

THE EFFECT OF TRANSFORMATIONAL LEADERSHIP AND EMPLOYEE LOYALTY ON EMPLOYEE PERFORMANCE WITH JOB SATISFACTION AS AN INTERVENING VARIABLE IN THE OFFICE OF THE REGENT OF STABAT LANGKAT REGENCY, NORTH SUMATRA

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Abstract

This research aims to examine the influence of transformational leadership and employee loyalty on employee performance with job satisfaction as an intervening variable in the Stabat Regent's Office, Langkat Regency, north Sumatra. This research used a quantified qualitative method with a population of 122 people and the entire population was used as a sample. The data collection technique uses primary data obtained by distributing questionnaires directly to 122 Regent's Office employees. The measurement instrument for this research uses a Likert scale. The data analysis method used is multiple linear regression analysis, path analysis and mediation effect test (Sobel Test) using SPSS version 26 software. The results of this research show that transformational leadership has a positive and significant effect on employee performance. Employee loyalty has a positive and significant effect on employee performance. Job satisfaction has a positive and significant effect on employee performance. Transformational leadership has a positive and significant effect on job satisfaction. Employee loyalty has a positive and significant effect on job satisfaction. Then job satisfaction is able to mediate the influence of transformational leadership on employee performance so that it can be concluded that there is a partial mediation relationship. And job satisfaction is able to mediate the influence of employee loyalty on employee performance so that it can be concluded that there is a trial mediation relationship.

Keywords: *Transformational Leadership, Employee Loyalty, Employee Performance, Job Satisfaction.*

1. INTRODUCTION

Human resources (HR) are the most important asset for a company and are also a determining factor in a company because they can contribute to achieving company goals. The success of a company's goals lies in how a company empowers human resources that provide energy, creativity, and enthusiasm for the organization. Companies really need reliable and competent human resources, not only employees who must be competent. But leaders must also have potential such as: high expertise and insight to carry out tasks as supervisors or decision makers in a company. An organization generally has goals such as: getting high profits, pursuing organizational growth and survival. But it must also pay attention to the commitment of employees in the process of achieving these goals.

This causes the quality of human resources to be an important factor and needs to be considered by the company because it is a determinant for each individual and company in achieving high productivity. Performance is a very important and interesting part because it has proven to be very important, an organization or company definitely wants its employees to work hard according to their abilities in order to achieve good work results, without good performance from all employees, success in achieving goals will be difficult to achieve. In an organization, employee performance has an important role in the organization and employees are very valuable assets and must be maintained and managed properly. In order to achieve organizational goals,

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human resources are needed who are experts in their respective fields. Because with the resources they have, employees are able to carry out the tasks assigned to them. The progress of an organization is determined by the performance of its employees. One of the factors that influences employee performance is job satisfaction. Job satisfaction is an effectiveness or emotional response to various aspects of work (Afandi, 2018) Then (Hasibuan 2019) added that employee job satisfaction is influenced by factors, namely fair and appropriate compensation, proper placement according to expertise, the weight of the work, the work environment, equipment that supports the implementation of the work, and the attitude of the leader in his leadership and the attitude of the work is monotonous or not. Kereitner and Kinicki (2018) define job satisfaction as an attitude and emotional response of a person to various aspects of his work.

In addition to job satisfaction, another factor that influences employee performance is leadership. Leadership is a form of ability to influence a group towards achieving a vision or goal that has been set. Leadership can be said to be the core of a company, to establish a good working relationship between leaders and employees, both parties must understand each other's interests in an organization or company. Therefore, a leader must have the ability to read the situation being faced and adjust the leadership style that is owned flexibly in order to be able to meet the demands of the situation being faced.

According to Martoyo in Samsuddin (2018) Leadership is the whole activity in order to influence people to want to work together in achieving common goals. Basically, a leader has his own leadership style in leading his subordinates, in this case it is often referred to as leadership style. There are many leadership styles, it depends on each leader, where a leader must implement the right leadership style in order to be able to manage his employees well (Safrianti 2022). According to Alkhatani (2019) Different leadership styles depend on the organizational environment, so there is no one leadership style that is superior to another, but the capacity of a leader's emotional intelligence is very important in ensuring that a leader's leadership style is accepted as a whole by employees and effectively increases job satisfaction.

