How Does Transformational Leadership, Work Motivation on Organizational Citizenship Behaviour (OCB) and Job Satisfaction as Mediating Variables in SME’s

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Abstract: This study aims to analyze the effect of transformational leadership style and work motivation on employee organizational citizenship behavior (OCB) mediated by employee job satisfaction. The object of the research is employees of SME’s company with a sample of 95 people. Methods of data collection using questionnaire data collection and library research. Data analysis method using Smart PLS. The result of this study show that (1) transformational leadership has a positive but not significant effect on organizational citizenship behavior (OCB); (2) work motivation has a positive and significant effect on organizational citizenship behavior (OCB); (3) transformational leadership has a positive and significant effect on job satisfaction; (4) work motivation has a positive and significant effect on job satisfaction; (5) job satisfaction has a positive but not significant effect on organizational citizenship behavior (OCB); (6) job satisfaction in mediating transformational leadership on organizational citizenship behavior (OCB) has a positive but not significant effect; and (7) job satisfaction in mediating work motivation on organizational citizenship behavior (OCB) has a positive and significant effect.

Keywords: Transformational Leadership, Work Motivation, Job Satisfaction, Organizational Citizenship Behavior (OCB)

I. INTRODUCTION

The development of globalization has resulted in increasingly rapid competition in the business world. The company certainly chooses employees who have good behavior and can be relied on so that they can carry out their duties to the maximum. In today's dynamic world of work, flexibility is very important. Organizations want employees who are willing to perform tasks that are not listed in their job descriptions. Paramita (2012) said that Organizational Citizenship Behavior (OCB) is a deep contribution that exceeds the demands of the role at work and is rewarded by the acquisition of task performance. According to Adnyani (2015), the small things that shape OCB behavior are the key to the success of an organization. When the reciprocity felt by employees is not as expected or unfair, it is likely that employees will lose interest in displaying OCB behavior.

On the other hand, one of the factors that influence the success of an organization is leadership style. Widayati et al., (2017) say that a leader must have power and authority in governing subordinates to achieve the goals set by the company, so naturally a leader is required to have more skills and intelligence than his subordinates. Transformational leaders are leaders who inspire followers to put aside personal interests for the good of the organization and they are able to have a tremendous influence on their followers (Sunyoto & Burhanudin, 2015).
The company also realizes that employee motivation is very influential on the company's growth rate. This is reinforced by Widayati et al., (2017) that one of the factors that influence the success of a company is processing human resources. These human resources are the main driver in the company's operations and play a very important role in advancing the company. The company does not only expect capable, capable, and skilled employees, but also they are willing to study hard and have the desire to achieve optimal work results. Motivation for employees is useful for increasing enthusiasm and morale, so employees will have motivation according to their abilities if the company can meet the needs of these employees. According to Mahesa (2010) motivation is an impulse that moves people to behave to fulfill certain goals.

Meanwhile, an employee's job satisfaction is influenced by the way the leader leads his employees. A good leader is one who is able to utilize the existing human resources in the company well, so that leadership is an important part in increasing employee job satisfaction.

According to Amin & Saleh (2014), employee satisfaction with work is considered one of the main factors for the success and survival of the organization. Job satisfaction is a positive emotional state resulting from evaluating one's work as an achievement or facilitating the achievement of one's work values (Guido, 2017). Robbins (2010) says that satisfied employees are more likely to speak positively about the organization, help others, and far exceed normal expectations at work, and be more proud to exceed task demands because employees want to reciprocate their positive experiences. Given that job satisfaction at least captures a positive mood in the workplace, it is likely that employees will show OCB when they experience high levels of job satisfaction (McNeely & Meglino in Guido, 2017).

II. MATERIAL AND METHOD

The research design in this study is a combination of explanatory, descriptive, and quantitative research. The explanatory research method was used because in this study the relationship between the variables studied was explained using the PLS-SEM (Partial Least Square-Structural Equation Modeling) method. According to Sugiono (2019), explanatory research aims to describe a generalization or explain the relationship between one variable and another.

