The Influence of Organization Pride, Organizational Commitment, Transformational Leadership on Job Satisfaction Employee Performance at PT Virama Karya (Persero) East Java Branch

Mohamad Ma'ruf¹, Slamet Riyadi², I Dewa Ketut Raka Ardiana³

¹,²,³Faculty of Economics and Business, Universitas 17 Agustus 1945 Surabaya
doi: 10.51505/ijebmr.2022.6806
URL: http://dx.doi.org/10.51505/ijebmr.2022.6806

Abstract
This undeniably fierce competition expects organizations to choose to win the opposition by focusing on the extent to which the nature of human resources (especially employees) affects performance. Human resource management has two benchmarks, job satisfaction and performance. The purpose of this study was to prove and analyze the influence of Organization Pride, Organizational Commitment, and Transformational Leadership on Job Satisfaction and Employee Performance at PT Virama Karya (Persero) East Java Branch. The type of research used in this study is explanatory research using survey methods. The sample population is 87 employees of PT Virama Karya (Persero) East Java Branch. The data collection method consisted of a questionnaire or questionnaire method. Results analysis can be concluded that Organization Pride does not significant effect on Job Satisfaction and Employee performance; Organizational Commitment significant effect on Job Satisfaction, but Organizational Commitment has no significant effect on Employee Performance; Transformational leadership significant effect on Job Satisfaction and Employee performance; whereas Job Satisfaction significant effect on employee performance.

Keywords: Organization Pride, Organizational Commitment, Transformational Leadership, Job Satisfaction, Employee performance

1. Introduction
There is unavoidably fierce competition among companies that provide products and services today, not only because of time, but also because customers are becoming smarter, more cost-conscious, and demanding more product and service choices. This undeniably fierce competition expects organizations to choose to win the opposition by focusing on the extent to which the nature of human resources (especially employees) affects performance. Human resources are important in an organization because the success of an organization is highly dependent on the quality and performance of the individuals in the organization. In a company, employees are always required to improve their performance in order to achieve the goals set by the organization.

Human resource management has two benchmarks, job satisfaction and job performance. Job satisfaction is the extent to which employees are satisfied or dissatisfied with their jobs. Satisfied employees tend to be more motivated, have good morale, and are more productive. Job performance refers to how well the company's employees do their jobs (Widyanti et al., 2020).
The success of an organization in achieving its goals and objectives is highly dependent on employee performance. In many organizations, employee performance is the main factor in determining the success of the organization. Employee performance is the level of achievement achieved by the work of individuals (employees) as a result of effort or effort or the end result of an activity (Silalahi, 2013). Employee performance reflects productive employees(Sutrisno, 2017). According to Sutrisno (2013), Performance is the quantity and/or quality of work performed by individuals or groups within an organization in carrying out the main tasks and functions that are guided by the norms, standard operating procedures, standards and measures established or applied by the organization.

Workers feel proud of the organization because they identify with the associations associated with the organization that have the right place and the right history(Mischkind; Widyanti et al., 2020). Psychologically, pride is closely related to one's self-confidence. Kraemer (2014), Seeing that organizational pride is recognized as an important spiritual asset that must be protected and taken to the next level. According to Widyanti et al. (2020), Organizational pride can have a positive and significant impact on job satisfaction and performance. Several studies that show the relationship between organizational pride, job satisfaction, and performance variables include research Widyanti et al. (2020) show that organizational pride can have a positive and significant impact on job satisfaction and job performance. Arifin Zainal (2019) show that organizational pride has a significant impact on job satisfaction. Cahyani et al., (2020) and Irwansyah et al., (2021) shows that organizational commitment has a positive and significant effect on job satisfaction and employee performance, as well as job satisfaction has a positive and significant influence mediating between Organizational Commitment and Employee Performance.

Suprayitno et al., (2020) shows that there is a positive and significant direct and indirect influence between transformational leadership and employee performance, while it is different in research Irwansyah et al., (2021)which reveals that Transformational Leadership does not have a significant effect partially on Employee Performance, however Transformational Leadership has a partially significant effect on Job Satisfaction, and Job Satisfaction does not have a significant effect mediating between Transformational Leadership and Employee Performance.