The regent's office is an official office that serves as a place of work for a regent, who is the head of the district government. In this office, the regent and his staff carry out various administrative tasks and services to the community in the district. The Regent's Office also functions as the implementation of leadership, public services, coordination and supervision, policy making, representation and communication, financial management, development implementation, and law enforcement. To achieve organizational goals at the Stabat Regent's Office, Langkat Regency, North Sumatra, it must be supported by the existence of an appropriate leadership style. In this case, the leadership style currently being implemented by the leader of the Stabat Regent's Office, Langkat Regency, North Sumatra, is a transformational leadership style. Transformational leadership allows leaders to act as a motto of change that can create a harmonious work environment and improve employee performance. Transformational leadership has been seen as an effective leadership style in improving employee performance, especially in the context of local government. Transformational leadership also allows leaders to interact with employees individually, understand their needs and desires, and motivate them to achieve organizational goals. In accordance with the context of the regent's office, transformational leadership can help the regent in developing a more effective framework to improve employee performance and improve the quality of public services.

Employee performance is the result of work and work behavior that has been achieved in fulfilling the tasks and responsibilities given during a certain period of time (Kamsir, 2019). Every company expects its employees to achieve maximum performance as determined by their superiors, performance is a measure of work that is sometimes based on a predetermined agreement between superiors and subordinates (Edison, 2019). The phenomenon of employee performance at the Stabat Regent's Office, Langkat Regency, North Sumatra, can be seen from the inaccuracy of time in completing tasks. There are several employees who often have difficulty in completing tasks on time. Like the employees of the Stabat Regent's Office, Langkat Regency, North Sumatra, They are

burdened by additional tasks, lack of good planning and always delay work, so that it piles up and is not completed on time, this will later have an impact on the performance of these employees. By delaying work, employees will feel stressed by the piling tasks, so that performance decreases and the quality of their performance is also low. It is important for organizations to provide support and training to employees to improve their time management skills, so that they can improve overall performance.

According to Robbins (2017), transformational leadership is leaders who can motivate followers to carry out and manage their own interests for the benefit of the organization with individual friendliness, intellectual stimulation, and ideal influence all of which will result in extra effort from workers for better organizational effectiveness. According to (Suwanto 2017) gave the opinion that transformational leadership is leadership that influences employees to make employees feel a sense of self-confidence, pride, loyalty and respect for their leaders and also have the motivation to do more than expected. The conclusion is that leadership style is a method used by a leader in influencing, directing, encouraging, and controlling his employees in order to achieve organizational goals efficiently and effectively.

Transformational leadership in the office of the Regent of Stabat, Langkat Regency, North Sumatra, can be seen in the Regent's efforts to encourage innovation and positive change in the work environment. The Regent can be actively involved in motivating employees to participate in innovative projects, providing inspiration, and creating a work culture that supports employee development and improving overall organizational performance.

The problem of the phenomenon of transformational leadership style in the Stabat Regent's office, Langkat Regency, North Sumatra, there is a lack of effective communication between superiors and subordinates, so that leaders do not provide enough motivation to employees and clear targets to be achieved by their employees. The results of Cintya's research (2018) state that transformational leadership has a positive effect on employee job satisfaction.

Employee Loyalty is basically loyalty, devotion and trust given or shown to a person or institution, in which there is a sense of love and responsibility to strive to provide the best service and behavior. According to (Latoki, 2019) An indication of true loyalty requires a measurement of behavior. Thus it can be said that employees who are loyal to the organization are employees who have the will to work together which means the willingness to sacrifice themselves, the willingness to carry out self-supervision and the ability to highlight their own interests. The phenomenon of employee loyalty in the Stabat Regent's office, Langkat Regency, North Sumatra, is a lack of understanding of responsibility. Employees feel that their loyalty is not appreciated or recognized. In addition, the lack of communication and clear direction from superiors can also affect employee loyalty. Without a clear understanding of what is expected of them, employees may feel frustrated and less motivated to work well. Therefore, it is important for management to ensure that the responsibilities of each employee are clearly explained and they are given appropriate direction in order to improve their loyalty and performance. The results of Deviyanti's (2021) research stated that employee loyalty has a positive and significant effect on employee performance at the Mercure Grand Mirama Surabaya Hotel.

