

## Original Article

# Investigating the Effect of Transformational Leadership, Compensation and Organizational Culture on Job Satisfaction and Employee Performance at PT. Kitadin Embalut Kabupaten Kutai Kartanegara

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**Abstract:** Human resources are an essential factor in maintaining the continuity of an organization/company. It is necessary to improve and develop the quality of human resources individually and in work teams to improve and develop the organization. This research involved all employees of PT. Kitadin Embalut Kabupaten Kutai Kartanegara. A total of 110 respondents were involved in this study. The data analysis used by the author is the Structural Equation Model (SEM). Hypothesis testing was carried out using multivariate analysis through the SmartPLS-3. The research results show that transformational leadership, compensation, and organizational culture influence job satisfaction positively and significantly. Furthermore, job satisfaction has a positive and significant effect on employee performance. Job satisfaction and organizational culture mediate the relationship between transformational leadership and employee performance. In addition, job satisfaction does not mediate the relationship between transformational leadership and compensation and employee performance. In conclusion, this study has identified factors influencing job satisfaction and employee performance. Also, this study identified the mediating role of job satisfaction on employee performance.

**Keywords:** Transformational Leadership; Compensation; Organizational Culture; Job Satisfaction; Employee Performance.



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## 1. Introduction

Human resources are an important factor in maintaining the continuity of an organization/company. In order to improve and develop the organization, it is necessary to improve and develop the quality of human resources individually and in work teams. Organizations must be able to manage human resources well to achieve organizational goals. Organizational performance depends on individual performance. Developing employee capabilities can be done in various ways to achieve organizational goals. It is hoped that the efforts made by the organization to develop employee capabilities can improve employee performance so that the organization can achieve its stated goals. The

differences in employee performance at PT. Kitadin occur in almost all departments. Based on the observations, there are still employees who are not satisfied with what they have received from the company. This is reflected in the less-than-optimal performance of several employees. Dissatisfaction is manifested in reduced time discipline, late work reports, rejection of work, acts of provocation against other employees not to work productively, and a lack of initiative to carry out changes and development.

Performance is a description of the level of achievement of the implementation of an activity/program/policy in realizing the goals, objectives, mission and vision of an organization as stated in an organization's strategic planning. Performance assessment is an activity to measure performance achievement, which begins with determining individual and team/group performance indicators. Factors that influence performance should be studied as well. The dominant factors that influence performance are facilities and infrastructure, work environment, job desk, responsibilities, company vision and mission, organizational culture, communication system, transformational leadership, training and compensation. Job satisfaction is a factor that can influence employee performance. Companies must know the factors of employee job satisfaction and plan to try to fulfill these factors so that performance improvement can be achieved. Increased job satisfaction, which leads to improvement performance leaders are needed who can bridge fulfillment job satisfaction and achieving company goals. Factors that can create employee satisfaction at work are compensation, promotion, transformational leadership, organizational culture, self-development, job security, communication, and infrastructure.

Three (3) dominant factors influence employee performance and job satisfaction, namely transformational leadership, compensation, and organizational culture. Compensation is a reward a company or organization gives employees in the form of money or non-money (in-kind). Employees receive compensation due to their work or recognition for their responsibilities within the company. Compensation can also be a reward or reward system in a company. Employee compensation can be in salary, wages, allowances, incentives, and facilities while working. Transformational leaders can motivate followers to carry out the work above expectation and transcend their own self-interest for the organization's benefit with individualized friendliness, intellectual stimulation, inspirational motivation, and ideal influence. Transformational leadership generates extra effort from workers, productivity, higher levels of morale and satisfaction, higher organizational effectiveness, lower turnover rates, lower absenteeism rates, and greater organizational adaptability (Robbins & Judge, 2015).