The purpose of this study was to prove and analyze the influence of Organization Pried, Organizational Commitment, Transformational Leadership on Job Satisfaction and Employee Performance at PT Virama Karya (Persero) East Java Branch.

2. Theoretical Review

2.1. Organization Pried

The term Organization Pried (OP) which means “the pride of the organization” applies to employees who express strong, positive feelings while working for an organization with a good reputation and a strong track record (Mischkind; Widyanti et al., 2020). Organizational pride is very valuable for the company because it is an intrinsic motivator for employees that influences employee characteristics and behavior(Arifin, 2019). However, that is according to Tracy and Robins; Arifin (2019)that pride is traditionally associated with meaningful feelings of happiness, meaning that pride has consequences for individual behavior.
2.2. Organizational Commitment

In essence, the meaning of organizational commitment has differences, depending on which point of view we look at the issue of organizational commitment, but the purpose of organizational commitment is the same. Commitment within the organization represents a psychological link between employees and the organization and has been recognized as a work attitude, which is multidimensional (Meyer & Allen; Sukrajap, 2016:26)

Commitment is often associated with a situation where an employee sided with a particular organization and its goals and desires to maintain membership in the organization.

2.3. Transformational leadership

Leadership comes from the word lead which contains two main things, namely the leader as the subject and the led as the object. The word lead contains the meaning of directing, controlling, fostering and regulating, guiding and also showing or influencing. Leadership is the power to influence someone to do or not do something. Leadership requires the active use of abilities to navigate others in realizing the organizational goals that have been set. A person can be said to be a leader if he has followers or subordinates. These subordinates can be asked to do something or not to do something in achieving a common goal that has been implemented(Azizah et al., 2019).

One type of leadership that is currently developing is transformational leadership.

2.4. Job satisfaction

Job satisfaction according to Chasanah; Nurdiansyah et al., (2020:156) including evaluative, affective, and response or attitude response. Job satisfaction is a cheerful emotional state or good emotion that comes from an appraisal work. Meanwhile Grieshaber et.al; Arifin et al., (2019:1218) defines that job satisfaction is as a favorable or unfavorable aspect that employees view their work. Job satisfaction is also defined as an expression of emotional feelings and behavior for a work. However, feelings are influenced by several work-related factors such as salary, various types of benefits, recognition, working conditions, relationships with colleagues and superiors, and others.

2.5. Employee Performance

According to Sulastri et al., (2017); Cahyandani, (2021), performance is the embodiment of work done by employees which is usually used as a basis for evaluating employees or organizations, so efforts need to be made to improve performance. Where Purba & Gunawan, (2018); Cahyandani, (2021), performance is a description of the extent to which the organization's success or failure in carrying out its operations to achieve the goals, objectives, goals, vision, and mission of the organization. Not only that, performance also means the quality and quantity of work or groups of people to achieve certain goals.

2.6. Research Hypothesis

The hypotheses in this study are:

H1: Organization Pried significant effect on Job Satisfaction at PT Virama Karya (Persero) East Java Branch in Surabaya.
H2: Organizational Commitment has a significant effect on Job Satisfaction at PT Virama Karya (Persero) East Java Branch in Surabaya.
H3: Transformational Leadership has a significant effect on Job Satisfaction at PT Virama Karya (Persero) East Java Branch in Surabaya.
H4: Organizational Climate has a significant effect on employee performance at PT Virama Karya (Persero) East Java Branch in Surabaya.
H5: Organizational Commitment has a significant effect on Employee Performance at PT Virama Karya (Persero) East Java Branch in Surabaya.
H6: Transformational Leadership has a significant effect on Employee Performance at PT Virama Karya (Persero) East Java Branch in Surabaya.
H7: Job satisfaction has a significant effect on employee performance at PT Virama Karya (Persero) East Java Branch in Surabaya.

