

-RESEARCH ARTICLE-

## THE INFLUENCE OF TRANSFORMATIONAL LEADERSHIP, COMPETENCE AT WORK, AND JOB CHARACTERISTICS ON THE EMPLOYEE PERFORMANCE THROUGH ORGANIZATIONAL COMMITMENT: A SOCIAL EXCHANGE PERSPECTIVE

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### —Abstract—

Employee performance is a critical contributing factor in terms of enhancing organizational performance. It is established knowledge that the success or failure of any organization mainly depends upon the performance of its employees. Therefore, the present research aims to explore the factors that may enhance employees' performance. Specifically, the study intends to analyze the effect of transformational leadership, competence, and job characteristics on the performance of organic employees of shipping organizations, directly and indirectly through organizational commitment. A sample of 253 out of 685 employees of PT.PELNI (an Indonesian shipping organization) is drawn by using the Slovin formula. The survey method is used to collect primary data for the study. The collected data is subsequently analysed using both descriptive and inferential statistics and by using the Structural Equation Modeling (SEM) technique for further data analysis. The results of the study confirm the direct relationships of transformational leadership, competence, and job characteristics with the performance of organic employees. The study also confirms the indirect effect of transformational leadership, competence, and job characteristics on the performance of organic employees through organizational commitment. The limitations, research implications and directions for future research are also include in the concluding part of the study.

**Keywords:** Transformational leadership, competence work, job characteristics, organization commitment, employee performance

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## 1. INTRODUCTION

### 1.1 Background Issues

Human Resources (HR) is the primary capital for the development of any organization. Therefore, the quality of human resources must always be developed and directed in a way that the company can achieve its expected goals and targets. Contemporary challenges to effective HR management can potentially cause many companies to fail, both as a result of the lack of proper work results from existing human resources at the company, and other problems (Margherita, 2021). Consequently, the quality of human resources should be monitored and improved to fulfil the company objectives. Quality human resources will increase the abilities of the company to compete with similar companies. The quality of human resources in a company can be seen as the performance achieved by employees in carrying out their duties (Tambe et al., 2019). For the purpose of this study, one type of company that demands its employees to deliver high performance has been identified and studies i.e. a shipping company.

Population growth and the maritime industry's expansion in each province of Indonesia have both been on the rise. The demand for marine transportation is increasing, both in quality and quantity. One of the elements that contributes to ensuring responsiveness to customer needs is the availability of sufficient human capital in Indonesian shipping enterprises. If a company does not have the assistance of high-quality human resources, its advancement or degradation will not function as smoothly as it could (Thamrin, 2020). Similarly, Article 261 Paragraph 1 of Law No. 17 of 2008, concerning shipping, states that the implementation and development of human resources in the field of shipping is carried out in order to provide professional, competent, disciplined, and responsible human resources, as well as to meet national and international standards in the field of shipping and maritime transportation (Sara et al., 2021). In conjunction with the execution of the rules and regulations, it becomes an opportunity for organizers of shipping activities to train human resources for transportation on waterways and ports, marine safety and security, as well as environmental protection in the context of the maritime industry.

Shipping companies are sea transportation service industry businesses that provide enormous benefits for the movement of goods through waters, both, in terms of place and time utility. Based on its activities, shipping is divided into commercial shipping, which consists of the shipping business, commercial shipping, marine merchants, and non-commercial shipping. The routes it sails are divided into national and international shipping activities. Several service companies are spread throughout Indonesia, one of which is PT. PELNI. Based on data obtained from PT. PELNI, it is found that performance is still not optimal. A detailed assessment of the company's operations show how its employees are not thorough in their work as they continue to remain susceptible to mistakes. The quality of work must be balanced with the quantity of work, where each employee is required to work professionally to reach the targets set by PT.

PELNI. The regulation regarding Individual Performance Value (IPV) is intended to assess the performance of PT. PELNI employees. The good works can be seen from a performance statement within a specified period stated in the achievement score limit (Yusuf et al., 2020).

It is only possible for employees to perform at their best when the company's management are able to manage their human resources in the right manner (Margherita, 2021). In the workplace, leaders create conducive and helpful conditions (Eliyana et al., 2019). This is so because every leader is distinct, and a corporation needs talent mapping for certain structural positions. Talent mapping is used to find prospective leaders who have capabilities and fit into the company's culture and work environment. According to Whysall et al. (2019), talent management is critical in today's intensely competitive business environment. There has been a lot of research done on the relationship between leadership style and work performance (Eliyana et al., 2019; Oc, 2018). Transformational leadership is a way of changing and transforming people's attitudes and behaviors (Eliyana et al., 2019).

Furthermore, it can be seen that an employee delivers quality performance if he or she has a strong organizational commitment to their company (Cesário et al., 2017). Organizational commitment is an attitude that reflects employee loyalty to his company. Employees with high organizational commitment are expected to show optimal performance (Eliyana et al., 2019). Someone who joins a company is required to have organizational commitment in themselves. Commitment to the organization indicates the degree to which employees believe and accept the organization's goals, and want to stay associated with the organization (Syafitri et al., 2021). Hence, the present study aims to identify and analyse the structural model of the factors that may enhance the work performance of PT. PELNI employees.