Handoko (2020) defines job satisfaction as an employee's pleasant or unpleasant income regarding their work, this feeling can be seen from the employee's good behavior towards work and all things experienced in the work environment. The phenomenon of job satisfaction in the regent's office, Langkat Regency, North Sumatra, is employees who feel unclear about the criteria and procedures for promotion so that they are dissatisfied with their work environment. Some employees may feel that promotions are based more on political factors or personal relationships than on work performance, which can create dissatisfaction and injustice. As a result, this affects the overall motivation and performance of employees, and creates tension in the work environment. Therefore, it is necessary to increase transparency and clarity in promotion policies to increase job satisfaction and maintain a harmonious work atmosphere in the regent's office.

2.LITERATURE REVIEW

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2.1 Relationship between Transformational Leadership and Employee Performance

Transformational leadership has a significant and positive relationship with employee performance. Research conducted by several experts shows that transformational leadership style can improve employee performance in various ways, such as increasing motivation, work discipline, and employee abilities. Research conducted by Putu Darmawan Putra, I Wayan Bagia, and Ni Nyoman Yulianthini (2019) at the Community Empowerment and Village Government Agency of Buleleng Regency found that transformational leadership style has a positive and significant influence on employee performance. The results of this study are in line with the theory put forward by Groves and Bhattacharyya (2006) that transformational leadership style has a positive and significant influence on employee performance. Other research conducted by Manawan et al. (2017) at the BTN KC Manado business unit also found that transformational leadership has a positive and significant influence on employee performance.

In a study conducted by Simanjuntak (2022) at the Department of Culture and Tourism of North Sumatra Province, the results of the study showed that transformational and transactional leadership styles influenced employee performance both partially and simultaneously. The results of the determination coefficient test showed that transactional leadership styles and transformational leadership styles were able to explain employee performance by 73.8%. In synthesis, the studies conducted showed that transformational leadership had a significant and positive relationship with employee performance. Transformational leadership style can improve employee performance in various ways, such as increasing employee motivation, work discipline, and abilities. Therefore, it is necessary to implement the right transformational leadership style in the organization to improve employee performance and achieve organizational goals more effectively.

2.2 Relationship between Employee Loyalty and Employee Performance

Employee loyalty has a significant influence on employee performance. Research conducted by several experts has shown that employee loyalty has a positive and significant influence on employee performance. Research conducted by Dewi Lasari (2019) found that employee loyalty has a dominant influence on performance at PT. Mandala Finance Gowa Branch. The results of this study indicate that employee loyalty has a significant influence on performance, so that increasing employee loyalty can improve performance. Other studies have also found that employee loyalty has a positive influence on performance. For example, research conducted by Saputra, Bagia, and Yulianthini (2016) and Ivana Ariyani (2016) found that employee loyalty has a positive influence on employee performance. In synthesis, the relationship between employee loyalty and employee performance is that employee loyalty has a positive and significant influence on employee performance. Therefore, companies that want to improve employee performance must prioritize increasing employee loyalty through various means, such as giving gifts to employees who excel so that their loyalty increases.

2.3 Relationship between Job Satisfaction and Employee Performance

Job satisfaction has a significant and positive relationship with employee performance. Research conducted by several experts shows that the level of employee job satisfaction felt can affect employee performance in completing their work. High job satisfaction can increase employee motivation, work discipline, and ability, thus having an impact on improving employee performance. Further research conducted by Darmayanti, Agustina, Hanafi, and Cahyadi (2020) This study found that job satisfaction has a significant effect on employee performance at the Siti Khadijah Islamic Hospital, Palembang. The results of the t-test show a t-count value of 2.309 > t-table of 2.024 with a significance level of 0.026 < α 0.05.

2.4 Relationship between Transformational Leadership and Job Satisfaction

Transformational leadership has a significant relationship with job satisfaction. Research conducted by several experts has shown that transformational leadership has a positive and significant influence on job satisfaction. Transformational leadership, which is defined as a leadership style that is able to support employees to think creatively and inspire them to increase loyalty, has a positive impact on job satisfaction. Research shows that the Pearson correlation coefficient between transformational leadership style and job satisfaction is 0.738 with $p < 0.01$, which means that transformational leadership style affects the level of employee job satisfaction.