Apart from transformational leadership and compensation, organizational culture factors are also essential for the sustainability of an organization. Organizational culture is a system of beliefs, values and beliefs developed within an organization and used as guidelines for daily behavior to direct various actions to achieve organizational goals that produce organizational behavioral norms. Organizational culture functions as a clear distinction between one organization and another, as an employee identity, facilitating the emergence of commitment to something broader than individual interests. It is a social glue that helps unite an organization by shaping employee attitudes and behavior and a meaning-making and control mechanism that shapes employee attitudes and behavior. PT Kitadin operations have basic values formulated and agreed together as a company culture called "Bampu heart". Bampu Heart consists of several basic values grouped into 3 main values: passionate, innovative, and committed. It is hoped that Banpu Heart will become a value that continues to guide the company's operations. Based on the phenomena obtained from the results of these observations and interviews, several empirical studies can be obtained to make gap in this research with the following explanation:

The influence of transformational leadership on job satisfaction is explained through empirical studies, research conducted by Saleem (2015), Mangkunegara & Huddin (2016), Lee & Hong (2017), Pratama (2016), Andreani & Petrik (2016), Ibraheem Shelash Mohammad et al. (2011), Mittal & Dhar (2015). Muslichah & Asrori (2018) state that transformational leadership has a significant influence on job satisfaction. In contrast to research conducted by Alonderiene & Majauskaite (2016) which states that transformational leadership has an insignificant influence on job satisfaction. The effect of compensation on job satisfaction is explained through empirical studies, research conducted by Rahayu & Pramularso (2019), Fauzi (2017), Herdiansah (2017), Herawati & Ermawati (2020), Wiyantini (2016) and Retnoningsih et al. (2016) state that compensation has a positive and significant influence on job satisfaction. The influence of organizational culture on job satisfaction is explained through empirical studies, research conducted by Abror (2022), Wambui (2018), Qazi et al. (2017) and Lund (2003) stated that organizational culture had a significant influence on job satisfaction, in contrast to research conducted by Shah (2015) stated that organizational culture had an insignificant influence on job satisfaction. The influence of transformational leadership on performance is explained through empirical studies, research conducted by Shafiu et al. (2019), Pratama (2016), Mangkunegara & Huddin (2016), Mittal & Dhar (2015) state that transformational leadership has a significant influence on performance, in contrast to with research conducted by Saleem (2015), Atmojo (2012) stated that transformational leadership has an insignificant effect on performance.

The influence of compensation on performance is explained through empirical studies, research conducted by Fithriana & Adi (2020), Sherlie (2020), Zuriana & Rananda (2019) and Emily & Kadang (2020) state that compensation has a significant influence on performance. The influence of organizational culture on performance is explained through

empirical studies, research conducted by [Wambugu \(2014\)](#), [Ugwu et al. \(2017\)](#), [Arianto \(2013\)](#), [Ehtesham et al. \(2011\)](#), and [Idris \(2018\)](#) state that organizational culture has an influence significant impact on performance, in contrast to research conducted by [Megasyara et al. \(2022\)](#) stated that organizational culture has an insignificant influence on performance. The influence of job satisfaction on performance is explained through empirical studies, research conducted by [Mangkunegara & Huddin \(2016\)](#), [Mazeed et al. \(2019\)](#), [Pongton & Suntrayuth \(2019\)](#), [Sumarni et al., \(2020\)](#), [Tampubolon \(2016\)](#), [Tho'in & Muliasari \(2020\)](#), [Dilantari & Dewi \(2019\)](#) stated that job satisfaction has a significant influence on performance, which is different from research conducted by [Andreani & Petrik \(2016\)](#), [Sulistiono et al. \(2020\)](#) stated that job satisfaction has an insignificant influence on performance. This research seeks to determine and evaluate the variables influencing job satisfaction and employee performance at Kitadin Embulant, Kutai Kartanegara Regency.

## 2. Literature Review

### 2.1. Underlying Theory

Human resources are one of the most important resources to gain attention and continue to improve their role in the organization, especially efforts to achieve the company's vision and mission. One way to measure whether human resources have played a role as expected is by measuring employee performance. Many variables that can be done to improve employee performance are transformational leadership, compensation, organizational culture and job satisfaction. Human Resource Management is managing human talent to achieve organizational goals. Human resource management is a strategic process related to staffing, compensation, training, laws and policies regarding labor, and employee retention. Human Resource Management is generally used to describe all organizational activities related to recruiting and selecting, designing jobs for, training and developing, appraising and rewarding, directing and motivating and supervising workers. According to [Mathis & Jackson \(2002\)](#), Human Resource Management is a formal system designed within an organization to manage human talent to achieve organizational goals. Thus, the human resource management is a process of managing the skills and abilities possessed by humans to achieve goals, as well as a process related to staffing, compensation, training and employee development (see Figure 1).



