Examining transformational leadership, Work Environment and Job Satisfaction on Organizational Commitment: Employees PT. Pandungo Main Partner

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ABSTRACT

Research Aims: This research aims to examine the influence of Transformational Leadership, Work Environment, and Job Satisfaction on Organizational Commitment.

Design/methodology/approach: the study employed a quantitative research approach. 32 workers at PT. Pandungo Main Partner served as the study's sample. The research employs a non-probability sampling technique for sampling. A Likert scale questionnaire distributed in accordance with suitable criteria is used as the data collection tool in this study. Utilizing partial least squares structural equation modeling for statistical analysis (PLS-SEM).

Research Findings: The study's findings demonstrate the positive and substantial effects of job satisfaction, work environment, and transformational leadership style on organizational commitment. Employee commitment, to the company overall and to their profession, is predicated on a favorable evaluation of their jobs.

Theoretical Contribution/Originality: This research provides new insight into how transformational leadership, work environment, and job satisfaction influence employee organizational commitment

Keywords: Transformational Leadership; Work Environment; Job Satisfaction; Organizational Commitment.

Introduction

An organization is a multifaceted entity that can be used for input to output resource management. Within this framework, evaluating and enhancing an organization's effectiveness centers around human resource management (HRM). One of the most important components of organizational dynamics is thought to be human resources. Despite the roles that money, technology, and capital each play, these resources are still under human control and direction (Dessler, 2017). Human resources are essential for fostering commitment, cohesion, change management, and high-quality output.

The dynamics of leadership, the working environment, and overall job satisfaction have all changed significantly as a result of the COVID-19 pandemic. In the case of PT. Pandungo Mitra Utama, this research focus due to several existing problems, such as the existence of several employees who had difficulty adapting to
the changes that occurred within the organization, resulting in shifts in tasks, team structures, and policies. Then there is also a lack of support and collaboration between teams, which causes unclear roles and a lack of mutually constructive cross-team communication.

The business most likely encountered significant difficulties during the pandemic, and these modifications had an impact on the work environment, employee satisfaction, and leadership style. Significant difficulties this company has faced since the COVID-19 pandemic have affected employee satisfaction, work environment, and leadership dynamics (Ennis et al., 2018). The past five months' worth of employee evaluations highlight problems that need to be fixed, sustaining organizational commitment, and boosting output. Thus, in order for the business to improve its internal dynamics, a number of issues are brought up. in order to sustain employees' commitment to the organization and to offer solace and inspiration for raising work output. According to interviews with the leaders of PT Pandungo Mitra Utama. A workers quit because they did not receive the pay they had anticipated, aside from that. Worker turnover increased to 28.57% in 2022 for companies with eight employees, compared to 3-6 resignations in a single year for companies with nine or fewer employees. Employee turnover occurs almost annually from 2019 to 2023, which is currently in progress. The data illustrates the growing trend of low job satisfaction leading to higher employee turnover. Thus, it indicates that staff members' lack of dedication to the company (Primary data, 2023)

According to (Ennis et al., 2018); Green et al., (2013); Alkarabsheh et al., (2022), transformational leadership is redefining organizational culture, creating organizational structures, and putting management plans into action in order to accomplish organizational objectives. The activity of people who plan, direct, and coordinate others to accomplish goals is known as leadership. In this sense, transformational refers to the capacity to alter something into a new form. Another important factor under investigation is the workplace. This covers the interpersonal dynamics among coworkers as well as the environmental, psychological, and physical aspects of the workplace. A review of the working conditions at PT Pandungo Mitra Utama reveals a number of issues that need to be addressed, including workplace smoking and individual cellphone use. Naqshbandi et al., (2023) define the work environment as the entirety of the equipment and supplies that are present in the immediate surroundings of a person's place of employment and are utilized for both individual and group work methods and arrangements. The workplace serves as a gathering place for various groups with facilities that are utilized to accomplish organizational objectives in line with the vision and objective. The infrastructure and facilities surrounding employees while they work can have an impact on how the work is carried out, but Çakar & Ertürk, (2010); Erkutlu, (2011) define the work environment as everything situated around the employees.

This study delves deeper into the third factor, which is job satisfaction. Low organizational commitment is often observed among employees who are unhappy...
with their workplace. In-depth interviews with business executives exposed a pay disparity that some workers were not happy with, which added to the high turnover rates of the previous few years. In organizational behavior research, job satisfaction is the variable that has been examined the most (Green et al., 2013); (Samad et al., 2022) It is an interesting topic. The effectiveness and efficiency of an organization are thought to be influenced by employee behavior, which in turn can be brought about by job satisfaction, according to (Abouraia & Othman, 2017). A good feeling about one's work that arises from an assessment of one's personal qualities is known as job satisfaction.