## **2. LITERATURE REVIEW**

### **2.1 Social Exchange Theory**

The Social exchange theory (SET) serves as the underpinning theory of this research. SET states that people enter into business relationships with organizations in order to maximize the benefits they receive from those relationships (Cropanzano et al., 2017). Employees and employers have an implicit agreement, referred to as a psychological contract, that governs the trade of social goods and services. It has been demonstrated that psychological contracts, which are guided by the norm of reciprocity, play a crucial role in influencing organizational behavior (Cook et al., 2020). Consequently, when an employee receives benefits that are "over and above" what they would typically anticipate from their employer, they are obligated to repay the benefit in some way to the community in which they live. Beginning with the treatment of a target individual in either a positive or negative manner by an organizational actor or offender (often a supervisor or coworker), the social exchange process is initiated (Cropanzano et al.,

2017). In order to avoid ambiguity, this study refers to these early behaviors as initiating actions.

After receiving the initial action, the target, who is typically a subordinate or coworker, may choose to respond with either a positive or negative conduct of his own (Porter, 2018). These kinds of activities are referred to as reciprocal responses by the scientific community. According to social exchange theory, in response to positive initiating activities, targets will tend to respond in kind by participating in more positive reciprocating replies and/or less negative reciprocating responses, with the goal of achieving reciprocity (Cropanzano et al., 2017). These responses can be roughly classified into two sorts, depending on how they are expressed: relational responses and behavioral responses. Notably, one type is frequently the cause of the other. For the purposes of this discussion, a succession of successful reciprocal exchanges may be understood as sufficient to transform an economic exchange connection into a high-quality social exchange relationship. Individuals may grow to be more trustworthy, affectively engaged to organizations, and so on as a result of this process (Ohemeng et al., 2020). Based on this discussion, it is reasonable to assume that the development of a favorable social exchange connection will be more likely to result in enhanced organizational commitment and employee performance owing to transformational leadership, work competencies and job characteristics.

## 2.2 Employee Performance

Performance is a part of the process of completing a certain individual task or set of tasks (Margherita, 2021). In other words, employee performance is a stage of achievement when an employee from the organization completes a task assigned to him or her. An individuals' work performance in an organization is greatly influenced by three main factors: organizational support, abilities or management effectiveness, and the work performance of every individual who works for that organization. Each unit in an organization has several divisions, with some individuals working in each division (Tambe et al., 2019). A number of definitions can be found in the literature regarding work performance. First, it is defined as the sum of one's efforts and the results of these efforts, as well as the knowledge of what to do and how to do it (Whysall et al., 2019). Diamantidis et al. (2012) define work performance as a person's ability to carry out activities that contribute to the development of the organization's technical core. While several other authors define work performance as a person's ability to carry out activities that contribute to the development of the organization's technical core (Margherita, 2021).

## 2.3 Transformational leadership

The transformational leadership style is regarded as the most effective for promoting positive employee attitudes as compared to transactional leadership (Arnold, 2017). Transformational leaders stimulate their subordinates to develop new perspectives on

leadership as a result of the intellectual stimulation provided by the transition (Eliyana et al., 2019). With the help of inspirational motivation and personality, leaders are able to create the impression that they are individuals who are capable of supporting and caring for their subordinates with individualized consideration (Buil et al., 2019). However, transactional leadership, as defined by Jensen et al. (2019), is a managerial leadership style that stresses the overseeing, arranging and assigning of tasks as well as the managing and monitoring of each individual's performance. Employees who depart from specified norms will receive direct rewards from transactional bosses, who will also monitor their jobs and provide warnings and sanctions to those who do not meet performance requirements.

Transformational leadership is crucial in bringing about changes that are required to ensure good management. According to (Arnold, 2017), transformational leaders have the potential to transform companies through the clarity of their vision for the future. By defining their vision, they can empower their employees to take responsibility for attaining the organization's goals. Bass in his seminal work identifies four distinct characteristics exhibited by these leaders: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. For the sake of simplicity, idealized influence, often known as "charisma," refers to leaders who exhibit high moral and ethical standards in their actions and words (Buil et al., 2019). They exhibit self-assurance, are held in great respect by others, and serve as powerful role models for those around them. Creating an inspiring and exciting vision and communicating it to others is what inspires and motivates employees to follow it. Leadership style of a transformative nature inspires followers to work together to achieve a common goal and empowers them to do so. Intellectual stimulation requires a leader who can stimulate their followers' creativity by presenting them with new and challenging ideas as well as alternative solutions to challenges. Finally, individualized consideration entails paying close attention to the specific needs of followers in terms of achievement and progress, as well as giving coaching and mentorship to those followers (Eliyana et al., 2019; Jensen et al., 2019).

Several researchers, including Buil et al. (2019), have found a positive association between transformational leadership, and both, employee job performance and staff commitment in the context of the banking industry. In addition, they argue that transformational leaders assist employees in becoming more creative and imaginative in order to adapt to changes in the external environment. Therefore, Naguib et al. (2018) infer that transformational leadership has a major impact on organizational innovation during market trends, particularly in emerging industries. Additionally, according to Arnold (2017), transformational leaders play a critical impact in the organization's ability to deliver high-quality performance. Furthermore, the research of Bush (2017) demonstrates a significant relationship between leadership and professional development. Therefore, it is hypothesized that:

H1: There is a positive influence of transformational leadership on employee performance of PT. PELNI.