Figure 1. HR Management Functions

Source: [Mathis & Jackson \(2002\)](#)

#### 2.1.1. Transformational Leadership and Job Satisfaction

Transformational leadership is a leader who inspires his subordinates to put aside their interests and can influence extraordinary ([Robbins et al., 2019](#)). [Luthans \(2006\)](#) added that transformational leadership is a leadership approach that makes efforts to change awareness, raise enthusiasm and inspire subordinates or organizational members to

expend extra effort in achieving organizational goals without feeling pressured. Transformational leaders motivate subordinates to do more than what is expected, namely by increasing the importance and value of tasks in the eyes of subordinates, by encouraging subordinates to sacrifice their interests for the sake of the greater interests of the team, organization, or policy and by raising the level of their needs to a higher level of self-actualization. In a context like this, fostering togetherness is an integral part of the leadership process, where subordinates are implicitly willing to accept the superior status of their leader. Thus, there is a kind of attachment of subordinates to their leader to create an atmosphere of togetherness. The relationship between transformational leadership and job satisfaction is based on path-goal theory. The influence of leader behavior on employee satisfaction depends on aspects of the situation, including job and employee characteristics (Yukl, 2017). Job satisfaction and transformational leadership are the most important elements that influence the overall effectiveness of an organization. Leadership influence transformational impact on job satisfaction can be explained through empirical studies, research conducted by Saleem (2015), Andreani & Petrik (2016), Lee & Hong (2017), Pratama (2016), Mangkunegara & Huddin (2016), Ibraheem Shelash Mohammad et al. (2011), Qabool & Jalees (2017), Muslichah & Asrori (2018) state that transformational leadership has a significant influence on job satisfaction, in contrast to research conducted by Alonderiene & Majauskaite (2016) which states that transformational leadership has an insignificant influence on job satisfaction.

### 2.1.2. The Effect of Compensation on Job Satisfaction

Everyone will have a different level of satisfaction according to the value system that applies to him. The more aspects of the job are the individual's wishes, the higher the level of satisfaction he feels. If the fewer aspects of the work are the individual's wishes, the lower the level of satisfaction he feels. Employees tend to want a fair compensation system according to employee expectations and contributions to the company. The compensation received if it is perceived to be fair with expectations, workload, responsibilities, etc. Skills and employee performance will lead to job satisfaction. Compensation is an aspect that can fulfill employee job satisfaction. The effect of compensation on job satisfaction is explained through empirical studies, research conducted by Rahayu & Pramularso (2019), Fauzi (2017), Herdiansah (2017), Sihotang (2021), Wiyantini (2016) and Fauzia (2015), stated that compensation has a positive and significant influence on job satisfaction.

### 2.1.3. Organizational Culture and Job Satisfaction

Organizational culture is the basic assumptions and beliefs shared by members of an organization (Hogan & Coote, 2014). These assumptions and beliefs concern the group's views on the nature of time and scope and human nature and relationships. Meanwhile, Robbins (2010) explains that organizational culture is a system of shared meaning and control shared by members, differentiating their organization from other organizations. Robbins (2010) explains that the founders of an organization can be the main source of organizational culture. The vision and mission of an organization's founders naturally impact the organization's initial culture. This initial culture generally develops until it becomes the shared meaning and control that characterizes the organizational culture. The influence of organizational culture on job satisfaction is explained through empirical studies. Research conducted by Alvi et al. (2014), Qazi et al. (2017), Lund (2003) stated that organizational culture had a significant influence on job satisfaction, in contrast to research conducted by Ahamed & Mahmood (2015) which stated that organizational culture had an insignificant influence on job satisfaction.