3. Research Methods

3.1. Types of research

The type of research used in this study is explanatory research using survey methods, namely research that aims to explain the effect of an independent variable on the dependent variable. The main reason for using explanatory research relates to the choice of hypothesis. The author hopes to use hypothesis testing to explain the influence between each or all of the independent and dependent variables, and to find out which independent variables have the most influence on the dependent variable.

3.2. Population and Sample

According to Sugiyono (2018), population is a generalized field consisting of objects or subjects with properties and characteristics determined by the researcher and then conclusions are drawn. The target population of this research is all employees PT. Virama Karya (Persero) East Java Branch in Surabaya is equivalent to 87 people. One type of sampling technique from non-probability sampling is by using a saturated sampling technique (census). Saturated sampling is a sampling technique when all members of the population are used as samples. In this study the researchers used the sample used as many as 87 employees of PT Virama Karya (Persero) East Java Branch.

3.3. Method of collecting data

The data collection method in this study consisted of a questionnaire or questionnaire method. The questionnaire used here uses a measurement scale, namely the Likert scale, the Likert scale is used to measure the attitude of respondents in responding to questions or problems given to those concerned in a research (Sarwono, 2012:72).

3.4. Techniques Analysis Data

The analytical technique chosen to analyze the data and test the hypothesis in this research is Structural Equation Modeling (SEM) with the help of Partial Least Square (PLS) program. According to Ghozali (2012) the calculation is carried out using the SmartPLS Ver 3.28 tool,
4. Analysis and Discussion

4.1. Test Outer Model

Outer model often also called (outer relation or measurement model) specifies the relationship between the variables studied and their indicators.

1. Convergent Validity

Variable Organization Pride (X1) which is measured by 5 items is declared valid as a measuring tool for the construct, because the convergent validity value is above 0.5. Variable Organizational Commitment (X2) which is measured by 6 items is declared valid as a measuring tool for the construct, because the convergent validity value is above 0.5. Variable Transformational Leadership (X3) which is measured by 10 items is declared valid as a measuring tool for the construct, because the convergent validity value is above 0.5. Variable Job Satisfaction (Z) which is measured by 3 measurement items overall has a convergent validity value above 0.5, then 3 measurement items that measure Employee performance (Y) declared valid as a measuring instrument for the construct.

2. Discriminant Validity

The value of cross loadings on all of the constituent constructs is declared to have a good discriminant. Where the correlation value of the indicator to the construct must be higher than the correlation value between the indicator and other constructs.

3. Average Variance Extracted (AVE)

The results of the AVE value for the indicator block that measures the construct can be declared to have a good discriminant validity value because the AVE value is > 0.5. This means that all construct variables are declared reliable.

4. Cronbach Alpha

Cronbach alpha value of each research variable is > 0.60. Thus these results can indicate that each research variable has met the requirements of the Cronbach alpha value, so it can be concluded that all variables have a high level of reliability.

5. Composite Reliability

Based on Table 5.14, it is explained that from the provisions of composite reliability, it is stated that all of the constructs studied meet the criteria of composite reliability, so that each construct can be positioned as a research variable. This indicates that compositely all variables have adequate internal consistency in measuring the measured latent variables/constructs so that they can be used in further analysis.
4.2 Inner Model Test

Figure 2. PLS Research Model

The results of the inner weight value in Figure 5.1 above show that Customer Loyalty is influenced by Support Services Relationship Quality, while Repurchase Intention is influenced by Product Quality, Store Atmosphere, and Customer Loyalty which is shown in the following equation.

\[ Z = 0.097 \times X_1 + 2.191 \times X_2 + 4.188 \times X_3 \]
\[ Y = 0.088 \times X_1 + 1.144 \times X_2 + 4.612 \times X_3 + 0.575 \times Z \]

