THE EFFECT OF TRANSFORMATIONAL LEADERSHIP AND ORGANIZATIONAL CULTURE ON EMPLOYEE PERFORMANCE WITH JOB SATISFACTION AS INTERVENING VARIABLES IN MINHAJUS SUNNAH MEDAN FOUNDATION

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ABSTRACT

The purpose of this study was to determine the effect of transformational leadership and organizational culture on employee performance with job satisfaction as an intervening variable at the MinhajusSunnah Medan foundation. The population in the study amounted to 130 people. Determination of the sample using simple random sampling method with a total of 98 people. The instrument used to collect data was a questionnaire with questions about transformational leadership, organizational culture, job satisfaction and employee performance. Data analysis with Partial Least Square (PLS) approach using SmartPLS software. The results of this study indicate that transformational leadership, organizational culture and job satisfaction have a significant positive effect on employee performance. And based on the specific indirect effect, it was found that transformational leadership has a positive and significant effect on employee performance through job satisfaction. Organizational culture has a positive and significant influence on employee performance through job satisfaction. The contribution of transformational leadership variables and organizational culture in influencing employee performance is 90.9% and the rest is influenced by other variables not examined in this study. The contribution of transformational leadership and organizational culture in influencing job satisfaction is 87.7% and the rest is influenced by other variables not examined in this study.

Keywords: Transformational Leadership, Organizational Culture, Job Satisfaction, Employee Performance

INTRODUCTION

The success of an organization in managing human resources will be seen from the employee performance indicators (job performance) or work results achieved and shown by an employee in carrying out tasks in accordance with the job description and responsibilities given. This shows that employees are the most important asset for the organization, because talent, energy, creativity and quality performance are needed to achieve the vision, mission and goals of the organization.

One of the factors that can affect performance is leadership. The right leadership style is very necessary for the development of a conducive work environment and improving employee performance so that it can be expected to produce high work productivity. Employee performance depends on a leader whose role is to decide, direct and supervise his employees. Therefore, the leadership style has a big role in improving employee performance. (DewiRosmala, *et.al*: 2017).

The existence of a significant relationship between organizational culture and performance in the organization is considered to determine the ability of an organization to cope with environmental changes, even directly affecting employee performance. Organizational culture is an important contributor to the success or failure of the company. In relation to the effectiveness of the achievement of an organization's achievements, culture can be a positive or negative force. High performance is the result of cultural consistency (Zahriyah*et.al*. 2015).

The Medan MinhajusSunnah Foundation is an organization that focuses on education and social institutions. The foundation, which was founded in 2005, accommodates 5 units in the education sector (RA UlunNuha, UlunNuha Elementary School, UlunNuha Middle School, UlunNuha High School and Ma'hadAlyUlunNuha) and 1 social unit (DompetSosialUlunNuha).In its journey from 2009 to 2020 the MinhajusSunnah Foundation has experienced 2 changes of leadership at the Foundation and 5 times of leadership changes at the education unit level. This shows that there is a leadership phenomenon that appears at the Foundation.

Throughout 2020, when the Covid-19 pandemic occurred, it also had an impact on employee performance at the MinhajusSunnah Foundation Medan. This can be seen from this attendance list:

Table 1. Attendance and absence rates of employees of the MinhajusSunnah Foundation in 2020

Month	Absence			
	Present	Sick	Permission	Without Explanation
	%	%	%	%
January	86	2	5	7
February	87	5	3	5

March	75	4	8	13
April	70	6	9	15
May	72	3	14	11
June	73	5	3	19
July	80	4	4	12
August	82	3	6	9
September	80	2	6	12
October	76	5	4	15
November	76	6	6	12
December	75	4	4	17
Average	78	4	6	12

Source: document MinhajusSunnahMedan Foundation

From table 1, it can be seen that the average absenteeism reached 12%, which means that there was a high number of absenteeism. Especially since March 2020, at the beginning of the Covid-19 pandemic in Indonesia, where Work From Home activities began to be implemented for employees at the MinhajusSunnah Foundation Medan. Many employees do not do online attendance or report to the leadership. The increase in attendance began to increase again in July 2020 when the new school year started.