### 2.1.4. Transformational Leadership and Employee Performance

Many studies have concluded that there is a significant influence between transformational leadership variables on employee performance. Leaders who are more inclined towards a transformational leadership approach are leaders who provide motivation and good examples. The more often transformational leadership behavior is implemented, the more significant the positive impact will be on improving the quality of psychological empowerment of subordinates. The role of leaders who pay attention to individuals, can direct the organization's vision and mission, provide motivational support, and create new ways of working have proven to play an effective role in the psychological empowerment of their subordinates. The influence of transformational leadership on performance is explained through empirical studies, research conducted by Shafiu et al. (2019), Pratama (2016), Mangkunegara & Huddin (2016), Qabool & Jalees (2017) state that transformational leadership has a significant influence on performance. In contrast to with research conducted by Saleem (2015), Atmojo (2012) stated that transformational leadership had an insignificant influence on performance.

### 2.1.5. Employee Compensation and Performance

A management strategy aims to improve employee performance through compensation. Providing compensation to employees can influence employee performance, both positive and negative. Sitompul & Simamora (2021) said that financial compensation is important for employees because they can meet their needs directly, especially their



physiological needs. However, the employees also hope that the compensation they receive is the sacrifices they have made in non-financial form which is also very important for employees, especially for increasing knowledge and career development. Compensation will affect employee performance when employees feel satisfied or dissatisfied with the compensation provided. Employee performance will be maximum and continue to increase if employees are satisfied with the compensation provided by the company. Conversely, employee performance will decrease if employees are disappointed with compensation from the company. Compensation that is given fairly will make employees satisfied and will ultimately affect the employee's performance. So, employee performance will increase or decrease according to the level of employee job satisfaction with the compensation provided by the company. The influence of compensation on performance is explained through empirical studies, research conducted by [Fithriana & Adi \(2020\)](#), [Sherlie \(2020\)](#), [Arifudin \(2019\)](#) and [Fauzi \(2017\)](#) state that compensation has a significant influence on performance.

### 2.1.6. Organizational Culture and Employee Performance

Humans or employees in organizational life try to determine and form something that can accommodate the interests of all parties so that they can carry out their activities without clashing with each individual's various attitudes and behaviors. The thing in question is a culture where individuals are, such as values, beliefs, assumptions, hopes, etc. Organizational culture is the shared beliefs and values that underlie organizational identity. Organizational culture can influence productivity, employee performance, employee commitment, employee self-confidence, and employee ethical behavior towards the organization. Organizational culture and transformational leadership style significantly positively affect employee organizational commitment, job satisfaction and employee performance in the organization. The influence of organizational culture on performance is explained through empirical studies conducted by [Wambugu \(2014\)](#), [Ugwu et al. \(2017\)](#), [Arianto \(2013\)](#), [Ehtesham et al. \(2011\)](#), and [Idris \(2018\)](#) state that organizational culture has an influence significant impact on performance, but research conducted by [Megasyara et al. \(2022\)](#) stated that organizational culture has an insignificant influence on performance.

### 2.1.7. Job Satisfaction and Employee Performance

Job satisfaction is a pleasant state or positive emotion resulting from an assessment of an employee's job or work experience. Job satisfaction results from employees' perceptions of how well their jobs provide the things they deem important. The influence of job satisfaction on performance is explained through empirical studies, research conducted by [Mangkunegara & Huddin, \(2016\)](#), [Mazeed et al., \(2019\)](#), [Pongton & Suntrayuth, \(2019\)](#), [\(W. Sumarni et al., 2019\)](#), [Tampubolon, \(2016\)](#), [Tho'in & Muliasari, \(2020\)](#), [Diliantari & Dewi, \(2019\)](#) stated that job satisfaction has a significant influence on performance, which is different from research conducted by [Andreani & Petrik, \(2016\)](#), [Sulistiono et al., \(2020\)](#) stated that job satisfaction has an insignificant influence on performance.