4.2.1 Hypothesis test

Table 1. Hypothesis Testing Results

<table>
<thead>
<tr>
<th>Hypothesis Test</th>
<th>Original Sample</th>
<th>Sample Mean</th>
<th>Standard Deviation</th>
<th>T-Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization Pride (X1) -&gt; Job Satisfaction (Z)</td>
<td>0.014</td>
<td>0.009</td>
<td>0.149</td>
<td>0.097</td>
</tr>
<tr>
<td>Organizational Commitment (X2) -&gt; Job Satisfaction (Z)</td>
<td>0.208</td>
<td>0.205</td>
<td>0.095</td>
<td>2.191</td>
</tr>
<tr>
<td>Transformational Leadership (X3) -&gt; Job Satisfaction (Z)</td>
<td>0.659</td>
<td>0.667</td>
<td>0.157</td>
<td>4.188</td>
</tr>
<tr>
<td>Organization Pride (X1) -&gt; Employee Performance (Y)</td>
<td>0.013</td>
<td>0.034</td>
<td>0.152</td>
<td>0.088</td>
</tr>
<tr>
<td>Organizational Commitment (X2) -&gt; Employee Performance (Y)</td>
<td>0.130</td>
<td>0.121</td>
<td>0.114</td>
<td>1.144</td>
</tr>
<tr>
<td>Transformational Leadership (X3) -&gt; Employee Performance (Y)</td>
<td>0.699</td>
<td>0.689</td>
<td>0.152</td>
<td>4.612</td>
</tr>
<tr>
<td>Job Satisfaction (Z) -&gt; Employee Performance (Y)</td>
<td>0.073</td>
<td>0.073</td>
<td>0.127</td>
<td>0.575</td>
</tr>
</tbody>
</table>
Based on the results of testing the hypothesis above, it can be interpreted that:

1. Organization Pride no has a significant effect on Job Satisfaction, it is known from the statistical T value of 0.097 which means it is smaller than cut off points of 1.96.
2. Organizational Commitment has a significant effect on Job Satisfaction, it is known from the T statistic value of 2.191 which means it is greater than cut off points of 1.96.
3. Transformational leadership has a significant effect on Job Satisfaction, it is known from the statistical T value of 4.188 which means it is greater than cut off points of 1.96.
4. Organization Pride no significant effect on Employee performance, it is known from the statistical T value of 0.088 which means it is smaller than cut off points of 1.96.
5. Organizational Commitment no has a significant effect on employee performance, it is known from the statistical T value of 1.144 which means it is smaller than cut off points by 1.96.
6. Transformational leadership significant effect on Employee performance, it is known from the statistical T value of 4.612 which means it is greater than cut off points of 1.96.
7. Job Satisfaction no has a significant effect on employee performance, it is known from the statistical T value of 0.575 which means it is smaller than cut off points of 1.96.

4.2.2. Structural Model Testing (Inner Model)

Based on the results of the R2 value, it is known that the independent variables are Organization Pride, Organizational Commitment and Transformational Leadership that affect the variable Job Satisfaction in the structural model has an R2 value of 0.698 which indicates that the model is "moderate". While the variable Free Organization Pride, Organizational Commitment, Transformational Leadership and Job Satisfaction that affect the Employee Performance variable in the structural model has an R2 value of 0.759 which also indicates that the model is "Strong". The suitability of the structural model can be seen from Q2, as follows:

\[ Q2 = 1 - [(1 - R1) * (1 - R2)] \]
\[ = 1 - [(1 - 0.698) * (1 - 0.759)] = 1 - [(0.302) * (0.241)] \]
\[ = 1 - 0.072 = 0.927 \]

4.3. Discussion

4.3.1. Influence of Organization Pride on Job Satisfaction

The results of hypothesis testing are proven that Organization Pride does not have a significant effect on Job Satisfaction on employees of PT Virama Karya (Persero) East Java Branch, because the T statistic value is 0.097 which means it is smaller than 1.96. These results indicate that high Job Satisfaction cannot be formed through the existence of a good Organization Pride. Thus the first hypothesis which reads "There is an influence of Organization Pride on Job Satisfaction on employees of PT Virama Karya (Persero) East Java Branch", declared not accepted and not proven true.

