

The Role of Organizational Commitment as Mediation of The Influence of Transformational Leadership on Hotel Employee Performance

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ABSTRACT

The purpose of this research is to strengthen the function of organizational commitment as a mediator in the process of improving transformational leadership abilities in order to improve the performance of employees working in hotels. There is a positive correlation between all of the variables; in addition to this, transformational leadership has an effect on both employee performance and organizational commitment. Another very significant aspect is the role that organizational commitment plays as a mediator in the connection between transformational leadership and employee performance. This is an extremely crucial aspect. The use of variable organizational commitment as a mediator of the relationship between transformational leadership and employee performance in the research that was carried out in the scope of research at a star hotel in Central Java is a novel approach that contributes to the advancement of the field. The findings of this research have a number of further theoretical ramifications for transformational leadership. In the history of the hospitality industry in Central Java, Indonesia, this particular study has never been carried out. The participants in the study were all staff working in hotels rated as four stars that were located in Central Java, Indonesia. 185 people participated in the study and were included in the sample for analysis. In order to do the analysis, the Amos SEM program was used.

Keywords: Employee Performance, Hospitality, Organizational Commitment, Transformation Leadership.

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I. INTRODUCTION

People who are going on vacation are the target market for businesses that fall under the category of the tourism industry. Tourism in Indonesia has demonstrated a substantial contribution towards the country's economy, society, and culture. This contribution creates job opportunities, increases state revenue, and improves the socioeconomic conditions of the local population. According to information provided by the World Trade Tourism Council (WTTC), the tourism industry in Indonesia is classified as one of the top nine in the world. Beginning in 2018, Indonesia saw a tourism growth rate that was 7.8% higher than the average global tourism growth rate. This was a considerable gain. According to the World Tourist Organization of the United Nations (UNWTO), the growth of the tourism industry in Indonesia has been five hundred percent. Because there are now more places for people to stay, both domestically and internationally, the number of tourists visiting from the archipelago as well as from other countries is growing on an annual basis. The hospitality industry constitutes one of the most important auxiliary facilities. A business that uses a building or part of a building that has been specially provided is considered to be a star hotel. At a star hotel, anyone can pay

to stay, eat, and obtain services and other facilities, and the business must also meet the requirements that have been established for a star hotel.

Because it encourages staff participation and buy-in, transformational leadership can play a significant part in boosting overall worker productivity (Mir *et al.*, 2020). According to Amin (2017), transformational leadership has the potential to raise the degree of employee engagement in the workplace. Leaders who focus on external job motivation, as opposed to transformational leaders who generate intrinsic work motivation, are known as transactional leaders (Miner, 2015). The extent of the professional responsibilities that are placed on a manager are directly proportional to the position that the manager plays in the organization. Transformational leadership refers to the ability of a manager to inspire and motivate subordinates to perform well in their jobs. According to Alessandri *et al.* (2018), transformational leadership is the key to good performance in companies that are through challenges associated with reform. According to Mondiani (2012), transformational leadership, namely the incorporation of charismatic leadership, is anticipated to boost employee performance. According to the findings of Al-Amin (2017) and Mir *et al.* (2020), there is a significant and favorable correlation between transformative leadership and performance factors. Chen *et al.*, (2018) provided

different results, and Eliyana *et al.*, (2019) showed that transformative leadership had no impact on employee performance. Both studies were conducted in China. The concept of transformational leadership demonstrates that management leadership should not be placed according to an individual's capacity or competency in terms of enhancing performance. Rather, it should be tied to employee motivation and employee dedication. This demonstrates that the results or research have been inconsistent, making it necessary to examine and include interaction mediation as an intermediary variable in order to determine how the influence of transformation affects employee performance. According to studies that were carried out by Al-Amin (2017) and Azka *et al.* (2011), the outcomes of mediating employee involvement in transformational leadership on performance have a good and significant effect on the organization's overall performance. The level of employee engagement and the number of employees who engage in high performance can both be increased through the use of transformational leadership.

For a business to be successful in retaining people and improving employee performance, individual commitment to the organization is of the utmost importance. Behavior that demonstrates an employee's commitment to the organization, as well as the continual process by which employees of the organization transmit their attention to the organization, organizational success, and sustainable advancement (Meyer & Allen, 1990). Commitment to one's organization has the power to bring workers closer together under a common cause. According to the findings of empirical research conducted by Hariyono *et al.*, (2017) on the effect of organizational commitment on the performance of employees, it was found that organizational commitment has a considerable influence on employee performance. These different results (Commer *et al.*, 2017; Suharto *et al.*, 2019) show that if organizational commitment does not significantly affect performance, then organizational commitment has not been able to optimize employee performance. This was shown by the fact that organizational commitment has not been able to optimize employee performance.

The researcher tries to understand the interaction between transformational leadership and employee empowerment on employee performance by mediating employee involvement and organizational commitment. Based on research gaps obtained from a variety of previous studies, the researcher tries to understand this interaction. The primary objective of this research was to provide fresh empirical evidence on the nature and magnitude of the mediating role that exists between the variables of employee performance, organizational commitment to transformational, and employee empowerment.

II. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Transformation Leadership and Employee Performance

According to Amin (2017), transformational leadership has the potential to raise the degree of employee engagement in the workplace. Employees that have a solid relationship with the firm will be able to increase their work performance,

which will ultimately be to the advantage of the company. When employees feel as though they are contributing to the success of the firm, they are also more likely to remain loyal to it. When a person is cognitively and/or emotionally attached to another person, they are said to be engaged in that relationship. According to the findings of a study that was carried out by Al-Amin (2017), Buil *et al.* (2019) discovered that the results of transformational leadership have an effect on the performance of employees.

Hypothesis 1. Transformation Leadership is positively related to Employee Performance

A. Transformation Leadership and Organizational Commitment

The concept of "organizational commitment" refers to a psychological construct that is characteristic of the relationship between organizational members and their organization. Organizational commitment also has implications for individual decisions regarding whether or not to continue membership in the organization, and these decisions are dependent on the values of the organization. The dimensions of affective commitment, continuation commitment, and normative commitment were established by Allen and Meyer (1990) for the purpose of measuring organizational commitment in this study. These are the three types of commitment. Transformational leadership has been shown to have an impact on organizational commitment, according to studies by Eliyana *et al.* (2019), Keskes *et al.* (2018), and Wang *et al.* (2014).

Hypothesis 2. Transformation Leadership is positively related to Organizational Commitment

B. Organizational Commitment and Employee Performance

The definition of "organizational commitment" refers to an individual's dedication to an organization. This dedication can be split into two subcategories: affective commitment and ongoing commitment. Affective commitment occurs when employees feel a strong emotional connection to the organization and want to be a part of it. Ongoing commitment refers to the strong desire of a person to continue working in an organization because they need the job and are unable to do anything else. and normative commitment, which refers to the feeling of duty that employees have to remain in the organization because they feel they are obligated to do so (Ricky W. Griffin, 2013). Research that was carried out in the past by Kim *et al.* (2019) and Ignatius Jeffrey & Bakri (2018) demonstrated that organizational commitment has an impact on performance.

Hypothesis 3. Organizational Commitment is positively related to Employee Performance

C. Mediating role of Organizational Commitment

The performance of employees is influenced, either directly or indirectly, by transformational leadership. It is more effective to use indirect influence than direct influence. This is as a result of the role that employee involvement plays as a type of mediation, which can further boost employee performance. Employees that have a strong commitment to the organization are more likely to demonstrate high levels of performance. Research carried out by Murray and Holmes (2021), Ruiz-Palomo *et al.* (2020) is supported by the findings of this study.

Hypothesis 4. Organizational Commitment will mediate the relationship between Transformation Leadership and Employee Performance.

Based on the descriptions of the previous literature, the hypothesized research model of this study is denoted in Fig. 1.

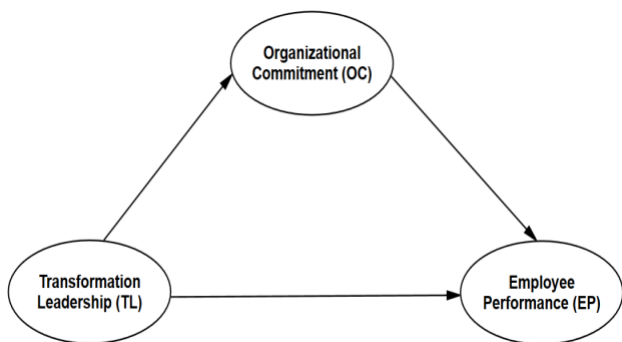


Fig. 1. Research Framework.

III. METHOD

A quantitative method was used throughout the research process that was carried out for this study. Transformation Idealistic influence, intellectual stimulation, and individual considerations were the three indicators that were used in the leadership assessment process. Affective commitment, continuous commitment, and normative commitment were the three variables that were used in the measurement of organizational commitment. The performance of the employee was evaluated based on their task performance, contextual performance, and adaptable performance, which were the three indicators that were used. Using a scale that is similar to the Likert scale, the range goes from 1 to 5, with 1 representing "strongly disagree" and 5 representing "strongly agree."

185 people participated in this study and were included in the sample. A method known as proportionate random sampling is being utilized in order to get an accurate representation of the population for this study's sample. Interviews and questionnaires were the primary means of data gathering in this investigation. Path analysis was used to study the data.

IV. RESULTS

A. Description of research variables

Transformation Leadership variables that have the lowest score is the statement "Leaders inspire team trust, involvement, and cooperation" Which obtained a value of 3.07. This means that in general, according to the leader has provided an intellectual stimulus. Transformation Leadership variables that have the highest score is the statement "Leaders inspire creative problem-solving.", which obtained a value of 3.53. this means that in general, Leaders are able to think creatively to solve problems.

Employee performance variables that have the lowest score are the statement "Employees can make plans for their work on time." Which obtained a value of 3.12. Employee performance variables that have the highest score is the

statement "Even when tasks need to be done quickly, employees can do them on time.", which obtained a value of 3.57.