Other studies also show that transformational leadership has a positive and significant influence on job satisfaction. For example, research conducted by Suryanatha and Ardana (2014) and Ibrahim and Shurbagi (2012) found that transformational leadership has a positive relationship with job satisfaction. Research by Maharani et al. (2013) also shows that transformational leadership has a regression coefficient of 0.655, which means that transformational leadership has a positive influence on job satisfaction. Several other studies also explain that job satisfaction is also found to have an influence on employee performance. For example, research conducted by Putu Widya Susastra found that job satisfaction has a positive and significant influence on performance.

Other studies also show that job satisfaction has a positive effect on performance, and has a positive and significant effect on work engagement. The results of the study show that employee loyalty has a positive effect on employee performance. These researchers show that employee loyalty can improve employee performance through work motivation, work enthusiasm, and loyalty. In addition, in the study of Deviyanti Putri Amalia (2021), the results of this study stated that employee loyalty has a positive and significant effect on employee performance. Therefore, it can be concluded that employee loyalty has a significant effect on employee performance through various factors such as work motivation and work environment.

2.5 Relationship between Employee Loyalty and Job Satisfaction

Employee loyalty and job satisfaction have a significant and positive relationship. Employee loyalty, which is defined as an attitude or behavior that provides individual abilities and skills, a disciplined and honest attitude in doing a job, providing pleasant, conducive and supportive situational skills in the work environment, and a desire to continue working in the company, is influenced by job satisfaction. Job satisfaction, which is measured as an employee's positive or negative attitude towards his/her job, has a significant and positive effect on employee loyalty. Employees who are satisfied with their jobs tend to have high loyalty to the company, because they feel fulfilled in meeting their life needs from their jobs and have a desire to continue working in the company.

Previous studies have shown that job satisfaction has a significant effect on employee loyalty. For example, research by Rowen (2017) and Firmansyah (2016) found that job satisfaction has a significant effect on employee loyalty. In addition, research by Widayati, Fitria, and Fitriani (2020) also found that job satisfaction has a significant effect on employee loyalty. In synthesis, employee loyalty and job satisfaction have a significant and positive relationship. Job satisfaction has a significant effect on employee loyalty, and employee loyalty is influenced by other factors such as leadership, work motivation, and work facilities.

2.6 Relationship between Transformational Leadership and Employee Performance Through Job Satisfaction as an Intervening Variable

Many studies have shown that transformational leadership has a positive effect on employee performance through job satisfaction as an intervening variable. For example, a study by Amri and Rahardja (2016) found that transformational leadership has an effect on employee performance. Another study by Fathiyah (2020) also found that transformational leadership has a positive effect on employee performance through job satisfaction. In synthesis, transformational leadership plays an important role in improving employee performance through job satisfaction as an intervening variable. Effective transformational leaders can improve employee job satisfaction

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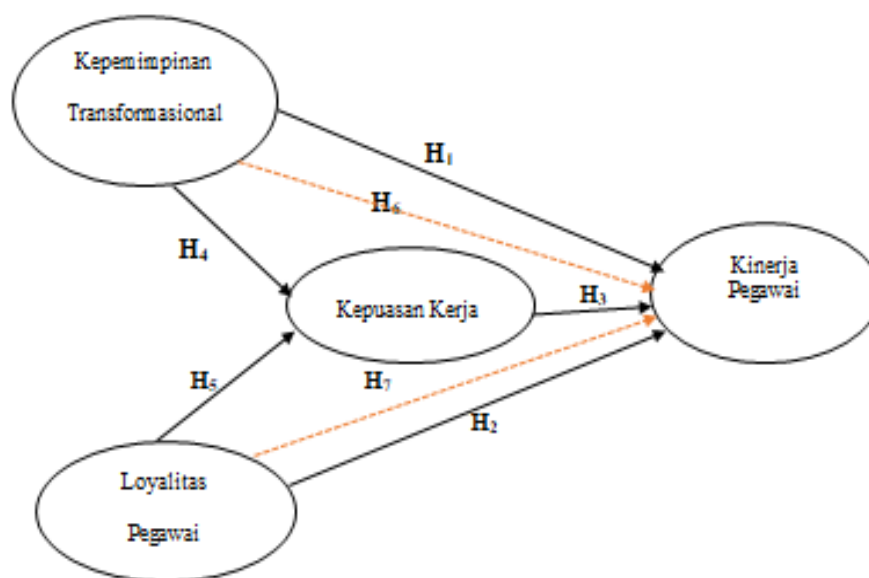
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by influencing communication, providing inspiration, increasing customer satisfaction, and producing future leaders. High job satisfaction, in turn, can increase employee motivation and engagement, enabling employees to better achieve organizational goals.