The three primary components of organizational commitment are affective commitment, continuance commitment, and normative commitment, as stated by (Abouraia & Othman, 2017) In order to determine whether or not an employee will stay attached to the organization, this commitment is used to represent the employee's psychological relationship with the organization. Based on (Özkan, 2022) Concerns about employees, organizations, and society at large are also greatly impacted by organizational commitment. Through relevant extrinsic and intrinsic rewards, employees can reap the benefits of this dedication to the organization. The significance of this research lies in the fact that few prior studies have thoroughly examined the variables under investigation, particularly with regard to research objects within the production sector (Torlak et al., 2020).

This study integrates analysis of job satisfaction, work environment, and transformational leadership style. The purpose of this study is to shed more light on the connection between these variables and the organizational commitment of PT Pandungo Mitra Utama's workforce. It is intended that the research's conclusions will offer comprehensive understanding and useful suggestions for enhancing the organization's human resource management. The author is interested in writing under the title "The Influence of Transformational Leadership Style, Work Environment, and Job Satisfaction on Organizational Commitment" to the employees of PT Pandungo Mitra Utama, based on the background of the problem as described above.

Literature Review

Organizational Commitment

Organizational commitment is defined as a psychological condition that describes an employee's relationship with the organization or its implications and influences whether or not the employee will stay in the organization. It can be classified into three categories: affective commitment, continuous commitment, and normative commitment (Chen et al., 2023). This information was reported by Sireegar et al. (2022). In addition to discussing how close employees are to the company where they work, commitment to the organization also indicates how strongly employees are involved with and loyal to the company. The amount of
work assigned to employees in accordance with their expectations has a significant impact on their level of involvement and loyalty. Because it affects the commitment of workers, the organization, and society at large, organizational commitment is also a crucial idea.

A sense of self-confidence, commitment, loyalty, and respect for leaders is one of the positive impacts of transformational leadership on workers, according to Ramadani Rachmah et al. (2022). Transformative leaders are expected to be able to inspire their team members to work better, produce fresh concepts, and make the company more adaptable and competitive. These results also support the research findings of Khan et al. (2019), who found that organizational commitment was positively influenced by transformational leadership.

**Transformation Leadership**

According to Koemala (2023), the transformational transformation of a leadership team looks at how leaders alter organizational culture, create organizational structures, and put management strategies into practice in order to accomplish organizational goals. Individuals who exercise leadership in a group are those who plan, coordinate, and give guidance in order to accomplish the predetermined goals before. Transformational leadership, according to (Ennis et al., 2018), is leadership that inspires subordinates to go above and beyond expectations and can foster in them a sense of commitment, loyalty, and self-confidence. A leader needs to be able to inspire and guide others to perform better as well as generate fresh concepts that help the company become more competitive and adapt to changing circumstances. Utarayana & Dewi Adnyani (2020) posit that leaders exhibiting transformational leadership qualities can bolster organizational commitment by motivating and inspiring their staff to achieve greater success in their job performance.

This study supports the findings of another study by (Abouraia & Othman, 2017; Diko & Saxena, 2023) which found a connection between transformational leadership style and organizational commitment. Thus, transformational leadership plays an important role in forming organizational commitment, which is the basis of the research hypothesis:

**H1**: Transformational leadership has a significant effect on organizational commitment

**Work Environment**

The work environment is one of the variables that can affect the attainment of organizational commitment, according to (Swaminathan, 2013). Undoubtedly, a workplace offering comprehensive and secure amenities can draw in workers as their requirements are typically fulfilled. Companies need to create a desirable workplace if they want to see an increase in employee motivation and commitment, which will lead to better outcomes for the business. It can be argued that a good
work environment can boost organizational commitment when the work factors are arranged correctly and foster positive relationships among coworkers (Issock et al., 2020).

The workplace serves as a gathering place for several groups and has amenities that help them accomplish organizational objectives in line with the vision and mission. However, (Naqshbandi et al., 2023) define the work environment as all of the surrounding infrastructure and work facilities used by employees to carry out their duties, which may have an impact on how well work performance is implemented. This study supports the findings of another study by (Masharyono et al., 2018; Celik et al., 2018) which found a connection between work environment and organizational commitment. Thus, work environment an important role in forming organizational commitment, which is the basis of the research hypothesis:

H2: Work environment has a significant effect on organizational commitment

**Job satisfaction**

An employee's level of job satisfaction at his place of employment can be influenced by a number of factors, including the workspace's layout, the coworkers' and employee's personalities, the pay the company pays, and the company's cooperative social responsibility initiatives. An employee will work more enthusiastically if he or she is happy with their work (Samad et al., 2022). Employee commitment to the company will increase if there is a high level of enthusiasm among the staff.