## 2.2. Conceptual Framework

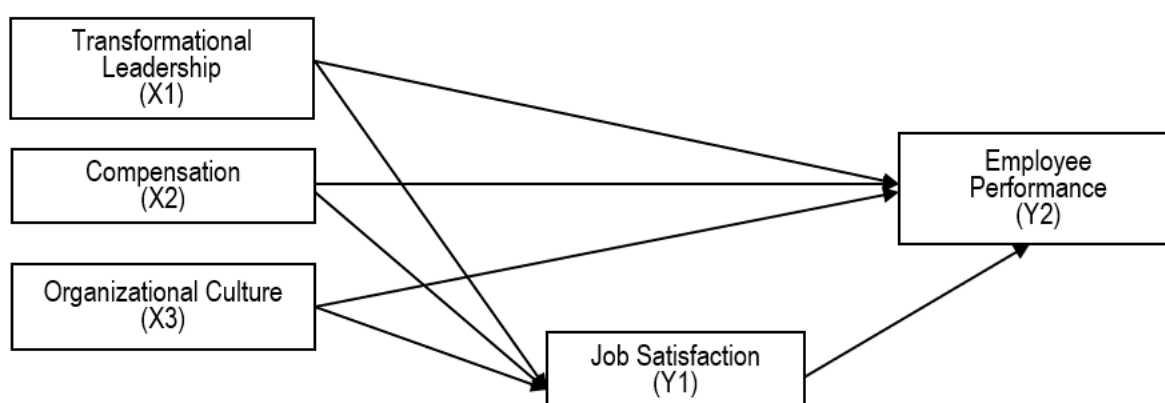


Figure 2. Conceptual Framework

## 2.3. Hypothesis

On the basis of previous background and empirical outcomes, there are several proposed hypotheses, namely:

- H1: Transformational leadership has a positive and significant effect on the job satisfaction of PT Kitadin employees.
- H2: Compensation positively and significantly affects the employee job satisfaction of PT. Kitadin.
- H3: Organizational culture positively and significantly affects the employee job satisfaction of PT Kitadin.

- H4: Transformational leadership has a positive and significant effect on the employee performance of PT Kitadin.  
 H5: Compensation positively and significantly affects the employee performance of PT. Kitadin.  
 H6: Organizational culture positively and significantly affects the employee job satisfaction of PT. Kitadin.  
 H7: Job satisfaction has a positive and significant effect on the employee job satisfaction of PT Kitadin  
 H8: Job satisfaction mediates the relationship between transformational leadership and the job performance of PT Kitadin.  
 H9: Job satisfaction mediates the relationship between compensation and the job performance of PT Kitadin.  
 H10: Job satisfaction mediates the relationship between organizational culture and the job performance of PT Kitadin.

### 3. Materials and Methods

#### 3.1. Design of the Study

This study is explanatory research. It is identified through documentation techniques on research objects, researcher observations on research objects, research questionnaires and communication with related parties, then trying to analyze and interpret as a means of concluding to explain the relationship between theoretical and empirical as well as conditions in the field. In this research, the variables analyzed include transformational leadership variables, compensation and organizational culture as exogenous variables, job satisfaction as a mediating variable, and employee performance as an endogenous variable. This research design can be interpreted as observational research with a cross-sectional study. The data collection method used is a survey method, namely, a research sample from the population and a research questionnaire as a data collection of study instruments.

#### 3.2. Definition of Operational Variables

Variable operationalization is describing variables according to their dimensions and indicators as follows:

1. Employee performance is the success of programs implemented by the authority and responsibility of employees to achieve company goals legally, do not violate the law and do not conflict with morals and ethics. PT Kitadin Employee Performance was measured with several instruments as follows:
  - Employee performance in carrying out tasks is the target set.
  - Employees have sufficient knowledge to complete the work given/assigned.
  - Employees have the freedom to take the initiative in carrying out their duties and responsibilities.
  - Employees devote their full skills to the tasks given.
  - Employees show a responsible attitude while carrying out their assigned duties.
2. Job satisfaction is employees' pleasant condition or positive emotional feeling towards their work. Job satisfaction arises from employees' perceptions of how much their work provides things that are considered important or interesting. Job satisfaction is measured with several instruments as follows:
  - Satisfied with the work assigned
  - Satisfied with the amount of salary received as a reward for work.
  - Will be satisfied system for assessment performance (KPI)
  - Satisfied with employee relationships with leaders and co-workers.
  - Satisfied with the work facilities provided by the company.
3. Organizational culture is a system of shared meaning by Employees of PT Kitadin Embayar, Kutai Regency. This shared value system is a set of key characteristics that an organization upholds and guides. Organizational culture is measured with several instruments as follows:
  - Self-development (knowledge and skills)
  - Innovate. Carry out innovations individually or in work groups by implementing new methods and utilizing technology to achieve better performance.
  - Fair treatment of all employees is on the basis of their duties and responsibility.
  - Concern for the environment
  - Employee cooperation in completing tasks
  - Employee concern for co-workers.
  - An attitude of respect for differences
4. Compensation is a reward a company or organization gives employees in the form of money or non-money (in kind). Compensation is given to employees as compensation for their services or appreciation for their responsibilities within the company. Compensation is measured by several instruments as follows:
  - Compliance with the salary received and agreed