2.7 Relationship between Employee Loyalty and Employee Performance Through Job Satisfaction as an Intervening Variable

Many studies have shown that job satisfaction has a positive and significant effect on employee loyalty, which in turn has a positive and significant effect on employee performance. For example, a study by Amri and Rahardja (2016) found that job satisfaction has a positive and significant effect on employee loyalty. Another study by Fathiyah (2020) also found that job satisfaction has a positive effect on employee performance through employee loyalty. In synthesis, job satisfaction plays an important role in increasing employee loyalty, which in turn has a positive and significant effect on employee performance. Therefore, organizations should prioritize increasing employee job satisfaction to improve employee loyalty and performance.

Conceptual Framework



Picture1

Hypothesis

1. Transformational Leadership has a positive and significant influence on Employee Performance at the Stabat Regent's Office, Langkat Regency, North Sumatra.
2. Employee Loyalty has a positive and significant influence on Employee Performance at the Stabat Regent's Office, Langkat Regency, North Sumatra.
3. Job Satisfaction has a positive and significant effect on Employee Performance at the Stabat Regent's Office, Langkat Regency, North Sumatra.
4. Transformational Leadership has a positive and significant influence on Job Satisfaction at the Stabat Regent's Office, Langkat Regency, North Sumatra.
5. Employee Loyalty has a positive and significant effect on Job Satisfaction at the Stabat Regent's Office, Langkat Regency, North Sumatra.
6. Job Satisfaction Mediates the Influence of Transformational Leadership on Employee Performance at the Stabat Regent's Office, Langkat Regency, North Sumatra.
7. Job satisfaction mediates the influence of Employee Loyalty on employee performance at the

Stabat Regent's Office, Langkat Regency, North Sumatra.

3. IMPLEMENTATION METHOD

The object of this study is all employees of the Stabat Regent's Office, Langkat Regency, North Sumatra. The research location is a place or location of research that is described by the existence of elements, namely behavior, location, and activities that can be observed (Nasution, 2017). The location of the research that will be carried out in this study is the Stabat Regent's Office, Langkat Regency, North Sumatra. In this study, the population is all employees who work at the Stabat Regent's Office, Langkat Regency, North Sumatra, which amount to 122 employees.

Sample is part of the number and characteristics possessed by the population (Sugiyono, 2015). The determination of the sample used in this study is using the saturated sample method. According to Sugiyono (2016), saturated sampling is a sampling technique if all members of the population are sampled. The sample in this study was 122 employees at the Stabat Regent's Office, Langkat Regency, North Sumatra. In this study, researchers will go directly to the field to get answers from respondents related to the problems that occur. The method used is the method of collecting questionnaires that have been given questions related to the variables in this study, and is aimed at employees of the Stabat Regent's Office, Langkat Regency, North Sumatra, totaling 122 employees. In this study, the instrument measurement scale used is the Likert scale.