## 2.4 Work Competencies

Competency refers to the knowledge, abilities, and attitudes that an individual possesses (KSA). The interplay of knowledge, skills, and attitude is referred to as competence (Esthi et al., 2019). Cognitive, functional, behavioral and meta-competencies are the most important elements delineated in the concept of competency (Ikävalko et al., 2020). To achieve an acceptable level of productivity within limited resources, it is vital to have a well-trained workforce (Margherita, 2021). Whysall et al. (2019) assert that the compatibility of talents with the nature of the work is a prerequisite. As a result, it is critical to assess an applicant's abilities prior to making a hiring decision. David McClelland coined the term "competence" in 1973, and it has been further expanded by Boyatzis as the "theory of competency and EP" in 1982 (Salman et al., 2020) which it is still in use today. Competence denotes adequacy from an epistemological standpoint. According to Konttila et al. (2019), competency can be classified as greater, average, normal, poor, effective, or ineffective, among other things. Based on the above discussion, it can be theorized that:

H2: There is a positive influence of competencies on employee performance of PT. PELNI.

## 2.5 Job Characteristics

It is clear from the studies examined that organizational financial incentives integrated in "job characteristics" serve as a tool to boost employees' intrinsic motivation toward their jobs and toward the company or industry as a whole. As a result, corporations, while assisting employees in meeting their socio-emotional requirements, also foster a sense of responsibility in employees toward the firm (Oerlemans et al., 2018). As a result, an employee's perception regarding the conditions of a "reciprocal exchange agreement between the employee and the employer" results in the formation of a psychological contract (Ahmad et al., 2018). Economic and socio-emotional factors can be identified as the basis for this agreement in both cases. Employers assume that the debt created through advance rewards will operate in a way as to bind them to a particular system until the loan is returned to the extent that the reciprocation norm is in effect (Oerlemans et al., 2018). The findings of (Cai et al., 2019) reveal that people might perceive of duties as something they should do and/or as something they want to do, and that obligations experienced as wants are linked to greater satisfaction. While Ahmad et al. (2018) refers to this reciprocal requirement as internalized normative pressure as this makes organizational commitment an ethical responsibility because the employee feels that he or she is obligated to do so. This sense of commitment is determined by the extent to which the employee believes that he or she should be devoted to his or her institution, make individual sacrifices to help it out, and refrain from criticizing it or criticizing



others (Oerlemans et al., 2018). These arguments unequivocally show that there is a functional relationship between organizational offerings and employee attitude in organizations. Therefore, it is hypothesized that:

H3: There is a positive influence of job characteristics on employee performance of PT. PELNI.

## 2.6 Organizational Commitment

Organizational scholars and professionals have conducted extensive research into organizational commitment (OC) because of the remarkable influence it has in the workplace. OC is conceptualized as a human reaction that serves as a sign of congruence between workers' ambitions and organizational objectives (Cesário et al., 2017). Worker's commitment can be defined as their level of trustworthiness in relation to their job or company. Employees who are dedicated to their organizations are more likely to stay with them and to work harder to achieve their goals. Employees who are not committed or less committed on the other hand, are less enthusiastic about continuing their employment with a company and, as a result, are less motivated to fulfill organizational goals (Ahmad et al., 2018). Berberoglu (2018) asserts that the term "OC" has a variety of implications. The researchers' psychological states, antecedent situations, and behaviors can all be contributing factors. When a worker expresses commitment, it indicates that he or she has an enthusiastic attitude about the organization and its goals. OC entails an employee's commitment to their job and their desire to work towards achieving corporate objectives (Cesário et al., 2017).

There is copious amount of literature focusing on the relationship between OC and skills. Martini et al. (2018) found a statistically significant link between competencies and OC. A number of other investigations have also demonstrated a link between competencies and OC. Additionally, Ohemeng et al. (2020) discover a positive relationship between leadership abilities and OC. Furthermore, Cesário et al. (2017) confirm that a devoted worker is capable of performing his or her job. Similarly, there is a considerable relationship between a worker's talents and his or her devotion to the firm (Whysall et al., 2019). It has also been shown that there is a positive association between organizational commitment and communication competencies (Yu et al., 2017). A similar relationship is found between organisational commitment and interpersonal skills (Azam, 2020). According to Lambert and Paoline, OC is associated with a supervisory role and effective communication skills.

Furthermore, according to the findings of various studies, there is a positive and significant relationship between transformational leadership, work competencies, job characteristics and organizational commitment, as well as a between organizational commitment and work performance. Hence, based on prior literature, the present study hypothesizes the following:

H4: Transformational leadership, employment competence, and job characteristics have indirect effects on the organic employees of PT. PELNI through organizational commitment.

### 3. RESEARCH METHODS

The method used in this study is the survey method with descriptive and associative explanatory techniques that are used to obtain information about the determinants of organizational commitment, consisting of transformational leadership, work competencies, and job characteristics and their implications for employee performance through organizational commitment. The associative research is a research that aims to determine the effect or relationship between two or more variables.

The design of the study is to group the variables in a descriptive study to provide an overview of the various characteristic variables proposed and associations with phenomena occurring factual, through employee perception of the determinants of the organizational commitment which consist of transformational leadership, job competence, job characteristics, and their implications on employee performance. The verification research is to answer the research hypothesis used that can rely on the use of survey methods within the framework of an explanatory research type with a view to study and describe the causal relationship between the variables understudy.

Based on the data collected, the object of the research or its observation unit (alternatively, unit of analysis), is the individual employee working in the offices of PT. PELNI in Jakarta, and large provincial branches, namely Medan, Surabaya, Makasar, Ambon, and Jayapura. The purpose of the study is to study and analyze organizational commitment, consisting of transformational leadership, work competence, and job characteristics as well as their implications for employee performance.