- Providing holiday allowances (THR) with the law or agreed upon.
  - Availability of health facilities for employees.
  - Awards for employees who excel.
  - Availability of adequate and appropriate work equipment.
5. Transformational leadership sets an example by leaders to PT Kitadin employees to achieve company goals. Leadership is measured with several instruments as follows:
- Leaders have a clear vision and mission
  - Leaders are role models for their employees.
  - Leaders can motivate employees
  - The leader provides support for employees in completing assigned tasks.
  - Leaders provide measurable challenges to employees to solve problems.
  - Leaders guide employees who need it.

### 3.3. Data types and sources

The type of data used in this research is qualitative data. Qualitative data was obtained by distributing questionnaires about transformational leadership, compensation, organizational culture, satisfaction and performance. The data that has been collected is given values or scores using a scale Likert (Syofian et al., 2015) with details as follows:

1. Strongly agree or always or very positive were scored of 5
2. Agree or often or positive is given a score of 4
3. Undecided or sometimes or neutral were scored of 3
4. Disagree or rarely or negatively were scored of 2
5. Strongly disagree or never or given a score of 1

The data source used in this research is primary data obtained directly from the questionnaire. Primary data collection in this research was carried out by structuring a question list to obtain data regarding the variables studied of PT. Kitadin employees. The respondents themselves filled out the questionnaire. The data analysis technique describes research variables using a Likert scale with a minimum interval number of 1 and a maximum of 5. The average of the respondents' answers is calculated. Category interpretation of mean score statements on each indicator are presented in Table 1:

**Table 1.** Interpretation of Respondents' Average Scores

Mean Score	Levels
1.00 - 1.80	Very low
1.81 - 2.60	Low
2.61 - 3.40	Moderate
3.41 - 4.20	High
4.21 - 5.00	Very high

Source: Sudjana (2009)

To make it easier to justify the survey findings, you can then interpret the average based on 3 criteria:

- 1,00 – 2,33 = Low
- 2.34 – 3.66 = Medium
- 3,67 – 5,00 = High

Furthermore, Prahastuti & Ferdinand (2011) stated that calculating index numbers is useful for knowing respondents' general perceptions of the variables studied, which are categorized into score ranges in percentage based on three-box method calculations as follows:

1. 20 - 46,5 = Low
2. 46.6- 73.2 = Medium
3. 73,3 – 100 = High

### 3.4. Population and Sample

The population in this study involved all employees of PT Kitadin. The sampling technique in this research was carried out using saturated sampling, which is included in the nonprobability sampling category considering the relatively

small population size. The sampling technique used in this research is a census where the entire population is sampled, so in this research, to look at the performance of PT Kitadin employees, a sample of 128 respondents was used. This number is based on the number of PT Kitadin employees outside the site leadership with the following details in Table 2:

**Table 2.** Number of Employees Distribution on the basis of Department

No.	Departments	No. of Employees
1	Operations	37
2	External Relations	17
3	Mine Geology and Planning	20
4	System and Performance Management	3
5	Coal Handling and Processing	24
6	General Support	9
7	F and A	5
8	Human Resources	4
9	HSEC	9
Total		128

### 3.5. Data Collection Techniques

The type of data in this research is perception, which is obtained based on the results of distributing questionnaires and then processed statistically. The data in this research is primary data. Primary data is data collected and processed by researchers directly from respondents. The data collection method was carried out using a Google Sheet where a questionnaire was asked for each question variable that had been compiled along with the options. Respondents only choose the existing answers and after filling in the answers completely, the respondent sends them directly to the researcher.

