

Transformational Leadership, Job Satisfaction, and Organizational Culture in the Dynamics of Performance Improvement of ASN in Jombang

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ABSTRACT

This study examines how transformational leadership style and organizational culture impact employee performance, with job satisfaction as a mediating factor among sub-district employees in Jombang Regency. The decline in performance across seven sub-districts is the basis for this research. It employs a quantitative approach, using a sample of 86 civil servants from a population of 125 employees selected through purposive sampling. Data analysis was conducted using Structural Equation Modeling (SEM) based on Partial Least Square (SmartPLS 4). The results indicate that transformational leadership style and organizational culture positively affect job satisfaction and employee performance. Job satisfaction serves as a partial mediating variable. This study highlights the need to improve transformational leadership skills and establish an inclusive organizational culture to boost the performance of civil servants at the sub-district level.

INTRODUCTION

Employee performance is one of the main indicators in assessing the effectiveness of public organizations. ASN has a major responsibility in supporting the achievement of local government objectives through professional and accountable public services. In the context of Jombang Regency, the results of the 2024 Government Agency Performance Accountability System (SAKIP) evaluation show a decline in performance scores in seven subdistricts, namely Bareng, Diwek, Jogoroto, Megaluh, Ngoro, Ngusikan, and Tembelang. SAKIP data shows that the average ASN performance score decreased from 72.3 in 2022 to 68.7 in 2024. This phenomenon indicates challenges in improving performance, which are thought to be related to leadership and organizational culture factors that are not yet optimal in both concept and practice.

Transformational leadership is considered relevant in the context of public organizations because it emphasizes the importance of vision, inspiration, and empowerment of subordinates to achieve common goals (Bass & Avolio, 1994). Transformational leaders play a role in shaping positive motivation and work behavior. On the other hand, a strong organizational culture can create shared values that guide employee behavior at work (Robbins & Judge, 2017). A conducive organizational culture is believed to strengthen commitment and increase employee job satisfaction. Job satisfaction can be a psychological factor that bridges the relationship between leadership variables and employee performance variables (Muafi, 2019). Previous studies have proven the positive influence of transformational leadership style and organizational culture on employee performance (Arifudin, 2020; Rivai, 2020; Pambudi et al., 2016). However, most of these studies were conducted in the private sector and educational institutions, while studies in

the context of ASN at the sub-district level are still very limited. In fact, it has been empirically stated that government bureaucracy has different characteristics from business organizations, both in terms of structure, decision-making processes, and work culture.

In addition, there is inconsistency in empirical results regarding the role of job satisfaction as a mediating variable. Some studies show that transformational leadership and organizational culture have a direct effect on employee performance, while other studies find that this effect is indirect through job satisfaction. This condition indicates a research gap that needs to be re-examined, especially in the context of sub-district level public organizations. Therefore, this study was conducted to fill this gap by re-examining the relationship model between transformational leadership style, organizational culture, job satisfaction, and the performance of civil servants in seven sub-districts in Jombang Regency.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Grand Theory

This study is based on the Equity Theory proposed by Adams (1963), which explains that individuals will feel satisfied when there is a balance between input (effort, ability, experience) and output (rewards, recognition, career opportunities). In the context of this study, transformational leadership style and organizational culture serve as forms of "organizational input," while job satisfaction and employee performance are the expected "output." If the perception of fairness and balance is fulfilled, employees will demonstrate productive work behavior and high commitment to the organization.

Previous Research

Bass and Avolio (1994) define transformational leadership as the ability of leaders to inspire and motivate subordinates to achieve organizational goals through four main dimensions, namely ideal influence, inspirational motivation, intellectual stimulation, and individual consideration. Transformational leaders are able to foster commitment, trust, and a sense of belonging in their subordinates. Research by Arifudin (2020) and Wijayanto (2021) proves that transformational leadership style has a positive effect on employee satisfaction and performance.

According to Robbins and Judge (2017), organizational culture is a system of values, beliefs, and norms that guide the behavior of organizational members. Schein (2010) adds that organizational culture functions as a social control mechanism that directs employee actions. Research by Dunggio (2020) and Jamaluddin et al. (2017) shows that a strong organizational culture has a positive effect on employee performance because it creates a sense of attachment and responsibility to the organization.