Following the studies of [Arnold \(2017\)](#) and [Buil et al. \(2019\)](#) and [Bush \(2017\)](#), the scale of 34 items consists of five dimensions is used to measure transformational leadership. The construct of competencies has been measured using 17 items scale that have three dimensions ([Esthi et al., 2019](#); [Ikävalko et al., 2020](#); [Martini et al., 2018](#)). Likewise, the constructs of job characteristics ([Ahmad et al., 2018](#); [Oerlemans et al., 2018](#)) and employee performance ([Syafitri et al., 2021](#); [Thamrin, 2020](#); [Yusuf et al., 2020](#)) is measured by 24 items and 30 items, respectively. Each scale has five dimensions. All the scales are measured on a five point Likert scale ranging from 1=strongly disagree to 5=strongly agree.

The approach in modelling and solution techniques that will be used as a tool of analysis is a structural equation modelling (SEM) method. The reason for choosing this method is its ability to measure constructs indirectly, namely through its indicators as well as its ability to analyze indicator variables, latent variables, and their measurement errors. With SEM, we can study and analyze how the relationship between indicator variables



with their latent variables (known as measurement equations) and the relationship between latent variables (known as structural equation modelling), which together involve errors of measurement (Hair Jr. et al., 2019). In SEM, the dependent variable is also called an endogenous variable, while the independent variable is called an exogenous variable.

### 3.1 Population and Engineering Collection Sample

#### 3.1.1 Research Population

The target population or sample of the present study are the 685 organic employees of PT. PELNI, in Jakarta, and branches in Medan, Surabaya, Makasar, Ambon, and Jayapura. An organic employee refers to an individual employee still working in the office of PT. PELNI and branches of large companies in Indonesia which are on land. At PT. PELNI, the provisions as permanent organic employees, is that with a minimum service period of 5 years.

#### 3.1.2 Research Samples

Hair Jr et al. (2017) state that the minimum sample size is as many as five observations for each indicator estimate, therefore, the following formula is used: the Minimum number of samples = Number of indicators x 5 Observation. According to Hair Jr et al. (2017), the recommended amount of samples for Structural Equation Modeling analysis ranges from 200 to 400 people. The present study utilizes the propotional sampling technique. The proportional distribution of the study samples is presented in Table 1.

**Table 1. Sample Distribution of the Proportions of Organic Employees of PT. PELNI.**

PT. PELNI	Population	Research Samples	
		Calculation	Spread
Jakarta	200	$200/685 \times 253 = 73,86$	74
Surabaya	165	$165/685 \times 253 = 60,94$	61
Medan	115	$115/685 \times 253 = 42,47$	42
Makasar	98	$98/685 \times 253 = 36,19$	36
Ambon	50	$50/685 \times 253 = 18,46$	18
Jayapura.	57	$42/685 \times 253 = 21,05$	21
	685		253

**Source:** Population Officer PT. Pelni, and Indonesian Branch, Data Processed

## 3.2 Test Research Instruments

### 3.2.1 Validity Test

The present research uses construct validity as the validity test for the data collected. The test is done through the determination of the construct validity by correlating each item of the questionnaires with a total score. The total score is obtained from the sum of all item's scores. The correlation between the score of each item with the total score must be significantly higher than r-statistic. If it turns out that each score of all the items that are arranged following the concept is correlated with the total score, it can be said that the gauge has more validity. The results presented in [Table 2](#), [Table3](#), [Table 4](#) and [Table 5](#) establish the validity of the constructs

The correlation formula used in this study is the Pearson Product-Moment correlation formula ([Sugiyono, 2019](#)) as follows:

$$r_{yxi} = \frac{n \sum_{i=1}^n x_i y_i - \sum_{i=1}^n x_i \sum_{i=1}^n y_i}{\sqrt{n \sum_{i=1}^n x_i^2 \left( \sum_{i=1}^n x_i \right)^2} \sqrt{n \sum_{i=1}^n y_i^2 \left( \sum_{i=1}^n y_i \right)^2}}$$

Information:

- Ryxi = coefficient of Pearson of each instrument that will be used with variable concerned.
- Xi = score of the instrument item to be used.
- Yi = score of all instrument items in the variable.
- N = number of responses in the instrument trial.

Testing the significance of the correlation coefficient (r yxi ) is done with the threshold significance level of a = 5. The t-test formula used is as follows:

The criteria for testing the validity of an instrument using a significance level of a = 5% are as follows:

1. Research instrument's questions are said to be valid if r-count is greater than or equal to r-table.
2. Research instrument's questions are invalid if the r-count is smaller than r-table.

