 and t-value of $5.730 > t\text{-table } 1.986$ and $p\text{-value} < 0.05$ which is equal to 0.000, so H3 is accepted and it can be concluded that transformational leadership has a positive and significant effect on job satisfaction. Transformational leadership is reflected in a leader who is attentive, open and able to discuss many things, not only limited to work, this attitude will make employees feel emotionally close and comfortable working in a team. This leader figure makes the level of job satisfaction of employees will increase. This is in accordance with research conducted by Muterera (2018) and Khan (2020) with the results of their research that transformational leadership has a positive and significant effect on job satisfaction.

Hypothesis 4, work motivation has a significant effect on job satisfaction, from the research results obtained path coefficient value of 0.336 and t-value of $3.593 > t\text{-table } 1.986$ and $p\text{-value} < 0.05$ which is equal to 0.000, so H4 is accepted and can be concluded that work motivation has a positive and significant effect on job satisfaction. Recognition of achievement is the most expected motivation by employees. Opportunities to prove abilities by completing more challenging targets and doing new tasks outside of work routines will make employees more enthusiastic. The achievements made make employees more confident in their abilities and will feel high job satisfaction. This is in accordance with research conducted by Hanafi (2017), Sudiardhita (2018) and Helmida (2019) where the results of his research show that work motivation has a positive and significant effect on employee job satisfaction.

Hypothesis 5, job satisfaction has a significant effect on employee performance, the results of the study obtained a path coefficient value of 0.555 and a t-value of $4.401 > t\text{-table } 1.986$ and $p\text{-value} < 0.05$, which is 0.000, so H5 is accepted and it can be concluded that Job satisfaction has a positive and significant effect on employee performance. Employees are satisfied with the work they have, including salary, facilities provided by the company, promotion opportunities, a pleasant work environment and superiors who support their career development. All of these are strong enough reasons that employees are encouraged to work with passion to achieve optimal performance. The results of this study are in



accordance with research conducted by Arda (2017), Lantara (2017), Adam (2019), Pancasila (2020), and Wijaya (2019) where the research results show that job satisfaction has a positive and significant effect on employee performance.

Hypothesis 6, transformational leadership has a significant effect on employee performance through job satisfaction, calculated from the results of data processing obtained a path coefficient of 0.273 and a t-count value of $3.547 > t\text{-table } 1.986$ and $p\text{-value} < 0.05$ which is equal to 0.000. This means that job satisfaction as a mediating variable is able to provide a positive and significant influence between transformational leadership variables on employee performance, so the hypothesis is accepted. Job satisfaction partially mediates transformational leadership on employee performance, this is because the direct or indirect influence of transformational leadership variables on employee performance gives significant results. This supports previous research conducted by Tentama (2019), Alshehhi (2019) and Rawashdeh (2020) where the research results show that transformational leadership has a positive and significant effect on employee performance through job satisfaction.

Hypothesis 7, work motivation has a significant effect on employee performance through job satisfaction, calculated from the results of data processing, the path coefficient value is 0.186 and the t-count value is $2.693 > t\text{-table } 1.986$ and $p\text{-value} < 0.05$, which is equal to 0.007. This means that job satisfaction as a mediating variable is able to provide a positive and significant influence between work motivation variables on employee performance, therefore the hypothesis is accepted. In this case work motivation is not able to directly influence significantly the employee performance variable and must involve the job satisfaction variable as a mediator, in other words the job satisfaction variable mediates the full mediation between work motivation variables on employee performance. These results support previous research conducted by Nurcahyani (2016), Hanafi (2017), Adam (2019) and Helmida (2019) where the research results show that work motivation has a positive and significant effect on employee performance through job satisfaction.

5. CONCLUSION & RECOMMENDATION

One of the aims of this paper is to raise awareness about the possible consequences of the radical changes that occur during the transformation process. According to this study, transformational leadership has a positive and significant effect on employee performance, with inspirational motivation as the most dominant dimension. In this case the company needs to ensure that leaders have implemented transformational leadership in carrying out their duties, especially their function in motivating and directing employees to want to give their best work results, because this is one of the important factors to improve employee performance.

Work motivation has no significant effect on employee performance, with the need for achievement as the most dominant dimension. This shows that it is important for management to increase work motivation by more actively involving employees in internal competitions and rotating between work units so that employees have the opportunity to learn new tasks and challenges. So that employees will be motivated to learn while improving competencies that will support their work.



Transformational leadership has a positive and significant effect on job satisfaction with inspirational motivation as the most dominant dimension. So it is important for management to ensure that the role of leaders in the work unit runs optimally, especially in terms of maintaining a positive work spirit and encouraging employee career development, because it is one of the important factors that will increase employee job satisfaction.

Work motivation has a positive and significant effect on job satisfaction with the need for achievement as the most dominant dimension. Management is expected to provide promotion opportunities for outstanding employees, this is important to do to maintain the level of employee job satisfaction.

Job satisfaction has a positive and significant effect on employee performance with work as the most dominant dimension. Management is considered important to ensure that the performance appraisal process is carried out transparently and objectively as well as a compensation system that is in accordance with job responsibilities, this is very important because it will encourage employees to improve their performance.

Job satisfaction as a mediating variable has a positive and significant effect on transformational leadership on employee performance. Inspirational motivation is the most dominant dimension of transformational leadership through the work dimension as the most dominant dimension of job satisfaction. It is important for management to ensure that the implementation of transformational leadership runs effectively, because the role of the leader is one of the keys to the company's success. Transformational leadership is considered as a type of leadership that is enthusiastic and optimistic about success and is able to motivate employees positively. In addition, management must ensure that the performance appraisal process is carried out transparently and that the compensation system is in accordance with job responsibilities, so as to maintain employee satisfaction levels and improve performance.

Job satisfaction as a mediating variable has a positive and significant effect on work motivation on employee performance. The need for achievement is the most dominant dimension of work motivation through the work dimension as the most dominant dimension of job satisfaction. The company should pay attention and better career development opportunities for employees, especially high-achieving employees, so as to ensure the achievement of employee satisfaction and performance.

Companies are advised to ensure that transformational leadership runs effectively in branch work units, leaders are expected to be able to build good interpersonal relationships with employees and pay attention to their career development. In addition, the work unit leader is expected to always provide assistance and support in the work process, especially providing solutions when employees encounter obstacles in their work. Ensuring a positive work environment and more actively involving employees in activities in branch work units. Increase employee motivation by creating a healthy and mutually supportive work atmosphere among co-workers, cultivating openness and involving employees in discussions in team decision making.

The influence of other variables that might affect employee performance during radical changes, such as, employee engagement, self-efficacy, job stress, organizational culture, is suggested for further

discussion. In addition, it is recommended that the survey be conducted from several branches of several types of banks operating in Indonesia, namely Islamic, regional, government, and private banks with a larger sample population. The results of this further study are expected to provide meaningful input for the digital transformation process in the Indonesian banking industry and contribute to the overall success of the transformation.

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