Organizational Commitment variable that have the lowest score is the statement "When a person leaves their job, they lose more than they gain." Which obtained a value of 3.14. This means that in general, employees are comfortable at work. Organizational Commitment variable that have the highest score is the statement "It's hard to find a job that pays as much as the one I have now.", which obtained a value of 3.53. This means that most people feel like their salary has met their needs at work.

B. Path Analysis

In the calculation of the total coefficient of determination obtained 0.985, the conclusion is that 98.5% of the performance variables of star hotel employees in Central Java are influenced by transformational leadership and organizational commitment, while the remaining 1.5% is influenced by other factors not included in the research model or outside the research model.

TABLE I: THE RESULTS OF PATH ANALYSIS

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---------------------------|-----------------------------|------------|---------------------------|--------|-------|
| | B | Std. Error | Beta | | |
| Substructure 1 | | | | | |
| (Constant) | 0.278 | 0.125 | | 2.232 | 0.027 |
| Transformation Leadership | 0.968 | 0.012 | 0.986 | 80.990 | 0.000 |
| R ² : 0.973 | | | | | |
| Substructure 2 | | | | | |
| (Constant) | -0.117 | 0.097 | | -1.216 | 0.226 |
| Transformation Leadership | 0.412 | 0.056 | 0.408 | 7.416 | 0.000 |
| Organizational Commitment | 0.605 | 0.057 | 0.588 | 10.695 | 0.000 |
| R ² : 0.985 | | | | | |

V. DISCUSSION

Based on Table I, in substructure 1, transformation leadership has a beta value of 0.408 and a sig value of 0.000. the conclusion is that transformation leadership has a positive significant effect on employee performance, which means that when the leader has a good transformational leadership style, employee performance will also increase. So that the first hypothesis is accepted.

In Table I, substructure 2 gives transformation leadership has a beta value of 0.986 and a sig value of 0.000. The conclusion is that transformational leadership has a positive significant effect on organizational commitment, which means that when the leader has a good transformational leadership style, the organizational commitment will also be high. So the second hypothesis is accepted.

Organizational Commitment has a Beta value of 0.588 and a Sig. values. of 0.000 based on Table I substructure 2. It can be said that motivation has a significant positive effect on employee performance, in other words, if Organizational Commitment increases, employee performance will increase. So the third hypothesis is accepted".

To test the hypothesis of the mediating variable or Z-test

using the Sobel test (Preacher, 2001). To facilitate the calculation, the Sobel test was carried out using a Sobel test calculator. The results of the calculation of the Sobel test calculator $Z = 10,235$. which means Organizational Commitment is able to strengthen the effect of transformation leadership on employee performance, so the fourth hypothesis is accepted.

A. Theoretical Implication

This study's findings have theoretical implications for the advancement of human resource management science and organizational behavior research, particularly in the areas of transformational leadership, organizational commitment, and employee performance. attribution theory describes how individual traits might produce an event and how these views influence its effectiveness in organizations. In this study, attribution theory serves as the basis for the researcher's analysis because it explains the causes and consequences of acts. This study's findings indicate that employees' performance is the result of both internal and external elements that they have taken or implemented. This study evaluates the performance of human resources or personnel who are then able to contribute to the company's survival and sustainability.

B. Managerial Implication

As was discussed before, the transformational leadership style is utilized by the majority of firms. This research demonstrates that a transformational leadership style has effective and creative knowledge management within an organization. This is due to the fact that different types of knowledge that are shared among employees can direct those employees to pursue or achieve the results that are expected by the organization. In keeping with the findings of research carried out by Eliyana *et al.* (2019), Keskes *et al.* (2018), and Wang *et al.* (2018), the findings of this study indicate that the transformational leadership relationship has a strong positive effect on organizational commitment (2014). The long working hours, relatively limited perks, significant work stress, and demanding job requirements that hotel employees are subjected to all have a negative impact on the employees' ability to remain committed to their jobs over the long run. In order to cut down on employee turnover, one of the things that are being done is to give workers the impression that they are always being involved and that they are a part of the business. According to the findings of studies carried out by Al-Amin (2017) and Buil *et al.* (2019), transformational leadership results have an impact on the performance of employees. Research that was carried out in the past by Kim *et al.* (2019) and Ignatius Jeffrey & Bakri (2018) demonstrated that organizational commitment has an impact on performance. Individual considerations, intellectual stimulation, and an idealistic influence are the defining characteristics of transformational leaders. Individual considerations are used to describe transformational leadership, in which the leader is able to encourage employees to find new ways to solve problems in order to improve performance, which is described from the perspective of employees who are able to collaborate with other coworkers. This type of leadership results in improved performance. The ability to motivate employees by making them more aware of the importance of work results and

encouraging employees to prioritize the interests of the organization rather than their own interests is an example of transformational leadership. Transformational leadership is the ability of the leader to influence employees in such a way that employees will trust, imitate, and respect the leadership.

C. Limitations and Further Research

For further research, it is hoped that it can add variables that can affect employee performance, and be able to expand the scope of research, or it can also replace location research that is not only focused on research locations.

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