**Table 2. Transformational Leadership Variable Test Results (X1)**

No. item	Value of r-count	Value of r-table	Notes	No. item	Value of r-count	Value of r-table	Notes
1.	0,419	0,361	valid	18.	0,477	0,361	valid
2.	0,677	0,361	valid	19.	0,434	0,361	valid
3.	0,649	0,361	valid	20.	0,632	0,361	valid
4.	0,788	0,361	valid	21.	0,746	0,361	valid
5.	0,775	0,361	valid	22.	0,503	0,361	valid
6.	0,645	0,361	valid	23.	0,664	0,361	valid
7.	0,748	0,361	valid	24.	0,578	0,361	valid
8.	0,431	0,361	valid	25.	0,659	0,361	valid
9.	0,503	0,361	valid	26.	0,780	0,361	valid
10.	0,476	0,361	valid	27.	0,642	0,361	valid
11.	0,639	0,361	valid	28.	0,415	0,361	valid
12.	0,664	0,361	valid	29.	0,553	0,361	valid
13.	0,648	0,361	valid	30.	0,734	0,361	valid
14.	0,730	0,361	valid	31.	0,841	0,361	valid
15.	0,836	0,361	valid	32.	0,441	0,361	valid
16.	0,545	0,361	valid	33.	0,524	0,361	valid
17.	0422	0,361	valid	34.	0,719	0,361	valid

**Table 3. Competency Variable Validity Test Results (X2)**

No. item	Value of r-count	Value of r-table	Notes	No. item	Value of r-count	Value of r-table	Notes
1.	0,782	0,361	valid	10.	0,798	0,361	valid
2.	0,843	0,361	valid	11.	0,797	0,361	valid
3.	0,785	0,361	valid	12.	0,867	0,361	valid
4.	0,815	0,361	valid	13.	0,838	0,361	valid
5.	0,898	0,361	valid	14.	0,784	0,361	valid
6.	0,735	0,361	valid	15.	0,914	0,361	valid
7.	0,832	0,361	valid	16.	0,753	0,361	valid
8.	0,908	0,361	valid	17.	0,801	0,361	valid
9.	0,824	0,361	valid				

**Tabel 4. Test Results for Validity of Job Characteristics Variable (X3)**

No. item	Value of r-count	Value of r-table	Notes	No. item	Value of r-count	Value of r-table	Notes
1.	0,573	0,361	valid	13.	0,752	0,361	valid
2.	0,581	0,361	valid	14.	0,565	0,361	valid
3.	0,774	0,361	valid	15.	0,704	0,361	valid
4.	0,504	0,361	valid	16.	0,727	0,361	valid
5.	0,789	0,361	valid	17.	0,701	0,361	valid
6.	0,796	0,361	valid	18.	0,772	0,361	valid
7.	0,826	0,361	valid	19.	0,611	0,361	valid
8.	0,633	0,361	valid	20.	0,623	0,361	valid
9.	0,617	0,361	valid	21.	0,768	0,361	valid
10.	0,557	0,361	valid	22.	0,503	0,361	valid
11.	0,674	0,361	valid	23.	0,635	0,361	valid
12.	0,737	0,361	valid	24.	0,536	0,361	valid

**Table 5. Employee Performance Variable Test Results (Y2)**

No. item	Value of r-count	Value of r-table	Notes	No. item	Value of r-count	Value of r-table	Notes
1.	0,573	0,361	valid	16.	0,727	0,361	valid
2.	0,581	0,361	valid	17.	0,701	0,361	valid
3.	0,774	0,361	valid	18.	0,772	0,361	valid
4.	0,504	0,361	valid	19.	0,611	0,361	valid
5.	0,789	0,361	valid	20.	0,623	0,361	valid
6.	0,796	0,361	valid	21.	0,768	0,361	valid
7.	0,826	0,361	valid	22.	0,503	0,361	valid
8.	0,633	0,361	valid	23.	0,635	0,361	valid
9.	0,617	0,361	valid	24.	0,536	0,361	valid
10.	0,557	0,361	valid	25.	0,674	0,361	valid
11.	0,674	0,361	valid	26.	0,737	0,361	valid
12.	0,737	0,361	valid	27.	0,752	0,361	valid
13.	0,752	0,361	valid	28.	0,565	0,361	valid
14.	0,565	0,361	valid	29.	0,704	0,361	valid
15.	0,704	0,361	valid	30.	0,727	0,361	valid

### 3.3 Test of Reliability

The next test is the reliability test that is conducted to determine the stability of the results of the instrument. It is in line with the opinion of [Amin et al. \(2014\)](#), who state that

reliability is a term used to indicate the extent to which a measurement result is relatively consistent if the measurement is repeated twice or more.

The reliability testing instrument used in the study is the Cronbach Alpha test, in which the instruments are grouped into groups of odd and even. The scores of each group are added to find a correlation coefficient using the SPSS software.

$$\frac{k}{k-1} \left( 1 - \frac{\sum S^2 j}{S^2 x} \right)$$

Information:

$\alpha$  = alpha reliability coefficient

k = number of items

Sj = number of questions

Sx = respondent variance for items

Thus, it can be said that the validity test can decide the accuracy of the tool, and the reliability test is intended to determine the stability of the instrument results. The results of reliability test are presented in [Table 6](#).