4. RESULTS AND DISCUSSION

4.1 Normality Test

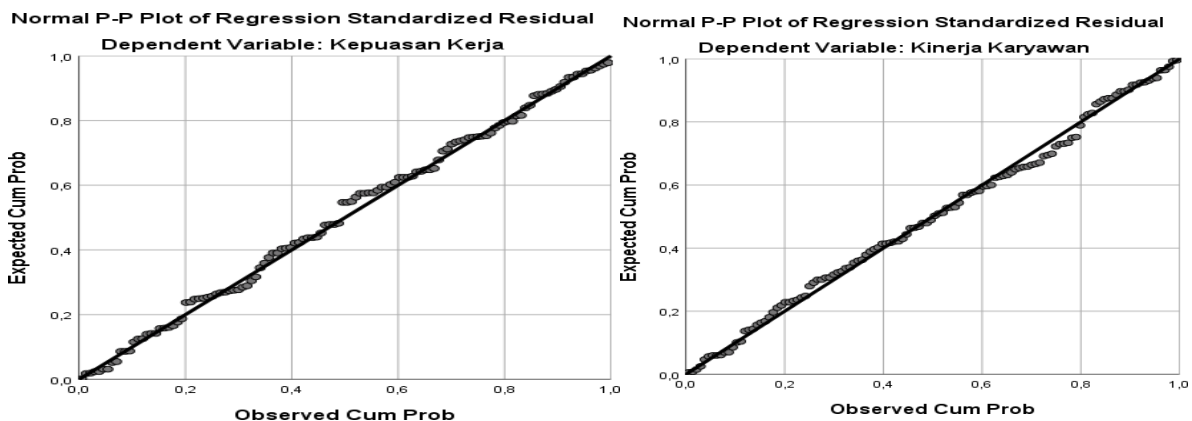


Figure 2

The independent and dependent variables are normally distributed. The Normal Probability Plot graph spreads around the diagonal line and follows the direction of the center line of the curve and does not expand. From these results, it means that regression model I and regression model II are feasible to use because they meet the assumption of normality.

4.2 Multicollinearity Test

The multicollinearity of model I in the study shows that the tolerance value obtained for transformational leadership is 0.322 with VIF value 3.107 and the tolerance value obtained for employee loyalty is 0.155 with VIF value 6.463, then the tolerance value obtained on job satisfaction is 0.279 with a VIFF value of 3.578. This shows that the tolerance value is greater than 0.1 and the VIF is less than 10, meaning that there is no multicollinearity between the independent variables.

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4.3 Heteroscedasticity Test

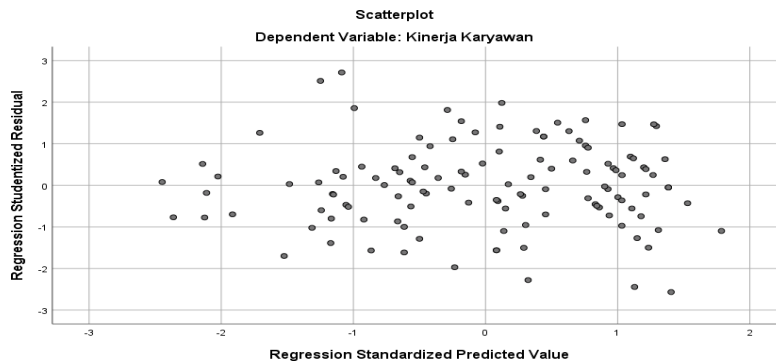


Figure 3

The results of the heteroscedasticity test in the table above show that the points on the scatterplot graph do not have a clear or regular distribution pattern and the points are spread above and below zero on the Y axis. This can be concluded that there is no heteroscedasticity in the regression model.

4.4 Test of Determination Coefficient (R²)

correlation coefficient (R²) of 0.933a, indicates that there is a strong relationship between the independent variables (Transformational Leadership, Employee Loyalty, Job Satisfaction) and the dependent variable (Employee Performance). The Determination Coefficient (Adjusted R Square) indicates that the contribution of the independent variables (Transformational Leadership, Employee Loyalty, Job Satisfaction) affects the dependent variable (Employee Performance) by 0.870, while the remaining 0.13 of 1 is influenced by other variables outside the independent variables.