Job satisfaction is an emotional feeling that arises from an individual's perception of their job and work environment (Muafi, 2019). Other studies mention that job satisfaction can be influenced by leadership style, organizational culture, and compensation (Damayanti & Ismiyati, 2020). Subsequent empirical studies by Asriani et al. (2020) and Zeindra & Lukito (2020) show that transformational leadership and organizational culture have a positive effect on job satisfaction.

Performance is the work results achieved by employees based on the standards and responsibilities assigned to them (Mangkunegara, 2018). Gibson in Febriyana (2015)

emphasizes the reciprocal relationship between job satisfaction and employee performance, where high satisfaction will encourage increased productivity.

Previous studies have shown the consistent influence of transformational leadership style and organizational culture on performance through job satisfaction as a mediator. Arifudin (2020), Rivai (2020), and Pambudi et al. (2016) found that transformational leadership style increases job satisfaction and performance. Research by Jamaluddin et al. (2017) and Dunggio (2020) shows that a positive organizational culture encourages employee performance. Meanwhile, Rivaldo & Ratnasari (2020) and Rosita (2016) emphasized that job satisfaction has a significant effect on employee performance. However, several studies (Setiawan, 2015; Girsang, 2019) showed different results, so further testing is needed by placing job satisfaction as a mediator.

Hypothesis Formulation

Based on the theoretical review and previous studies, the research hypotheses can be formulated as follows:

- H1: Transformational leadership style has a positive effect on employee performance.
- H2: Organizational culture has a positive effect on employee performance
- H3: Transformational leadership style has a positive effect on job satisfaction
- H4: Organizational culture has a positive effect on job satisfaction
- H5: Job satisfaction has a positive effect on employee performance
- H6: Transformational leadership style has an effect on employee performance through job satisfaction
- H7: Organizational culture affects employee performance through job satisfaction

METHODS

Approach and Type of Research

This study uses a quantitative approach with an explanatory research type. The purpose of this study is to explain the causal relationship between variables, namely transformational leadership style, organizational culture, job satisfaction, and civil servant employee performance. The quantitative approach was chosen because it allows hypothesis testing through objective numerical data analysis. The analysis was conducted using Structural Equation Modeling (SEM) based on Partial Least Square (PLS) with the help of SmartPLS version 4.0 software, which is capable of testing the relationship between latent variables simultaneously and accommodating a relatively small sample size.

Research Population and Sample

The population in this study was all civil servants (ASN) working in seven sub-districts in Jombang Regency, namely: Bareng, Diwek, Jogoroto, Megaluh, Ngoro, Ngusikan, and Tembelang. The total population of ASN was 125 people. The sampling technique used purposive sampling with the criteria that ASN must have a minimum of two years of service and hold a structural or executive staff position. From the selection results, 86 respondents were obtained who met the criteria and completed the questionnaire. The distribution of the research sample is presented in Table 1.

Table 1. Sample distribution

District	Civil Servant Population	Sample Obtained
Bareng	17	12
Diwek	20	15
Jogoroto	18	12
Megaluh	15	10
Ngoro	16	12
Ngusikan	19	14
Tembelang	20	11
Total	125	86

Source: processed primary data

Research Variables and Indicators

This study consists of four latent variables, namely: (1) Transformational Leadership Style, (2) Organizational Culture, (3) Job Satisfaction, and (4) Employee Performance. Transformational leadership style is measured through four dimensions: ideal influence, inspirational motivation, intellectual stimulation, and individual consideration (Bass & Avolio, 1994). Organizational culture is measured based on the theory of Robbins & Judge (2017), which includes innovation, result orientation, team orientation, and organizational stability. Job satisfaction uses Herzberg's model with aspects of satisfaction with work, salary, work relationships, promotion opportunities, and supervision. Employee performance is measured according to Mangkunegara (2018) through the dimensions of work quality, work quantity, discipline, responsibility, initiative, and cooperation.

Validity and Reliability Test Results

Table 2. Convergent Validity Test

Variable	Number of Indicators	Highest Loading	AVE Value	Description
Transformational Leadership Style	10	0.881	0.723	Valid
Organizational Culture	8	0.845	0.735	Valid
Job Satisfaction	7	0.867	0.751	Valid
Employee Performance	6	0.884	0.742	Valid

Source: processed primary data

All variables have loading values above 0.7 and AVE above 0.5, thus meeting the convergent validity requirements. This means that all indicators are able to represent the construct well.