**Table 6. Reliability Test Results**

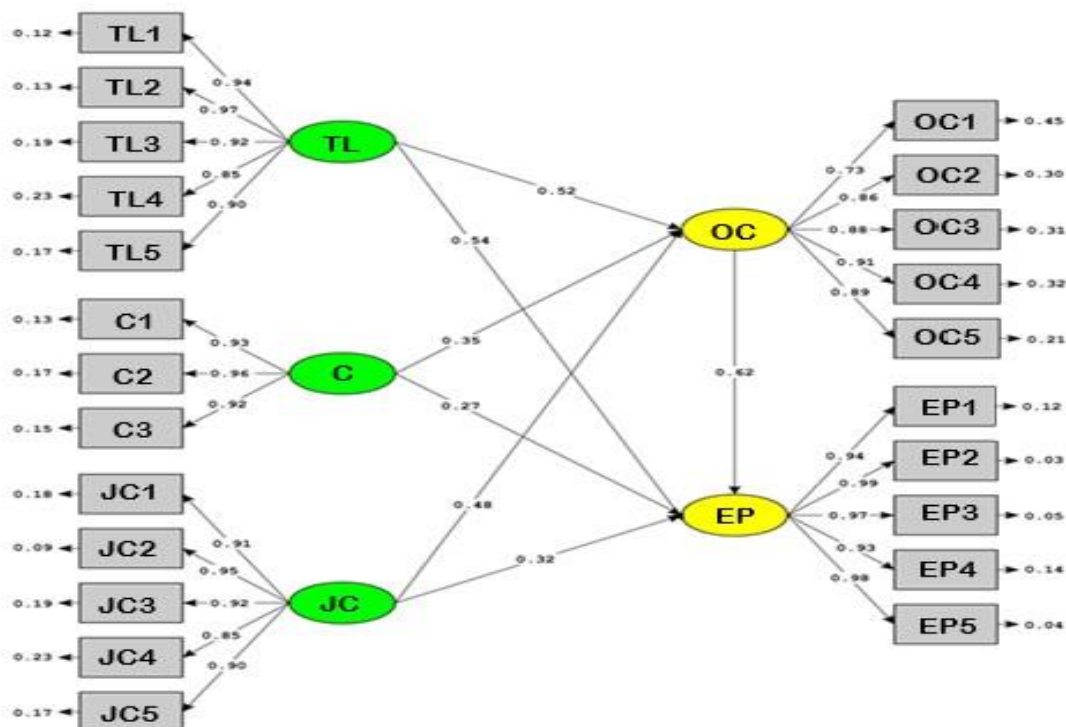
No	Variable	The Value Cronbach Alpha	Conclusion
1.	Transformational Leadership (TL)	0,849	Reliable
2.	Competencies (C)	0,924	Reliable
3.	Job Characteristics (JC)	0,814	Reliable
4.	Organizational Commitment (OC)	0,941	Reliable
5.	Employee Performance (EP)	0,851	Reliable

#### 4. RESEARCH HYPOTHESIS TEST

All variables are dynamic i.e. Transformational Leadership, Competence, Job Characteristics, Organizational Commitment, and Organic Employee Performance. The measurement model specification equation in the specification model determines which variable measures and which constructs define a series of matrices, that indicate the level of correlation hypothesized between the constructs or variables.

In terms of measuring variables to get the best fit model, it can be done in two ways, which are, the first, by testing the CFA ( Confirmatory Factor Analysis) to get the GOF, which meets the requirements, by analyzing one by one variable. The second, by distinguishing between exogenous and endogenous variables. The researcher uses the second method by combining two exogenous and endogenous variables. The SEM in this study was analyzed using the LISREL program. The software used is Lisrel 8.54.

The result is a model that fits the variables, which can be used for the analysis of the second phase of the analysis of structural measurements (See Table 6 and figure 1).



**Figure 2.** Estimations of Measurement Model

**Source:** Appendix Image Output Lisrel/

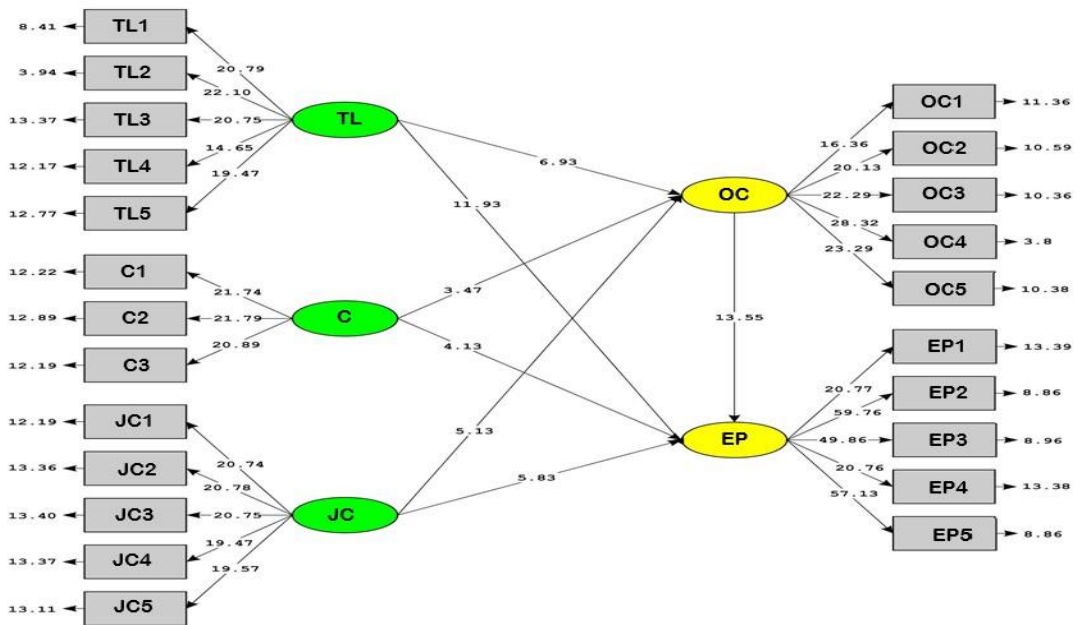
**Table 6. Model Fit Indices**

Model Accuracy Index	Expected Range	Model Index	Information
Chi-Square $P \geq 0.05$	Small Chi-Square Value or Accepted If $P \geq 0.05$	236.60 0.0060	Chi-Square Table 275.06 Good and Acceptable
GFI	$\geq 0,90$	0,97	Good
RMSEA	$\leq 0,05$	0,00	Good
RMR	$\leq 0,05$	0,047	Good
CFI	$\geq 0,90$	0,91	Good
IFI	$\geq 0,90$	0,92	Good
TLI/NNFI	$\geq 0,90$	0,98	Good
NFI	$\geq 0,90$	0,96	Good
AGFI	$\geq 0,90$	0,93	Good