### 3.6. Data analysis

Data analysis uses a Partial Least Square (PLS) approach. PLS is a Structural Equation Modeling (SEM) component or variance-based SEM. PLS-based structural equation modeling steps with the software are as follows:

1. The first step is to design a structural model (inner model)  
Designing a structural model of the relationship between latent variables in PLS is based on the problem formulation or research hypothesis.
2. The second step is to design a measurement model (outer model)  
Measurement model planning (outer model) in PLS is very important because it relates to whether the indicator is reflective or formative.
3. The third step is to construct a path diagram.  
If steps one and two have been carried out, then to make the results easier to understand, design the results inner model and outer model further expressed as a path diagram.
4. The fourth step is the conversion of the path diagram into a system of equations
  - Outer model. The outer model, namely the specification of the relationship between latent variables and their indicators, also called the measurement model's outer relation, defines the construct's characteristics with its manifest variables.
  - Inner model. The inner model specifies the relationship between latent variables (structural model), also known as inner relation, and describes the relationship between latent variables based on theory substantive study. Without loss of generality, latent and indicator variables or manifest variables are assumed scale zero means and the unit variance is one, so the location parameter (constant parameter) can be removed from the model.
  - Weight relation. Weight relation is an estimation of variable case values to leave. The inner and outer model provides specifications followed by estimated value weight relation in the PLS algorithm.
5. The fifth step is estimation  
The parameter estimation method (estimation) in PLS is the least squares method (least square methods). The estimation calculation process is carried out in an iterative manner, where the iteration will stop if a convergent condition has been reached. Parameter estimation in PLS includes 3 things, namely:
  - a. Weight estimate used to create latent variable scores
  - b. Path estimation (path estimate), which links between latent variables and loading estimation between latent variables and indicators.



- c. Means and parameter locations (regression constant values) are values for indicators and latent variables.
6. The Sixth Step is Goodness of Fit
- Outer model
  - Convergent validity. Correlation or relationship between reflexive indicator scores and latent variable scores. Loading point 0.5 to 0.6 is considered sufficient, the number of indicators per construct is not large, ranging from 3 to 7 indicators. Discriminant validity; Compare values of square root of average variance extracted (AVE) each construct is carried out by correlation between other constructs in the model, if square root of average variance extracted (AVE) construct is greater than the correlation value with all other constructs so it is said to have discriminant good validity. Composite reliability ( $\rho_c$ ); A group of indicators that measure a variable has good composite reliability if it has composite reliability  $\geq 0.7$  even though this value is not an absolute standard.
  - Inner model; Goodness of fit model measurement using R-square dependent latent variable with the same interpretation as regression; Q-Square predictive relevance for structural models, measure how well the model produces the observed values and the estimated parameters. Q-square  $> 0$  indicates the model's predictive relevance and otherwise if the value of Q-Square  $\leq 0$  indicates the model lacks predictive relevance.
7. The Seventh Step is Hypothesis testing

Hypothesis testing ( $\beta$ ,  $\gamma$ , and  $\lambda$ ) is carried out using the method of resampling Bootstrap developed by Geisser & Stone. Application of the resampling method is possible to apply freely distributed data (distribution free), does not require the assumption of a normal distribution, and does not require a large sample (minimum sample of 30 is recommended). Testing can be done with a t-test, if obtained p-value  $\leq 0.05$  (alpha 5%), then it is concluded to be significant, and vice versa. If hypothesis testing on outer models is significant, this shows that the indicator can be used as an instrument to measure latent variables. Meanwhile, if the test results on the inner model are significant, it can be interpreted that there is a significant influence of the latent variable on other latent variables.