Table 3. Reliability Test

Variable	Composite Reliability	Cronbach's Alpha	Description
Transformational Leadership Style	0.911	0.893	Reliable
Organizational Culture	0.902	0.876	Reliable
Job Satisfaction	0.921	0.898	Reliable

Employee Performance	0.918	0.887	Reliable
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Composite Reliability and Cronbach's Alpha values for all variables above 0.9 indicate that the construct has high reliability and excellent internal consistency.

Table 4. Construct Validity and Reliability Test

Variable	AVE	Composite Reliability
Transformational Leadership Style	0.723	0.911
Organizational Culture	0.735	0.902
Job Satisfaction	0.751	0.921
Employee Performance	0.742	0.918

Source: processed primary data

RESULTS

The study was conducted in seven subdistricts in Jombang Regency, namely Bareng, Diwek, Jogoroto, Megaluh, Ngoro, Ngusikan, and Tembelang. These areas have diverse social characteristics and complex bureaucratic structures, making them representative for studying the behavior of civil servants. Each subdistrict has between 15 and 20 civil servants with a distribution of positions consisting of functional and structural positions. Of the 86 respondents, the majority were aged 31–45 years (58%), had worked for more than 10 years (62%), and had a bachelor's degree (74%). A total of 55% of respondents were women, indicating high participation of female ASN at the subdistrict level. Most respondents worked as executive staff (68%), while the rest held positions as section heads or sub-division heads.

Table 5. Structural Model Results (R-Square)

Endogenous Variables	R-Square Value	Interpretation
Job Satisfaction	0.624	62.4% of job satisfaction variation is explained by transformational leadership style and organizational culture
Employee Performance	0.688	68.8% of performance variation is explained by leadership style, organizational culture, and job satisfaction

Source: processed primary data

An R^2 value of 0.688 indicates that the model has strong explanatory power, meaning that more than two-thirds of the variation in employee performance can be explained by the combination of transformational leadership, organizational culture, and job satisfaction.

Table 6. Direct Hypothesis Test Results

Hypothesis	Relationship Between Variables	Path Coefficient	T-statistic	p-value	Description
H1	Leadership Style → Performance	0.297	2.867	0.004	Accepted
H2	Organizational Culture → Performance	0.273	2.942	0.003	Accepted
H3	Leadership Style → Job Satisfaction	0.384	4.128	0.000	Accepted
H4	Organizational Culture → Job Satisfaction	0.411	4.357	0.000	Accepted
H5	Job Satisfaction → Performance	0.326	3.21	0.002	Accepted

Source: processed primary data

All direct relationships show a positive and significant effect ($p < 0.05$). Transformational leadership style and organizational culture not only increase job satisfaction but also have a direct impact on the performance of civil servants in seven subdistricts of Jombang.

Table 7. Results of Indirect Hypothesis Testing (Mediation)

Hypothesis	Mediation Path	T-statistic	p-value	Description
H6	Leadership Style → Job Satisfaction → Performance	2.214	0.027	Accept
H7	Organizational Culture → Job Satisfaction → Performance	2.753	0.006	Accepted

Source: processed primary data

Job satisfaction was found to partially mediate the influence of transformational leadership style and organizational culture on civil servant performance. This means that leadership and organizational culture have a direct influence on performance, and this influence becomes stronger when job satisfaction increases.

DISCUSSION

The test results show that transformational leadership style has a positive and significant effect on civil servant performance ($\beta = 0.297$; $p = 0.004$). This finding confirms that the higher the application of transformational leadership style by sub-district heads and leaders in the sub-district, the higher the performance of civil servants. In the context of seven subdistricts in Jombang Regency, leaders who act as motivators, role models, and mentors have proven to be able to create a productive work environment. Subdistrict heads who foster vision, set examples, and provide individual support to their subordinates generate a greater sense of ownership and responsibility at work. These findings are consistent with the transformational leadership theory by Bass & Avolio (1994), as well as

the research by Arifudin (2020) and Widayati (2017), which shows that an inspirational leadership style can increase employee motivation and work commitment.