**Source:** Output of Research Results processed with Lisrel 8.80



If all the estimated values of the Goodness of Fit Structural Model have good values, as a whole, it is concluded that the structural model estimated can be accepted. It can be said that the relationships of various constructs on the variables are structural. Further, in SEM, hypothesis are tested through the acceptability of t-values as the results of the analysis in the structural model based. [Figure 2](#) presents the structural model and relative t-values demonstrating that all hypotheses of the study stand to be accepted.



**Figure 2.** Estimations of Structural Model

**Source:** Appendix Image Output Lisrel/

As shown in [Table 7](#), the indirect effect of the three variables on performance is greater than the direct effect, it can be proposed that the variable organizational commitment is significant as a full mediating variable. In the sub-structural equation and the table above, it can be seen that transformational leadership has a significant influence on organizational commitment with a value of 0.52. Therefore, the efforts of PT. PELNI to increase the organizational commitment of employees are better directed towards strengthening the commitment of PT PELNI employees. In the structural equation in [Figure 2](#), it can be seen that the organizational commitment (0.62) has a dominant total effect on employee performance. It indicates that PT PELNI needs to undertake efforts to improve employee performance and employee commitment.

**Table 7. Direct and Indirect Effect**

Effect	Direct	Indirect (Through OC)
TL → EP	$(0,54)^2 = 0,2916$	$0,52 \times 0,62 = 0,3224$
C → EP	$(0,27)^2 = 0,0729$	$0,35 \times 0,62 = 0,217$
JC → EP	$(0,32)^2 = 0,1024$	$0,48 \times 0,62 = 0,2976$

Based on [Figure 1](#) and [Figure 2](#), it is clear that all parameters in the Full Model are all significant (t-value greater than t-table 1.960). Therefore, the structural equation is obtained as follows:

### Sub Structural Equations:

#### Structural Equation:

$$EP = 0.54*TL + 0.27*C + 0.32*JC + 0.62*OC, \text{Errorvar.} = 0.15, R^2 = 0.85$$

$$\begin{matrix} (0.054) & (0.057) & (0.052) & (0.046) & (0.085) \\ 11.93 & 4.13 & 5.83 & 13.55 & 8.58 \end{matrix}$$

Based on the above structural model, it can be explained as follows:

1. TL, C, and JC variables, all variables have a positive and significant effect on EP. It means that the better the TL, C, and JC in the organization, the EP will also increase.
2. EP is directly influenced by TL by 0.62, C by 0.54, and JC by 0.32 and OC by 0.27. It means that the better TL, C, JC and OC, the higher the EP.

## 5. DISCUSSION

PT. PELNI employees have a high commitment to the company. While carrying out their duties, employees try to work as hard as possible and always seek to prioritize the interests of the company over personal and family interests. There are multiple dimensions of organizational commitment, including commitment to make adjustments to work, maintain relationships, and to support team members, which can have an impact on employee performance. However, personal sacrifice is a dominant factor which affects the performance of PT PELNI Jakarta's organic employees. Sacrifice in the form of prioritizing company interests rather than personal interests becomes the dominant factor affecting the performance of organic employees. Also, the support for company decisions, and physical and moral support as an indicator of the commitment variable is an important factor in determining the performance of PT PELNI's organic employees.

Based on the results of surveys conducted with employees, it is found that some employees are not particularly enthusiastic and agreed to the applicable decisions and

regulations of the company. These employees are not pleased as some employees like them but based on their recognition they continued to carry out their duties properly so that the company continues to progress and achieve its targets not leaving or leaving PT. PELNI. Thus, individual attitudes towards work and actions of individual employees have an impact on work results or work productivity. It makes the employees more committed to the company to perform well at work so that the expected performance goals of the company can be achieved.

Sub-structurally, transformational leadership has a direct effect on employee performance. The dominant dimension affecting commitment is the 'inspirational motivation' dimension. Motivation to achieve work targets set by leaders, improve multiplication, and be more creative in solving work-related problems are understood as indicators of transformational leadership, which in turn, has an impact on the organic employees' performance in PT PELNI Jakarta.

Transformational leadership, in principle, motivates subordinates to do better than what is usually done (Naguib & Naem, 2018). In other words, it can increase the subordinates' level of confidence or self-confidence. In the present study, the results show that transformational leadership influences organizational performance. The style of a leader determines the work steps/targets that must be followed by subordinates. The behavioural characteristics of a senior employee, who can direct employees to have a sense of dedication to the mission of an organization, is an indication of transformational leadership (Margherita, 2021). As observed in the leadership context at PT. PELNI, leaders can invite employees to work following the vision and mission. They are able to provide enthusiasm and motivation and give full attention to their subordinates. With motivation and attention, the leadership at PT PELNI can direct their subordinates to ensure that they commit to the company with the motivation and attention continuously sustain their commitment, which in turn, results in a higher standard or level of employee performance.