The population in this study were employees of this outsourcing company as SME’s with a sample of 95 employees determined by the census sampling technique. The census technique is the use of the entire population without having to draw a research sample as a unit of observation. Data collection techniques in this study using questionnaires and literature study. The questionnaire is a list of questions made by researchers aimed at respondents in order to obtain primary data related to research (Sugiyono 2019). While library research is a method of collecting data taken from library sources, both from books, research journals, and articles that function to support and complement primary data in the field. The data analysis method used in this study uses Component or Variance Based Structural Equation Modeling which in data processing uses the Smart Partial Least Square (Smart-PLS) version 3.5 program.

III. RESULT

According to before testing the hypothesis to predict the relationship between latent variables in structural capital, testing the measurement model must first be done to verify indicators and latent variables. This test includes construct validity testing and construct reliability testing.

Validity test
Validity test aims to measure and show the level of reliability and validity of the data so as to get valid data.
Figure 1. Results of the PLS algorithm

Ghozali (2014) mentions an indicator is said to be valid if its value is greater than 0.70. While the loading factor below 0.70 will be removed from the model. Based on the convergent validity test in the figure, it can be seen that all indicators of each construct have a loading factor above 0.70, so it can be concluded that the indicator is declared valid and meets the criteria for convergent validity.

Reliability Test

The reliability test was carried out to prove the accuracy, consistency, and accuracy of the instrument in measuring constructs. The reliability test was carried out using Composite Reliability and Cronbach's Alpha tests by looking at all values of latent variables that had Composite Reliability and Cronbach's Alpha values 0.70.

<table>
<thead>
<tr>
<th>Construct</th>
<th>Composite Reliability</th>
<th>Cronbach's Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational Leadership</td>
<td>0.976</td>
<td>0.972</td>
</tr>
<tr>
<td>Motivation</td>
<td>0.954</td>
<td>0.946</td>
</tr>
<tr>
<td>Work Satisfaction</td>
<td>0.952</td>
<td>0.943</td>
</tr>
<tr>
<td>Organizational Citizenship Behavior (OCB)</td>
<td>0.935</td>
<td>0.923</td>
</tr>
</tbody>
</table>

Source: Output Smart PLS 2021

Inner Model Test

According to the inner model aims to predict the relationship between latent variables. The inner model test is the development of a concept and theory-based model in order to analyze the relationship between exogenous and endogenous variables which has been described in a conceptual framework.
Table 2. Test Results for R-Square . Value

<table>
<thead>
<tr>
<th>Endogen Variables</th>
<th>R-Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Satisfaction</td>
<td>0.709</td>
</tr>
<tr>
<td>Organizational Citizenship Behavior (OCB)</td>
<td>0.531</td>
</tr>
</tbody>
</table>

Source: Output Smart PLS, 2023

From table 2 above, it can be seen that the value of R-Square (R²) or the coefficient of determination of job satisfaction is 0.709. These results indicate that the endogenous variable of job satisfaction can be explained by exogenous variables, namely transformational leadership and work motivation by 70.9% while the remaining 29.1% is explained by other exogenous variables. It can also be seen that the value of R-Square (R²) or the coefficient of determination of Organizational Citizenship Behavior (OCB) is 0.531. These results indicate that the endogenous variable Organizational Citizenship Behavior (OCB) can be explained by exogenous variables, namely transformational leadership, work motivation and job satisfaction by 53.1% while the remaining 46.9% is explained by other exogenous variables. To see the hypothesized relationship between constructs, the researcher uses path coefficients. The results of testing the path coefficients are as follows:

Table 3. Test Results for Path Coefficients

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Work Satisfaction</th>
<th>Organizational Citizenship Behavior (OCB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational Leadership</td>
<td>0.255555556</td>
<td>0.043</td>
</tr>
<tr>
<td>Work Motivation</td>
<td>0.265277778</td>
<td></td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>0.379861111</td>
<td>0.255555556</td>
</tr>
</tbody>
</table>

Data Source processed 2023

Table 3 shows that the test results of path coefficients have a range of 0.368 to 0.547 which indicates that all values have a positive relationship because they have a value close to +1. To see the significance of the effect of transformational leadership style and work motivation on employee organizational citizenship behavior (OCB) mediated by job satisfaction, by looking at the value of the parameter coefficients and the statistical significance value. The results of the SmartPLS output using bootstrapping are:

The following is the result of eliminating indicators and recalculation. Convergent Validity (Modification) Source: PLS 3.0 . output The results of the modifications in Table and Figure above, it can be seen that all indicators have met convergent validity because they have a loading factor value above 0.50. Thus, all indicators that have been modified are declared valid. Discriminant Validity.