Based on the results of hypothesis testing that has been done, it is proven that Organization Pride has an important role in forming Job Satisfaction. This can be seen from the results of hypothesis testing which is proven that Organization Pride has a positive significant effect on Job Satisfaction. So it can be interpreted that the better Job Satisfaction, the better the Employee Organization Pride.
4.3.2. The Effect of Organizational Commitment on Job Satisfaction

The results of hypothesis testing prove that Organizational Commitment has a significant effect on Job Satisfaction on employees of PT Virama Karya (Persero) East Java Branch, because the T statistic value is 2.191, which means it is greater than 1.96. These results indicate that high job satisfaction can be formed through good organizational commitment. Thus the second hypothesis which reads “There is an influence of Organizational Commitment on Job Satisfaction on employees of PT Virama Karya (Persero) East Java Branch”, was declared accepted and proven to be true.

Based on the results of hypothesis testing that has been done, it is proven that Organizational Commitment has an important role in forming Job Satisfaction. This can be seen from the results of hypothesis testing which is proven that Organizational Commitment has a positive significant effect on Job Satisfaction. So it can be interpreted that the better the Organizational Commitment, the more it will encourage an increase in employee Job Satisfaction. Thus if PT. Virama Karya (Persero) East Java Branch wants to increase the Job Satisfaction of employees, so it is very important for PT. Virama Karya (Persero) East Java Branch to improve Organizational Commitment for the better.

4.3.3. The Effect of Transformational Leadership on Job Satisfaction

The results of hypothesis testing are proven that Transformational Leadership has a significant effect on Job Satisfaction on employees of PT. Virama Karya (Persero) East Java Branch, because the value of T statistic is 4.188, which means it is greater than 1.96. These results indicate that high Job Satisfaction can be formed through good Transformational Leadership. Thus the third hypothesis which reads “There is an influence of Transformational Leadership on Job Satisfaction on employees of PT. Virama Karya (Persero) East Java Branch”, was declared accepted and proven to be true.

Based on the results of hypothesis testing, it was found that Transformational Leadership has a role in forming Job Satisfaction. This is then proven through the existence of a positive and significant influence between Transformational Leadership on Job Satisfaction. So that it can be interpreted that the better the Transformational Leadership, the more it will be able to increase the Job Satisfaction of employees. Thus, if PT. Virama Karya (Persero) East Java Branch wants to have employees with a high level of Job Satisfaction, so it is very important for PT. Virama Karya (Persero) East Java Branch to improve the quality of Transformational Leadership.

4.3.4. The Influence of Organizational Pride on Employee Performance

The results of hypothesis testing proved that Organizational Pride did not have a significant effect on employee performance at PT. Virama Karya (Persero) East Java Branch, because the value of T statistic is 0.088 which means it is smaller than 1.96. These results indicate that high employee performance cannot be formed through a good Organizational Pride. Thus the fourth hypothesis which reads “There is an influence of Organizational Pride on Employee Performance on employees of PT. Virama Karya (Persero) East Java Branch”, declared not accepted and not proven true.

Based on the results of hypothesis testing, it is proven that Organizational Pride has an important
role in improving employee performance. This is evidenced by the unidirectional or positive relationship between Organizational Pride and Employee Performance significantly. So that it can be interpreted that the better the Organizational Pride, the better the Employee Performance. Thus if PT. Virama Karya (Persero) East Java Branch wants to obtain high employee performance, it is important for PT. Virama Karya (Persero) East Java Branch to improve the Organizational Pride.

4.3.5. The Effect of Organizational Commitment on Employee Performance

The results of hypothesis testing are proven that Organizational Commitment does not have a significant effect on Employee Performance at PT. Virama Karya (Persero) East Java Branch, because the value of T statistic is 1.144 which means it is smaller than 1.96. These results indicate that high employee performance cannot be formed through high organizational commitment. Thus the fifth hypothesis which reads “There is an influence of Organizational Commitment on Employee Performance on employees of PT. Virama Karya (Persero) East Java Branch”, declared not accepted and not proven true.