Many factors influence the success achieved at PT PELNI. One of the company's success indicators can be deduced using the performance record of its employees. In this study, the dominant dimension that can improve employee performance is the quality of work, apart from the existing dimensions of work quantity, work behaviour, initiative at work, and timelines. The findings of the study show that several factors, including transformational leadership style, influence the performance of PT PELNI's employees. PT PELNI leaders can increase interest, create sensitivity, and acceptance among PT PELNI employees, motivating them to prioritize the company's interests before personal interests.

PT PELNI leaders can influence, change, and direct the employees to achieve organizational goals, including improving employee performance. The leaders of PT PELNI empower their employees to perform effectively by building the commitment to

the values that exist in the company to perform effectively. The performance of PT PELNI's employees with dominant indicators, such as quality of work, work quality standards, and accuracy of work, in addition to other indicators of performance such as the number of tasks completed, work target achievements, work innovation and creativity, timely completion of work, work efficiency, etc., is an indispensable element for the success of the company. Performance is also based on adequate competence. PT PELNI employees are competent as they can understand and develop their professional duties and responsibilities. Improved performance and company success are possible because employees commit to the company. With the situation, it will have an impact on the work and performance of employees of PT PELNI.

The successful completion duties of PT PELNI employees is increasingly due to the characteristics of a person's work. The job characteristics of PT PELNI employees are following the talent they have which encourages the employees to have a high commitment attitude. The commitment to work further encourages PT PELNI employees to undertake additional and revitalized efforts in carrying out their work in order to ensure that the performance goals of PT PELNI can be achieved properly. Thus, the successful performance and achievement of PT PELNI employees must be supported by a strong organizational commitment to carry out specific tasks. A strong commitment to the mission of the work vision can lead to strong positive behaviours geared towards improving performance. The success of PT PELNI's employees is supported by a strong organizational commitment to carrying out its tasks, which in turn leads to positive behaviour.

## **6. CONCLUSIONS**

Transformational leadership is proven to have a positive and significant effect on employee performance. The dimension that reflects the transformational leadership variable, which influences employee performance the most, is the inspirational motivation with indicators such as being enthusiastic about the task, being able to express ideas, being able to encourage morale, and being able to effectively communicate work-related targets. Similarly, competence is also proven to have a positive and significant effect on employee performance. The most significant is the skill competency of employees, with the following indicators: managerial, technical skills, and social skills. In addition, job characteristics are proven to have a positive and significant effect on employee performance. The most significant dimension of job characteristics is the identity of the task gauged using indicators such as the level of specification, job skills and the level of employee involvement during their duties and these indicators are expected to result in better performance of PT PELNI. Finally, transformational leadership, work competency, and work characteristics together have a positive and significant indirect effect on employee performance through organizational commitment. The coefficient of determination indicates that transformational leadership, work competencies, and job characteristics jointly contribute to increasing

employee job satisfaction. The value of  $R^2$  of 0.62 provides information that transformational leadership, work competence, and work characteristics together contribute 62% to the performance of employees of PT. PELNI. The more dominant variable influencing employee performance is transformational leadership because it has a coefficient value of 0.52 on the structural equation, which is higher than the value of other variables.

## **7. IMPLICATIONS OF RESEARCH**

The findings of the study carry a number of theoretical and practical implications that are discussed in following subsections.

## **8. THEORETICAL IMPLICATIONS**

This study adds to the existing body of theoretical knowledge in several ways. First, the findings of the study can be useful in building the theory of human resource management with a renewed focus on studying the nexus between transformational leadership, work competence, job characteristics, and commitment to the organization and performance of employees. Second, it provides input in the development of human resource management knowledge, especially in the study of organic employees of marine industry. Finally, it can add to the literature on public organizations by inferring the indirect effect of transformational leadership, work competence, and job characteristics on improving the performance of organic employees through organizational commitment.

## **9. PRACTICAL IMPLICATIONS**

Practically speaking, the findings of the present research can act as a valuable input for all maritime industry stakeholders in their efforts to improving the performance of their employees. The managers of maritime industry may enhance employee performance by developing or enhancing transformational leadership, work competence, and job characteristics within the organization. The results of this study are also expected to be intellectually rewarding as they can enrich existing knowledge and perspectives related to human resources, especially by exploring the role and impact of organizational commitment in terms of enhancing employees' performance in the context of the shipping industry. Committed employees are essential for enhancing organizational performance. The managers of maritime industry are advised to undertake efforts to enhance transformational leadership, work competence, and job characteristics to enhance organizational commitment of employees, which in turn, enhances employee performance.

## **10. LIMITATIONS AND FUTURE RESEARCH DIRECTIONS**

Although the present research has a number of significant research implications, it also has certain limitations. First, this study only focuses on one shipment organization (i.e. PT. PELNI) which limits the scope of the study for practitioners seeking to apply the

study findings to other sectors of Indonesia. Future research may be carried out on other industries to validate the research findings across other sectors of the economy. It is also recommended for future researchers to conduct this research in the shipping industry of other countries to generalize its findings to marine industry globally. Lastly, the research only targets organic employees of PT. PELNI. Future research may consider the managerial level employees or alternatively conduct a multi-level research to further substantiate and refine the present research findings and study outcomes.

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