4.5 Path Analysis Model I Test

Table 1
Coefficients Model I
Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	,279	1,657		,168	,867
	Transformational Leadership	,403	,069	,343	5,860	,000
	Employee Loyalty	,277	,092	,255	3,023	,003
	Job satisfaction	,446	,066	,423	6,721	,000

4.6 DISCUSSION

4.6.1 The Influence of Transformational Leadership (X1) on Employee Performance (Y)

Based on the test results of table 1 Transformational Leadership has an effect on Employee Performance, this can be seen with a t-value of $5.860 > t \text{ table } 1.288$ or a significance value of $0.000 < 0.05$. These results are supported by research conducted by Putra, Bagia, and Yulianthi (2019) which states that transformational leadership has a positive and significant influence on employee performance. Transformational leadership is a leadership style in which leaders motivate and inspire Regent's Office Employees to achieve higher goals than previously considered possible. With the right and moral leadership applied at the Stabat Regent's Office, Langkat Regency, North Sumatra, employee performance will increase.

4.6.2 The Influence of Employee Loyalty (X2) on Employee Performance (Y)

Based on the test results of table 1, Employee Loyalty has an effect on Employee Performance, this can be seen with a calculated t value of $3.023 > t \text{ table } 1.288$ or a significance value of $0.003 < 0.05$. These results are supported by research conducted by Lasari (2019) which states that employee loyalty has a significant influence on employee performance, so that increasing employee loyalty can improve performance. Employee loyalty is the level of loyalty, commitment, and emotional attachment of an employee to the company or organization where they work. With high loyalty, they tend to be more dedicated, motivated, and committed in carrying out their duties. Strong loyalty encourages employees to work harder, show initiative, and make greater contributions to the organization. This shows that increasing employee loyalty through various programs, such as career development, awards, and a supportive work environment, can significantly improve the overall performance of employees at the Stabat Regent's Office, Langkat Regency, North Sumatra.

4.6.3 Effect of Job Satisfaction (M) on Employee Performance (Y)

Based on the resultsTable 1 test Work Spirit affects Employee Performance, this can be seen with a t-value of $6.721 > t \text{ table } 1.288$ or a significance value of $0.000 < 0.05$. These results are supported by research conducted by Darmayanti, Agustina, Hanafi, and Cahyadi (2020) which states that job satisfaction has a significant influence on employee performance at the Siti Khadijah Islamic Hospital, Palembang. The results of the t-test show a t-value of $2.309 > t\text{-table of } 2.024$ with a significance level of $0.026 < \alpha \text{ } 0.05$. Job Satisfaction is a positive attitude of the workforce including feelings and behavior towards their work through an assessment of one of the jobs as a sense of appreciation in achieving one of the jobs as a sense of appreciation in achieving one of the important values of the job.

With job satisfaction, employees can feel satisfied with their jobs, both in terms of the work environment, compensation, recognition, and career development opportunities, they tend to show better performance. Job satisfaction increases employee motivation, loyalty, and commitment to the organization. This leads to increased productivity, work quality, and decreased absenteeism and turnover. Conversely, job dissatisfaction can lead to demotivation, decreased performance, and even negative behaviors such as frequent absences or job turnover. Therefore, organizations need to pay attention to the factors that influence job satisfaction to ensure that the performance of employees at the Stabat Regent's Office, Langkat Regency, North Sumatra, remains optimal.

4.6.4 The Influence of Transformational Leadership (X1) on Job Satisfaction (M)

Transformational Leadership Influences Employee Performance, this can be seen with a t-value of $2.225 > t \text{ table } 1.288$ or a significance value of $0.042 < 0.05$. This result is supported by research conducted by Suryanatha and Ardana (2014) and Ibrahim and Shurbagi (2012) who found that transformational leadership has a positive relationship with job satisfaction. Transformational leadership is a leadership style in which leaders motivate and inspire employees of the Regent's Office to achieve higher goals than previously considered possible. With this leadership style, which is characterized by a strong vision, inspiration, intellectual stimulation, and individual

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attention, it can increase employee motivation and commitment to the organization. Transformational leaders tend to encourage innovation and creativity, create a work environment that supports and appreciates the contribution of each individual. As a result, employees feel more appreciated, motivated, and satisfied with their work, which ultimately improves overall organizational performance. Research shows that transformational leadership not only increases job satisfaction but also reduces employee stress and turnover, and increases their loyalty and productivity.