Based on the results of hypothesis testing, it is proven that Organizational Commitment plays an important role in improving employee performance. This is evidenced by the results of hypothesis testing which found a significant and positive influence between Organizational Commitment and Employee Performance. So that it can be interpreted that the higher the Organizational Commitment, the higher the Employee Performance. Thus if PT. Virama Karya (Persero) East Java Branch wants to improve Employee Performance, it is very important for PT. Virama Karya (Persero) East Java Branch to pay attention to the level of Organizational Commitment.

4.3.6. The Effect of Transformational Leadership on Employee Performance

The results of hypothesis testing proved that Transformational Leadership has a significant influence on employee performance at PT. Virama Karya (Persero) East Java Branch, because the value of T statistic is 4.612 which means it is greater than 1.96. These results indicate that high employee performance can be formed through high transformational leadership. Thus the fifth hypothesis which reads "There is an influence of Transformational Leadership on Employee Performance on employees of PT. Virama Karya (Persero) East Java Branch”, was declared accepted and proven to be true.

Based on the results of hypothesis testing, it is proven that Transformational Leadership plays an important role in improving employee performance. This is evidenced by the results of hypothesis testing which found a significant and positive influence between Transformational Leadership and Employee Performance. So that it can be interpreted that the higher the Transformational Leadership, the higher the Employee Performance will be. Thus if PT. Virama Karya (Persero) East Java Branch wants to improve Employee Performance, it is very important for PT. Virama Karya (Persero) East Java Branch to pay attention to the level of Transformational leadership.
4.3.7. Effect of Job Satisfaction on Employee Performance

The results of hypothesis testing proved that Job Satisfaction did not have a significant effect on employee performance at employees of PT. Virama Karya (Persero) East Java Branch, because the value of T statistic is 0.575 which means it is smaller than 1.96. These results indicate that high job satisfaction cannot be formed through high employee performance. Thus the fifth hypothesis which reads “There is an effect of Job Satisfaction on Employee Performance on employees of PT. Virama Karya (Persero) East Java Branch”, declared not accepted and not proven true.

Based on the results of hypothesis testing, it is proven that Job Satisfaction plays an important role in improving Employee Performance. This is evidenced by the results of hypothesis testing which found a significant and positive influence between Job Satisfaction with Employee Performance. So it can be interpreted that the higher Job Satisfaction it will further improve employee performance. Thus if PT. Virama Karya (Persero) East Java Branch wants to improve Employee Performance, it is very important for PT. Virama Karya (Persero) East Java Branch to pay attention to the level of Job Satisfaction.

5. Conclusion

Based on the discussion carried out, the conclusions that can be drawn are as follows:

1. Organization Pride has not significant effect on Job Satisfaction of employees of PT Virama Karya (Persero) East Java Branch.
2. Organizational Commitment has significant effect on Job Satisfaction of employees of PT Virama Karya (Persero) East Java Branch.
3. Transformational leadership has significant effect on Job Satisfaction of employees of PT Virama Karya (Persero) East Java Branch.
4. Organization Pride has not significant effect on Employee performance PT Virama Karya (Persero) East Java Branch.
5. Organizational Commitment hasn’t significant effect on Employee Performance PT Virama Karya (Persero) East Java Branch.
6. Transformational leadership has significant effect on Employee performance PT Virama Karya (Persero) East Java Branch.
7. Job Satisfaction hasn’t significant effect on Employee Performance PT Virama Karya (Persero) East Java Branch.

Based on the conclusion, it is suggested that PT. Virama Karya (Persero) East Java Branch to pay attention to organization pride, organizational commitment and transformational leadership so that employee performance can increase.

Acknowledgment

The author would like to express his gratitude to the lecturers of the University of 17 August 1945 Surabaya for the support given in the writing of this research work.

References


Cahyani, R. A., Sundari, O., & Johnson, dongoran. (2020). The Effect of Organizational Commitment and Job Satisfaction on Employee Performance (Study at PDAM Drinking Water Regional Companies Salatiga City). *Journal of Ecobis Dewantara*, 3 (1).