Discriminant Validity (Modification) After modifying the constructs contained in the modeling, it can be seen from Table at above that several loading factor values for each indicator of each variable already have a loading factor value that is not greater than the loading factor value when associated with other variables. This means that each variable has good discriminant validity where some variables still have a gauge that is highly correlated with other constructs. Average Variance Extracted (AVE) Test Results Average Variance Extracted (AVE).
Table 4: Test Results Average Variance Extracted

<table>
<thead>
<tr>
<th>Variabel</th>
<th>Average Variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization Culture (X2)</td>
<td>0.482638889</td>
</tr>
<tr>
<td>Transformasional Leadership (X1)</td>
<td>0.427777778</td>
</tr>
<tr>
<td>Job Satisfaction (Y)</td>
<td>0.494444444</td>
</tr>
<tr>
<td>Organization Commitmen (X3)</td>
<td>0.386805556</td>
</tr>
</tbody>
</table>

Source: PLS 3.0.

Output From Table 4, it can be concluded that the square root of the Average Variance Extracted (AVE) for each construct is greater than the correlation between one construct and another in the model. From the AVE value, the construct in the estimated model meets the discriminant validity criteria.

Composite Reliability Dan Cronbach’s Alpha Composite

Table 5: Reliability Test Results and Cronbach’s Alpha

<table>
<thead>
<tr>
<th>Variabel</th>
<th>Composite Reliability</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Culture (X2)</td>
<td>0.939</td>
<td>0.921</td>
</tr>
<tr>
<td>Transformational Leadership (X1)</td>
<td>0.946</td>
<td>0.937</td>
</tr>
<tr>
<td>Job Satisfaction (Y)</td>
<td>0.978</td>
<td>0.975</td>
</tr>
<tr>
<td>Organizational Commitment (X3)</td>
<td>0.945</td>
<td>0.936</td>
</tr>
</tbody>
</table>

Based on Table 5 above, it can be seen that the results of the composite reliability test and Cronbach alpha show a satisfactory value, that is, all variables are reliable because all latent variable values have composite reliability values and Cronbach alpha 0.70. So it can be concluded that the questionnaire used as a research tool has been reliable or consistent.

Table 6: Hypothesis Testing Results

<table>
<thead>
<tr>
<th></th>
<th>Original Sampling</th>
<th>Sample Mean</th>
<th>Standard Deviation</th>
<th>T Statistic</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Culture (X2) → Job Satisfaction (Y)</td>
<td>0.551</td>
<td>0.541</td>
<td>0.093</td>
<td>5.907</td>
<td>0.000</td>
</tr>
<tr>
<td>Transformational Leadership (X1) → Job Satisfaction (Y)</td>
<td>0.363</td>
<td>0.369</td>
<td>0.087</td>
<td>4.145</td>
<td>0.000</td>
</tr>
<tr>
<td>Organizational Commitment (X3) → Job Satisfaction (Y)</td>
<td>0.100</td>
<td>0.112</td>
<td>0.046</td>
<td>2.179</td>
<td>0.030</td>
</tr>
</tbody>
</table>

Source: Output PLS 3.0

IV. DISCUSSION

The Effect of Transformational Leadership on Job Satisfaction

Based on the hypothesis test in this study, the results showed that the T statistic was greater than the T table (4.145 > 1.96). Thus, the results of hypothesis testing in this study indicate that transformational leadership has a positive and significant effect on job satisfaction for employees of the SME’s. The results of hypothesis testing in this study can be interpreted that if the application of transformational leadership given to employees increases, the job satisfaction of The SME’s employees. This shows that if transformational leadership is applied by a leader well, employee job satisfaction will increase towards the company. Transformational leadership is an important thing to consider in an effort to increase employee job satisfaction. companies need to strive to
implement transformational leadership because the high and low quality of performance and the good and bad of an employee's performance is influenced by how employees are influenced by the leaders in the company. The results of hypothesis testing in this study are supported by research conducted by Akmal and Danuprananta (2015) finding that the influence of transformational leadership on employee job satisfaction shows a significant and positive effect, and also in line with the results of research conducted by Sudihyadnyana and Sintaasih (2018) finding that transformational leadership has a positive and significant effect on job satisfaction.