Data analysis shows that organizational culture has a positive and significant effect on civil servant performance ($\beta = 0.273$; $p = 0.003$). This means that the stronger the organizational culture internalized in the subdistrict work environment, the better the employee performance. The organizational culture within the Jombang Subdistrict civil service reflects values such as discipline, collaboration, public service, and accountability. These values form norms and habits that strengthen work ethic and commitment to organizational goals. These findings support the research of Jamaluddin et al. (2017) and Dunggio (2020), which shows that a strong organizational culture improves employee performance through the formation of positive work behavior. Organizational culture is a shared value system that directs the actions of organization members towards work effectiveness.

Transformational leadership style was found to have a significant effect on civil servant job satisfaction ($\beta = 0.384$; $p = 0.000$). Civil servants who feel cared for, guided, and appreciated by their leaders tend to have higher job satisfaction. Sub-district heads who are able to listen to their subordinates' aspirations and provide room for innovation will build a sense of appreciation and pride in their work. These findings support the views of Muafi (2019) and the empirical results of Asriani et al. (2020) and Zeindra & Lukito (2020), which show that inspirational and communicative leadership increases employee job satisfaction through harmonious working relationships.

The test results show that organizational culture has a significant effect on the job satisfaction of civil servants ($\beta = 0.411$; $p = 0.000$). Civil servants who work in an environment with a healthy organizational culture that is supportive and open to innovation tend to have higher job satisfaction levels. A strong organizational culture not only shapes work patterns but also creates an environment conducive to professional growth and psychological well-being of employees. These findings are in line with the research by Herawan et al. (2015) and Damayanti & Ismiyati (2020), which states that an inclusive and results-oriented organizational culture increases employee job satisfaction.

Job satisfaction has been proven to have a positive and significant effect on employee performance ($\beta = 0.326$; $p = 0.002$). Civil servants who are satisfied with their jobs, environment, and rewards for their performance show higher work performance. This finding supports the theory of justice (Adams, 1963), which states that when employees feel a balance between their contributions and the rewards they receive, they will show job satisfaction, which leads to increased productivity. The results of this study are also in line with Rivaldo & Ratnasari (2020) and Panggalo et al. (2021), who found that job satisfaction improves performance through intrinsic motivation and loyalty.

Mediation analysis shows that job satisfaction mediates part of the relationship between transformational leadership style and employee performance ($t = 2.214$; $p = 0.027$). This means that transformational leadership style not only has a direct effect on civil servant performance but also an indirect effect through increased job satisfaction. Transformational leaders who are able to create a sense of belonging, provide inspiration, and give personal attention to civil servants encourage satisfaction that impacts work enthusiasm and high productivity. These results reinforce the research of Pambudi et al. (2016) and Saktisyahputra & Susanto (2022), who found that job satisfaction strengthens the

relationship between leadership and work outcomes.

The test results show that job satisfaction also mediates the influence of organizational culture on ASN performance. A positive organizational culture not only directly improves performance but also builds job satisfaction, which is the main driver of employee performance improvement. A collaborative and public service-oriented work environment creates a strong sense of community and social support, strengthening individual commitment and performance. These results are consistent with the research of Rosvita et al. (2017) and Girsang (2019), which shows that job satisfaction is an important intermediate variable in the relationship between organizational culture and performance.

CONCLUSION

The results of this study indicate that transformational leadership style and organizational culture have a positive and significant influence on the performance of civil servants in seven subdistricts of Jombang Regency. Leaders who are able to inspire, set an example, and empower employees have been proven to increase work motivation and productivity. In addition, an organizational culture that emphasizes public service values, accountability, and cooperation among employees also strengthens performance through increased job satisfaction. Job satisfaction has been proven to be an important factor that mediates some of the influence of leadership style and organizational culture on performance, indicating that a positive work environment and supportive leadership are key to improving the effectiveness of public organizations.

In practical terms, the Jombang Regency Government is advised to strengthen transformational leadership capacity at the sub-district and section head levels through adaptive training programs, mentoring, and employee coaching. The development of an organizational culture oriented towards public service, team collaboration, and accountability also needs to be consistently instilled in each sub-district unit. These efforts will strengthen employee commitment to organizational goals, increase job satisfaction, and encourage more professional and ethical performance in providing services to the community.

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