4.6.5 The Influence of Employee Loyalty (X2) on Job Satisfaction (M)

Employee Loyalty Affects Employee Performance, this can be seen from the calculated t value of $11.095 > t \text{ table } 1.288$ or a significance value of $0.000 < 0.05$. These results are supported by research conducted by Widayati, Fitria, and Fitriani (2020) which also found that employee loyalty has a significant influence on job satisfaction. Employee loyalty is the level of loyalty, commitment, and emotional attachment of an employee to the company or organization where they work. With loyal employees, they tend to have a stronger sense of attachment to the Stabat Regent's Office, Langkat Regency, North Sumatra, which leads to increased motivation and commitment in carrying out their duties. This creates a positive work environment, where employees feel appreciated and motivated to contribute better. In addition, employee loyalty also contributes to organizational stability, reduces turnover, and increases productivity. Thus, employee loyalty is an important factor that supports high job satisfaction and has a positive impact on the overall performance of the Stabat Regent's Office, Langkat Regency, North Sumatra.

4.6.6 The Influence of Transformational Leadership (X1) on Employee Performance (Y) through Job Satisfaction (M) as a Mediating Variable

The relationship of partial mediation or indirect influence of transformational leadership variables on employee performance mediated by job satisfaction is 0.072 with a significant value of 0.035 and the magnitude of its direct influence is 0.343 with a significant value of 0.000. In other words, transformational leadership variables are able to significantly influence employee performance through mediator variables, namely job satisfaction at the Stabat Regent's Office, Langkat Regency, North Sumatra.

4.6.7 The influence of employee loyalty (X2) on employee performance (Y) through job satisfaction (M) as a mediating variable.

The relationship of partial mediation or indirect influence of employee loyalty on employee performance mediated by job satisfaction is 0.416 with a significant value of 0.044 and the magnitude of its direct influence is 0.255 with a significant value of 0.003. In other words, the employee loyalty variable is able to significantly influence employee performance through the mediator variable, namely job satisfaction at the Stabat Langkat Regent's Office, North Sumatra.

4.7 CONCLUSION

1. Transformational Leadership has a significant effect on employee performance at the Stabat Regent's Office, Langkat Regency, North Sumatra, meaning that the better the transformational leadership, the better the employee performance will be. The average respondent's answer is based on the transformational leadership variable with individual consideration indicators, which means that respondents agree with transformational leadership which can influence employee performance.
2. Employee Loyalty has a significant effect on Employee Performance at the Sabat Regent's Office, Langkat Regency, North Sumatra, meaning that the better the employee loyalty, the better the employee performance will be. The average respondent's answer is based on the employee loyalty variable with the dedication indicator, which means that respondents strongly agree that employee loyalty can affect employee performance.

3. Job Satisfaction has a significant effect on Employee Performance at the Stabat Regent's Office, Langkat Regency, North Sumatra, meaning that the better the job satisfaction, the better the employee performance will be. The average respondent's answer based on the job satisfaction variable with co-worker indicators means that respondents strongly agree that job satisfaction can affect employee performance.
4. Transformational Leadership has a significant effect on Job Satisfaction, at the Stabat Regent's Office, Langkat Regency, North Sumatra, meaning that the better the transformational leadership, the better the job satisfaction. The average respondent's answer is based on the transformational leadership variable with an individual consideration indicator which means that respondents agree with transformational leadership which can affect job satisfaction.
5. Employee Loyalty Influences Job Satisfaction, at the Stabat Regent's Office, Langkat Regency, North Sumatra, meaning that the better the employee loyalty, the better the job satisfaction. The average respondent's answer is based on the employee loyalty variable with the dedication indicator, which means that respondents strongly agree on job satisfaction that can influence job satisfaction.
6. Based on the results of the study, it shows that there is a full mediation relationship or indirect influence of transformational leadership variables on employee performance which is mediated by job satisfaction, in other words, transformational leadership variables are able to significantly influence employee performance through the mediator, namely employee satisfaction at the Stabat Regent's Office, Langkat Regency, North Sumatra.
7. Based on the results of the study, it shows that there is a full mediation relationship or indirect influence of employee loyalty variables on employee performance which is mediated by job satisfaction, in other words, employee loyalty variables are able to significantly influence employee performance through the mediator, namely employee satisfaction at the Stabat Regent's Office, Langkat Regency, North Sumatra.

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