Based on description above, the researcherswishes to conduct a research entitled "The Influence of Transformational Leadership and Organizational Culture on Employee Performance with Job Satisfaction as an Intervening Variable at the Medan MinhajusSunnah Foundation".

REVIEW OF LITERATURES

1. Transformational Leadership
Transformational leaders are leaders who inspire their followers to go beyond their own interests and who have the ability to have a deep and extraordinary influence on their followers (Robbins and Judge, 2017). According to Amirullah (2015) transformational leadership is leadership that has the ability to inspire and can motivate followers to achieve results planned originally and for internal rewards.

A person with a transformational leadership style is a real leader who inspires his team constantly with a vision for a shared future. They don't necessarily take the lead, as they tend to delegate obligations to the team. Although their enthusiasm is contagious, they generally need support from detailed people (Yateno, 2020)

Bass and Avolio (in Suwatno, 2019) state indicators of transformational leadership as idealized influence, inspirational motivation, intellectual stimulation, and individual consideration.

2. ORGANIZATIONAL CULTURE
Robbins and Judge (2017: 355) define organizational culture in a system of sharing meaning carried out by members that differentiates the organization from other organizations. Meanwhile, according to Fahmi (2016) organizational culture is a habit that has been going on for a long time, is used and applied in the life of work activities as one that encourages the improvement of the work quality of employees and managers in the company.

Organizational culture is related to the values and beliefs that are developed in the organization for the behavior and actions of members of the organization (Tewal, 2017)

Edison *et.al* (2017) summarizes the dimensions of organizational culture as follows: Self-awareness, Aggressiveness, Personality, Performance, and Team orientation.

3. WORK SATISFACTION
Yateno (2020: 70) states that job satisfaction is defined as a positive feeling about one's job which is the result of an evaluation of its characteristics. A person with a high level of job satisfaction has positive feelings about the job, while someone who is dissatisfied has negative feelings about the job. In simpler terms, according to Wibowo (2019) job satisfaction is the level of pleasure of an individual as a positive assessment of his job and the environment in which he works.

Job satisfaction is one of the most important factors to get optimal performance results. Someone who feels satisfaction when doing a job, then that person will try to the maximum possible and give all their abilities to complete the job task. Thus productivity and the results of its performance will increase significantly (Badriyah : 2017)

One of the work indicators was developed by Gibson, Ivancevich and Donelli as quoted by Edison *et.al* (2017) as follows: Wages, The job itself, Promotion opportunities, Supervisor, and Co-workers.

4. EMPLOYEE PERFORMANCE

Etymologically, the term performance comes from Job Performance or Actual Performance or actual achievements achieved by someone. Performance (work performance) is the quantity and quality of work achieved by an employee in carrying out his duties in accordance with the responsibilities assigned to him. (Mangkunegara : 2017).

According to Edison et.al (2017: 188) performance is the result of a process that refers and is measured over a certain period of time based on predetermined terms or agreements. Furthermore,Indra Bastian in Fahmi (2015) defines performance as an illustration of the level of achievement of the implementation of a program / policy / activity in realizing the vision and mission, goals and objectives of the organization as outlined in the formulation of an organization's strategic planning.

Edison *et.al* (20173) develop John Miner's thoughts on performance indicators to be as follows:

1. Target : Is an indicator of the fulfillment of the number of goods, jobs or the amount of money generated.
2. Quality :Is an indicator of the quality of the results achieved, quality is the strength in maintaining customer satisfaction.
3. Time of completion :Is an indicator that measures whether the completion of tasks on time / delivery of work is certain.
4. Obey the principles :Is an indicator that assesses whether the task being carried out is carried out in a correct, transparent and accountable manner.

RESEACH METHOD

This research was conducted within the Medan MinhajusSunnahFoundation which is located at Medan johor sub-district, Medan city. The population in the study amounted to 130 people. The sample was determined using simple random sampling method with a total of 98 people.