In organizational behavior research, job satisfaction is the most researched variable and an intriguing topic (Wati & Artha Wibawa, 2022; Chao et al., 2015). Job satisfaction has the potential to influence employee behavior, which in turn affects organizational functions and is thought to also affect organizational efficacy and efficiency (Sabri & Sumardin, 2021; Nguni et al., 2006). The definition of job satisfaction is a favorable attitude toward one's performance on the job that comes from an assessment of one's personal qualities. Positive attitudes toward their work and vice versa are characteristics of an individual with high job satisfaction (Nurjanah et al., 2020). Work satisfaction is a unique perspective on work-related aspects, personal growth, and relationships with people outside of the workplace. Essentially, job satisfaction is a personal matter for each employee.

This research conducted by (Abouraia & Othman, 2017) explained that there is a significant positive relationship between job satisfaction and organizational commitment. This research is also in line with research conducted by (Rizwan et al., 2017; Chan & Ao, 2019). Based on previous studies, the third hypothesis can be formulated as follows:

H3: Job satisfaction has a significant effect on organizational commitment
Method
This research is included in the quantitative research category using survey methods for data collection by distributing questionnaires with the help of Google Forms. Participants in this research were employees of PT. Pandungo Main Partner. The sample used was part of the employees of PT. Pandungo Mitra Utama, totaling 32 people. The method used to determine the sample is a nonprobability sampling technique. Primary data in this study was collected through a questionnaire with a measurement scale using a Likert scale ranging from 1 to 5. Statistical analysis of Partial Least Squares Structural Equation Modeling (PLS-SEM).

Result and Discussion
The results of this data processing will include validity and reliability test values for each variable related to solving the problems raised in this research. Outer model evaluation was carried out to test the validity and reliability of the statement items for each variable using a sample of 32 respondents. Following are the results of the tests that have been carried out.

Table 1. Validity and Reliability Test Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Loading Factor</th>
<th>AVE</th>
<th>Cronbach Alpha</th>
<th>Composite Reliability</th>
<th>R-Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational Leadership</td>
<td>&gt; 0.600</td>
<td>0.567</td>
<td>0.936</td>
<td>0.938</td>
<td></td>
</tr>
<tr>
<td>Style</td>
<td>Work environment</td>
<td>&gt; 0.600</td>
<td>0.589</td>
<td>0.899</td>
<td>0.902</td>
</tr>
<tr>
<td>Job satisfaction</td>
<td>&gt; 0.600</td>
<td>0.578</td>
<td>0.965</td>
<td>0.967</td>
<td></td>
</tr>
<tr>
<td>Organizational Commitment</td>
<td>&gt; 0.600</td>
<td>0.558</td>
<td>0.946</td>
<td>0.949</td>
<td></td>
</tr>
</tbody>
</table>

Source: Data processed by researchers, 2023

The results of the analysis processed from the data that have been obtained show that the validity and reliability test results are in accordance with the criteria. First, as seen in Table 1, all values meet this criterion, while showing that each construct is able to explain more than 50% of the indicator variance. Second, internal consistency was evaluated by examining Cronbach's alpha and Composite Reliability (CR) values (Hair et al., 2019). Table 1 shows that each construct has a Cronbach's alpha and CR value above 0.7, indicating that there is no indication of indicator redundancy and supporting internal consistency (Hair et al., 2019). Third, the validity of the measurement model is evaluated anda Average Variance Extracted (AVE) value of more than 0.5, which supports convergent validity (Hair et al., 2019). Based on the inner model evaluation, it was carried out to test the R-Square which is useful for determining the influence between variables. The results of the $R^2$ value in this
research show that the $R^2$ value of organizational commitment is 0.975 or 97.5%. The $R^2$ value is considered to be meaningful because it is above 0.1 (Falk & Miller, 1992).

Table 2. Direct Effect Testing

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Path coefficient</th>
<th>t-value</th>
<th>p-value</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational Leadership</td>
<td>0.506</td>
<td>4.354</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
<tr>
<td>Style (X1) -&gt; Organizational Commitment (Y)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work Environment (X2) -&gt;</td>
<td>0.251</td>
<td>2.581</td>
<td>0.011</td>
<td>Accepted</td>
</tr>
<tr>
<td>Organizational Commitment (Y)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job Satisfaction (X3) -&gt;</td>
<td>0.247</td>
<td>2.400</td>
<td>0.018</td>
<td>Accepted</td>
</tr>
<tr>
<td>Organizational Commitment (Y)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Data processed by researchers, 2023

Hypothesis testing is an integral part of this research. Discussion of the results of the analysis that has been carried out will be the focus of this research, where the results are expected to clearly indicate the achievement of the research objectives. The results of this research bring a new perspective in understanding the organizational commitment of PT Pandungo Mitra Utama employees. This discussion is the result of the analysis carried out in the previous sub-chapter, with the aim of explaining the achievement of the research objectives. There are three important results that can be highlighted in this research:

**Figure 1.**

Hypothesis Test Results Model

Source: Data processed by researchers, 2023
The results of testing the first hypothesis (H1) show acceptance of H1 with an R-square value of 0.506 and p-value <0.05, significantly supporting H1 where the results of hypothesis testing show that there is a positive and significant relationship between transformational leadership styles towards organizational commitment. These findings indicate that there is a strong relationship between transformational leadership style and the level of organizational commitment in the context of this research. This relationship explains that the presence and practice of a transformational leadership style in an organization makes a positive contribution to the level of employee involvement and loyalty to the organization. According to Ramadani Rachmah et al. (2022), transformational leadership has a positive impact on employees by creating a sense of self-confidence, commitment, loyalty and respect for leaders. Leaders who apply a transformational leadership style are expected to be able to direct employees to be better in their performance, develop new ideas, and make the organization grow competitive and adaptive to change. This finding is also consistent with research by Khan et al. (2019), which states that transformational leadership style has a positive influence on organizational commitment. Thus, the results of this research contribute to the understanding of the importance of transformational leadership in forming organizational commitment in the work environment of PT Pandungo Mitra Utama.

The results of testing the second hypothesis (H2) show acceptance of H2 with an R-square value of 0.251 and p-value <0.05, significantly supporting H2 where the results of hypothesis testing show that there is a positive and significant relationship between the work environment towards organizational commitment. These findings indicate that there is a strong relationship between the work environment and the level of organizational commitment in the context of this research. This relationship explains that work environmental factors play an important role in forming and maintaining the level of employee commitment to the organization. Base on Irawan & Le (2022), the work environment is one of the factors that can determine the achievement of organizational commitment. A work environment that provides complete and safe facilities has the potential to attract employees, because their needs tend to be met. To produce a positive impact, companies need to design a work environment that is attractive, can increase commitment and motivate employees, which in turn will make a positive contribution to the results achieved by the company. Work factors that are well structured and create harmonious relationships between colleagues can form a good work environment and increase organizational commitment. In this context, research conducted by Sifa Aprilliana (2021) also shows that the work environment has a significant influence on organizational commitment. Therefore, the results of this research provide strong support for the understanding that a good work environment can be an important catalyst in increasing organizational commitment among PT Pandungo Mitra Utama employees.
The results of testing the third hypothesis (H3) show acceptance of H3 with an R-square value of 0.247 and p-value <0.05, significantly supporting H3 where the results of hypothesis testing show that there is a positive and significant relationship between job satisfaction towards organizational commitment. Job satisfaction is defined as positive feelings related to work, which arise from evaluating one's job characteristics. These findings indicate that there is a strong relationship between job satisfaction and the level of organizational commitment in the context of this research. This relationship explains that employee job satisfaction plays a significant role in shaping the level of organizational commitment. The higher the level of job satisfaction, the stronger the level of organizational commitment that is formed.

Job satisfaction has been known as a factor that influences employee behavior and has the potential to influence organizational effectiveness and efficiency (Sabri & Sumardin, 2021). In addition, job satisfaction is considered to have an impact on commitment to work, both professional commitment and organizational commitment. A person's level of job satisfaction can be influenced by performance from both internal and external factors. This means that job satisfaction is not only related to internal factors such as assessment of work, but also related to external factors such as the work environment and organizational support (Tanjung, 2020). This finding is in line with other research, such as that conducted by Indrianingsih & Yunianto (2022), which states that job satisfaction has an influence on organizational commitment. Thus, the results of this research contribute to understanding the complex relationship between job satisfaction and the level of organizational commitment at PT Pandungo Mitra Utama. This conclusion can be used as a basis for management to increase employee job satisfaction, with the hope of increasing the level of organizational commitment in the work environment.

Conclusion

The results of this research indicate that there is a positive and significant relationship between transformational leadership style and organizational commitment. This research also confirms that there is a positive and significant relationship between the work environment and organizational commitment, where a positive work environment will be able to increase employee commitment to the company and increase loyalty. This research also confirms the final hypothesis that the influence of job satisfaction and organizational commitment has a positive and significant influence. Job satisfaction will form a positive evaluation of the employee's character and be able to provide a positive outlook for the company, improving the organization's ability to foster commitment to each of its employees.

Limitation

The research was carried out according to the research design plan and was carried out optimally. However, there are still several limitations to this research, namely that only 32 respondents were employees of PT. Pandungo Mitra Partner. Apart from that, the variable indicators studied are only limited to transformational leadership, work environment, job
satisfaction, and organizational commitment, so it is necessary to discuss in more depth and sharpness several variables that are able to influence broader organizational commitment.

References