The Influence of Organizational Culture on Job Satisfaction

Based on the hypothesis test in this study, the results showed that personality type had a positive and significant effect on job satisfaction because the T statistic was greater than the T table (5.907 > 1.96). This means that increasing good organizational culture owned by employees can affect job satisfaction for employees of The SME’s. This shows that if the organizational culture, be it rules, daily behavior, logos, ways of communicating, how to dress, or how to act is compatible with employees, employee job satisfaction will increase as well. The results of hypothesis testing in this study are supported by research conducted by Emami et al. (2012), which shows evidence of a significant positive influence between organizational culture and job satisfaction, and also in line with the results of research conducted by Saputra and Adnyani (2017). Finding that organizational culture has a positive and significant effect on job satisfaction.

The Effect of Organizational Commitment on Job Satisfaction

Based on the hypothesis test in this study, the results show that Organizational Commitment has a positive and significant effect on job satisfaction because the T statistic is greater than the T table (2.179 > 1.96). From the results of hypothesis testing in this study, it can be interpreted that if the organizational commitment is greater the level of employee commitment and loyalty to the company shows the greater the level of satisfaction felt by employees of The SME’s. This shows that if the organizational commitment of employees increases, such as being loyal and strong to keep working at the organization, it will affect and increase employee job satisfaction. The results of hypothesis testing in this study are supported by research conducted by Widaglo et al. (2013) Organizational commitment has a significant positive effect on employee job satisfaction and is also in line with the results of research conducted by Desawa and Dwiarta (2015) finding that organizational commitment has an effect on job satisfaction.

V. CONCLUSIONS

After the researchers conducted research and discussion in the previous chapter regarding the Influence of Transformational Leadership, Organizational Culture, and Organizational Commitment on Job Satisfaction on employees of this SME’s, the following conclusions can be drawn:

Transformational Leadership has a positive and significant effect on Job Satisfaction. So it can be interpreted that the higher the application of Transformational Leadership provided by the company to employees, it will also increase Job Satisfaction for SMEs automotive services employees.

Organizational Culture has a positive and significant effect on Job Satisfaction. So it can be interpreted that the better the Organizational Culture owned by the company, it will also increase the Job Satisfaction of SMEs automotive services employees.

Organizational Commitment has a positive and significant effect on Job Satisfaction. So it can be interpreted that the higher the employee's organizational commitment to the company, the higher the job satisfaction for SMEs automotive services employees.

Suggestion Suggestions for Companies

Based on the results of the description of the respondents' answers, it can be seen from the lowest average value of the transformational leadership variable on the KT5 indicator with a value of 4,044 with the questionnaire statement "The leader in the company gives me encouragement when I experience a decline in work". Therefore, suggestions that can be taken into consideration are that the company is expected to provide support that can motivate inspirational employees. So, employees can be enthusiastic about their work. Based on the results of the description of respondents' answers, it can be seen from the lowest average value of the organizational culture variable on the BO4 indicator with a value of 3,856 with the statement of the questionnaire "I pay attention to the work I receive in detail". Thus, suggestions that can be taken into consideration are that the company is expected to provide a more detailed or clear job description to employees, which is in accordance with the organizational culture or SOPs within the company. So that it can help employees in completing a job that has been given by the company. Based on the description of respondents' answers, it can be seen from the lowest average value of the Organizational Commitment variable on the KO8 indicator with a value of 3,756 with the statement of the questionnaire "I still believe and be loyal to one
organization”. For this reason, suggestions that can be taken into consideration for the company are that the company can provide comfort and trust to employees so that they could be having a loyalty to the company.

REFERENCES


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