Collecting data in this study by making a list of questions in the form of a questionnaireusing a Likert scale with a scale of 1 (strongly disagree) and a scale of 5 (strongly agree) after being filled completely then returned to the researcher with exogenous latency Variable ($\xi1$ / X1) is Transformational Leadership, exogenous latent variable ($\xi2$ / X2) is Organizational Culture, endogenous latent variable ($\eta1$ / Z) is job satisfaction and The endogenous latent variable ($\eta2$ / Y) is employee performance. This research model is as follows:

Figure 1. Research Model
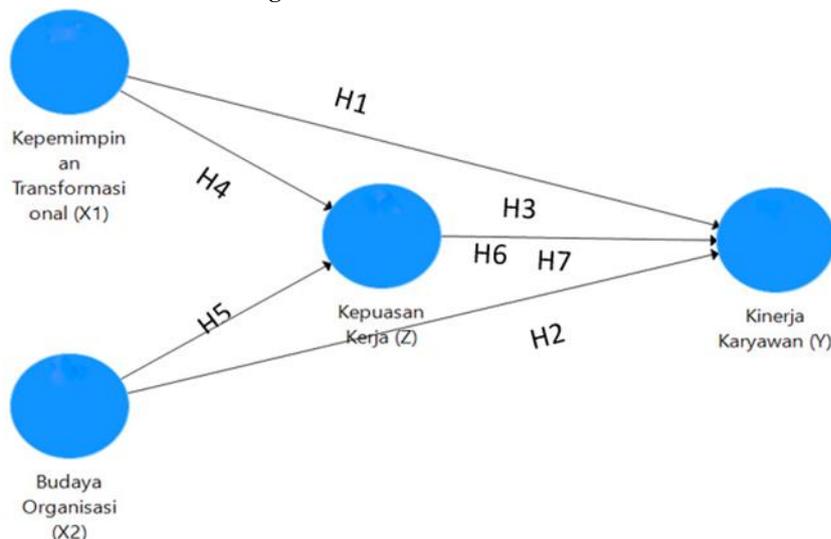
The data analysis technique in this study used the Structural Equation Model (SEM). The tool (software) used is smartPLS (Partial Least Square) version 3.3.2.

DISCUSSION

The MinhajusSunnah Foundation is an organizational foundation that was founded on May 7, 2005 in Medan City, North Sumatra, Indonesia.

Since its inception the MinhajusSunnah Foundation has focused on the education and social sectors. In 2009 the MinhajusSunnah Foundation established the UlunNuha Islamic Middle School, followed by the establishment of the UlunNuha Islamic High School in 2012. Then the UlunNuha Kindergarten and Elementary School which was inaugurated in 2013. In 2015 the MinhajusSunnah Foundation formed a social unit called the DompetSosialUlunNuha (UlunNuha Social Wallet).

Inferential statistical analysis using structural equation modeling with the smartPLS 3.3.2 application program consists of analysis of the measurement model (outer model) and structural model analysis (inner model).

Evaluation of the measurement model or outer model is carried out to assess the validity and reliability of the model. The criteria for assessing the outer model are convergent validity, discriminant validity, composite reliability and Cronbach's alpha (Ghozali and Latan, 2015)

To test the validity convergent use outer value loading or loading factor. An indicator is declared to meet the convergent validity in the good category if the outer loading value is greater than 0.7. Here are the outer loading value of each indicator on the research variables:

Table 2. Loading Factor

	Organizational Culture (X2)	Job Satisfaction (Z)	Employee Performance (Y)	Transformational Leadership (X1)
BO1	0.842	0.806	0.809	0.815
BO10	0.738	0.621	0.652	0.635
BO2	0.823	0.744	0.768	0.733
BO3	0.721	0.667	0.663	0.657
BO4	0.791	0.657	0.722	0.687
BO5	0.702	0.610	0.618	0.604
BO6	0.775	0.677	0.677	0.717
BO7	0.806	0.732	0.759	0.727
BO8	0.822	0.696	0.760	0.704
BO9	0.781	0.664	0.744	0.698
KEP1	0.790	0.792	0.789	0.803
KEP10	0.735	0.858	0.766	0.825
KEP2	0.705	0.759	0.683	0.699
KEP3	0.681	0.782	0.736	0.699
KEP4	0.679	0.776	0.726	0.686
KEP5	0.724	0.826	0.728	0.769
KEP6	0.605	0.772	0.674	0.668
KEP7	0.670	0.787	0.708	0.737
KEP8	0.740	0.813	0.762	0.779
KEP9	0.717	0.829	0.760	0.755
KIN1	0.807	0.764	0.808	0.774
KIN10	0.782	0.773	0.853	0.796
KIN11	0.625	0.664	0.762	0.646
KIN12	0.747	0.737	0.823	0.729
KIN13	0.785	0.804	0.844	0.785
KIN14	0.787	0.762	0.855	0.739
KIN2	0.785	0.788	0.827	0.790
KIN3	0.718	0.712	0.766	0.703
KIN4	0.799	0.810	0.837	0.819
KIN5	0.765	0.759	0.802	0.749
KIN6	0.810	0.790	0.872	0.833
KIN7	0.690	0.713	0.816	0.725
KIN8	0.620	0.622	0.724	0.624
KIN9	0.741	0.736	0.799	0.796
PIM1	0.746	0.816	0.728	0.850
PIM10	0.649	0.646	0.645	0.724
PIM2	0.655	0.740	0.667	0.792
PIM3	0.726	0.741	0.754	0.826
PIM4	0.772	0.774	0.808	0.846
PIM5	0.829	0.785	0.844	0.849
PIM6	0.781	0.818	0.833	0.844
PIM7	0.709	0.758	0.746	0.775
PIM8	0.575	0.629	0.645	0.784
PIM9	0.659	0.670	0.661	0.764

Source: Research Results, 2021 (Data processed)

Based on the data presented in table 2 above, it is known that each indicator of the research variables has an outer loading value greater than 0.7. So that the indicators are declared feasible or valid for research use and can be used for further analysis.

The next step is to look at discriminant validity. A way to test discriminant validity with reflexive indicators is by looking at the cross-loading value for each variable that must be greater than 0.70. (Ghozali and Latan, 2015). An indicator is declared to meet discriminant validity if the cross-loading value of the indicator on the variable is the largest compared to other variables. From table 2 we can see that the cross-loading value of the indicator in each variable is greater than the cross loading value of the other variables.

Convergent validity assessment is carried out by looking at the Average Variance Extracted (AVE) value, where if the AVE value obtained is greater than 0.50, then the indicators used have met the convergent validity (Ghozali and Latan, 2015). The reliability values and AVE composites obtained in this study can be seen in table 3 below:

Table 3. Construct Reliability and Validity

|	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Organizational Culture (X2)	**0.929**	**0.931**	**0.940**	**0.610**
Job Satisfaction (Z)	**0.937**	**0.939**	**0.947**	**0.640**
Employee Performance (Y)	**0.961**	**0.962**	**0.965**	**0.663**
Transformational Leadership (X1)	**0.935**	**0.939**	**0.945**	**0.635**

Source: Research Results, 2021 (Data processed)

Based on the data presented in table 3 above, it is known that the AVE value of transformational leadership, organizational culture, job satisfaction and employee performance is greater than 0.5. Thus, it can be stated that each variable has good discriminant validity.

Composite Reliability is the part used to test the reliability value of indicators on a variable. A variable can be declared to meet composite reliability if it has a composite reliability value greater than 0.6 (Ghozali and Latan, 2015). From table 3 it can be seen that the composite reliability value of all research variables is greater than 0.6. These results indicate that each variable has met the composite reliability so that it can be concluded that all variables have a high level of reliability.

Cronbach's alpha is done to strengthen the results of composite reliability. A variable can be declared reliable if it has a Cronbach's alpha value greater than 0.7. (Ghozali and latan, 2015). From table 3 above, it can be seen that the Cronbach's alpha value of each research variable is greater than 0.7. Thus, these results can indicate that each of the research variables has met the requirements for the Cronbach's alpha value, so it can be concluded that all variables have a high level of reliability.

Inner Model analysis (Structural model analysis) describes the relationship between latent variables based on substantive theory. Inner Model analysis is evaluated using the R-Square test and T-statistical test (hypothesis testing).The structural model of the research picture can be seen in Figure 2 below

Figure 2. Output Bootsrapping
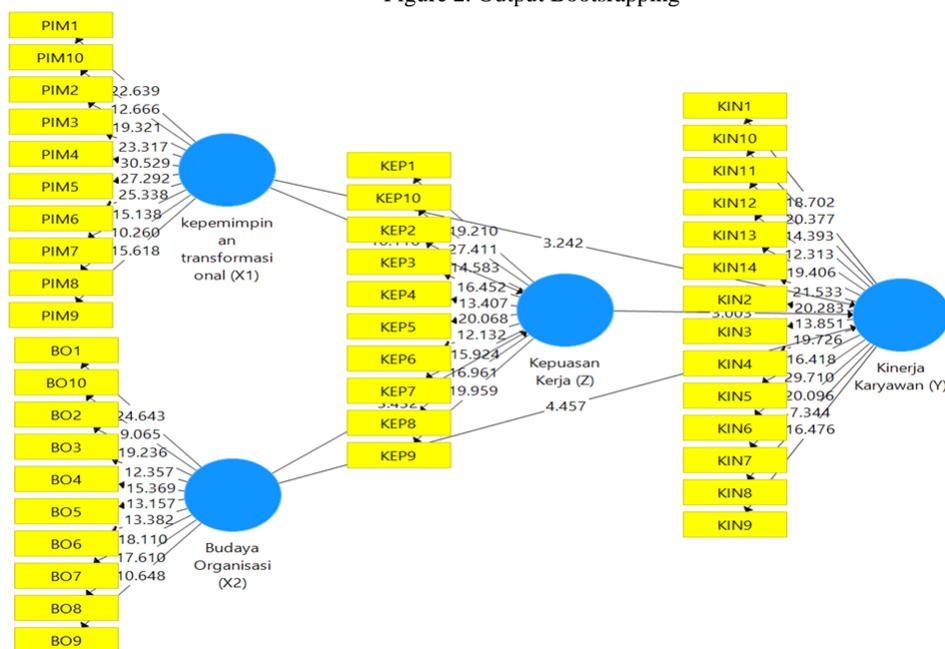
Whether a proposed hypothesis is accepted or not, it is necessary to test the hypothesis using the Bootstrapping function on Smart PLS 3.0. The hypothesis is accepted when the significance level is less than 0.05 or the t-value exceeds the critical value. The value of t statistics for the 5% significance level is 1.96.the results of bootstrapping can be seen in the path coefficients table below:

Table 4. Path Coefficients

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Organizational Culture(X2) ->Job Satisfaction (Z)	0.252	0.249	0.073	3.432	**0.001**
Organizational Culture(X2) ->Employee Performance (Y)	0.398	0.406	0.089	4.457	**0.000**
Job Satisfaction (Z) ->Employee Performance (Y)	0.281	0.275	0.094	3.003	**0.003**
Transformational Leadership(X1) ->Job Satisfaction (Z)	0.705	0.707	0.070	10.116	**0.000**
Transformational Leadership(X1) ->Employee Performance (Y)	0.306	0.305	0.095	3.242	**0.001**

Source: Research Results, 2021 (Data processed)

From the path coefficient above, it can be seen that the original sample value from the p-value or t-statistics which is used as a reference for making a decision, the hypothesis is accepted or the hypothesis is rejected. The hypothesis can be accepted if the t-statistics value is greater than the t-table or the p-value is smaller than 0.05.

Table 4 above shows that transformational leadership has a significant positive effect on employee performance with a T-Statistics of $3.242 > 1.96$ and a P Value of $0.001 < 0.05$ and the original sample = 0.306. Organizational culture has a positive and significant effect on employee performance with a T-Statistics value of $4.457 > 1.96$ and a P value of $0.000 < 0.05$ and the original sample = 0.398. Job satisfaction has a positive and significant effect on employee performance with a T-Statistics value of $0.003 < 0.05$ and a P value of $0.003 > 0.05$ and an original sample value of 0.281. Transformational leadership has a positive and significant effect on job satisfaction with a T-Statistics value of $10,116 > 1.96$ and a P value of $0.00 < 0.05$, the original sample value = 0.705. Organizational culture has a positive and significant effect on job satisfaction with a T-Statistics value of $3,432 > 1.96$ and a P value of $0.001 < 0.05$, the original sample value = 0.252.

Furthermore, the indirect effect between variables can be seen in the table below:

Table 5. Spesific Indirect Effects

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Transformational Leadership (X1) ->Job Satisfaction (Z) ->Employee Performance (Y)	0.198	0.195	0.070	2.835	**0.005**
Organizational Culture (X2) ->Job Satisfaction (Z) ->Employee Performance (Y)	0.071	0.068	0.031	2.268	**0.024**

Source: Research Results, 2021 (Data processed)

Table 5 shows that transformational leadership has a positive and significant effect on employee performance through job satisfaction with a T-Statistics value of $2.835 > 1.96$ and a P value of $0.005 < 0.05$, the original sample value of 0.198. Organizational culture has a positive and significant effect on employee performance through job satisfaction with a T-Statistics value of $2.268 > 1.96$ and a P value of $0.024 < 0.05$, the original sample value of 0.071.

To assess the effect of certain independent variables on the dependent variable using the R-Square test. The results of the R-Square are shown in the table below.

Tabel 6. R-Square Values

	R Square	R Square Adjusted
KepuasanKerja (Z)	0.877	0.875
KinerjaKaryawan (Y)	0.909	0.906

Source: Research Results, 2021 (Data processed)

Based on table 6, it shows that transformational leadership and organizational culture together influence employee performance by 90.9% while the remaining 9.1% is influenced by other variables outside of this study.

Table 6 shows that transformational leadership and organizational culture together have an influence on job satisfaction by 87.7% while the remaining 12.3% is influenced by other variables outside of this study.

CONCLUSION

1. Transformational leadership, organizational culture and job satisfaction each have a positive and significant effect on employee performance at the MinhajusSunnah Foundation Medan.
2. Transformational leadership and organizational culture each have a positive and significant effect on job satisfaction at the Medan MinhajusSunnah Foundation.
3. Transformational Leadership and Organizational Culture each have an influence on Employee Performance through Job Satisfaction.
4. Transformational leadership and organizational culture jointly affect performance by 90.9% and the rest is influenced by other variables not examined in this study. Furthermore, transformational leadership and organizational culture jointly affect job satisfaction by 87.7% and the rest. influenced by other variables not examined in this study

SUGGESTION

1. MinhajusSunnah Foundation to improve the application of transformational leadership in its institution, because transformational leadership has a positive and significant effect on employee performance.One of them is by providing strong motivation to employees, not always avoiding interference in their work, but still guiding, controlling and giving proper attention.
2. MinhajusSunnah Foundation is expected to develop a culture of mutual respect and greetings between individuals within the foundation. Because organizational culture has a strong influence on employee performance and job satisfaction.
3. To increase job satisfaction, MinhajusSunnah Foundation is expected to pay attention to the welfare of employees, especially on benefits other than employee wages and salaries which are regulated in accordance with applicable labor laws or other regulations.
4. For further researchers, the results of this study can be used as a source of basic information or knowledge for researchers conducting similar research or other research. It is necessary to conduct research studies in a deeper and broader scope not only on the variables that have been researched in this study but can also add other variables including adding the dimensions of each variable.

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