## 4. Results

### 4.1. Respondent Demographics

The characteristics of respondents in this study consist of 5 (five) characteristics, namely respondent's gender, age, education level, position as well as the respondent's work period. In detail the characteristics of these respondents will be explained in a table and percentages as follows:

**Table 3.** Demography profile of respondents

Demographics	Category	Frequency	Percentage
Gender	Man	92	83.6
	Woman	18	16.4
Age	30-34 years old	16	14.5
	35-39 years old	26	23.6
	40-44 years old	29	26.4
	45-49 years old	17	15.4
	50-54 years old	17	15.4
	55 years and above	5	4.5
Education	Elementary school	1	0.9
	First Middle School	4	3.6
	Senior High School	49	44.6
	S1	53	48.2
	S2/S3	3	2.7
Department	No Staff	43	39.1
	Supervisor	30	27.3
	Section Chief	17	15.4
	Superintendent	8	7.3
	Head of Department	12	10.8
Working time	< 5 years	3	2.7
	5 - < 10 years	11	10.0
	10 – 20 years	71	64.6

Demographics	Category	Frequency	Percentage
	> 20 years	25	22.7

Table 3 shows that the number of male respondents was 92 people with a percentage of 83.64% and the number of female respondents was 18 people with a percentage of 16.36%. From the data above, it shows that the highest number of respondents are male respondents, because the majority of employees who work in mining companies carry out physical and field activities, PT Kitadin employees have a more dominant number of male employees than the number of female employees. Respondents in the age group 30 - 34 years were 16 people with a percentage of 14.55%, respondents in the age group 35 - 39 years were 26 people with a percentage of 23.64%, respondents in the age group 40 - 44 years were 29 people with percentage 26.36%, respondents in the 45 - 49 year age group were 17 people with a percentage of 15.45%, 17 people in the 50 - 54 year age group with a percentage of 15.45% and in the age group over 55 years 5 people with a percentage of 4.55% . This shows that the most respondents were in the 35 - 44 year age group, a total of 55 people or 50%. This age group shows a mature age in carrying out managerial tasks, especially the level primary management and media management and have good physical endurance in carrying out supervision in the field.

Respondents with a primary school education level were 1 person with a percentage of 0.91%, the number of respondents with a junior high school education level was 4 people with a percentage of 3.64%, respondents with a general high school education level were 49 people with a percentage 44.55%, respondents with a tertiary education level were 53 people with percentage 48.18%. This shows that most respondents are respondents with general secondary school and tertiary education levels, because they work in coal mining, requiring skill and risky work. Employees with high school education are generally from mining coal vocational schools, namely Geology Vocational School, Mining Vocational School, Engineering Vocational School and Electricity Vocational School and Geodesy Vocational School. Respondents based on job title were 43 people as non-staff workers with percentage 39.09%, 30 people as Supervisors with percentage 27.27%, 17 people as Section Chief with percentage 15.45%, 8 Superintendents with a percentage of 7.5%, and 12 people Dept.

Head with percentage 10.91%. Mining employees with owner status are dominated by supervisors represented by the positions of Foreman (part of non-staff) and supervisor because their main task is to supervise and provide instructions to employee's contractors who work in the field. Respondents based on length of service, namely 3 people had a service period of less than 5 years with a percentage of 2.73%, 11 employees had a service period of 5 - < 10 years with percentage 10.00%, 71 employees with 10 - < 20 years of service with percentage 64.55% and 25 employees have worked > 20 years with percentage 22.73%. This shows that employees with a service period of 10 years or more are dominant, with 87.28% who started working before 2010. This shows the level of loyalty of high employees and high job satisfaction too.

## 4.2. Data Analysis

The SEM method based on Partial Least Square is used as a data processing technique for inferential statistical analysis. The discussion is presented by looking at the causal relationships that occur from analysis which was carried out using the SmartPLS version 3 analysis tool. In PLS analysis there are three stages according to Husein & Pambekti, (2015). The first stage is evaluating the measurement outer model or measurement model, then evaluating the structural model or inner model and the third stage in PLS analysis is testing the research hypothesis. The outer model consists of the relationship between variable items that can be observed and latent constructs that are measured by each item, while the inner model consists of latent constructs that cannot be observed. In this test, path coefficients are also estimated which identify the strength of the relationship between the independent and dependent variables.

### 4.2.1. Partial Least Square

In this research, the data obtained was analyzed using analytical tools partial least square (PLS) with the following results:

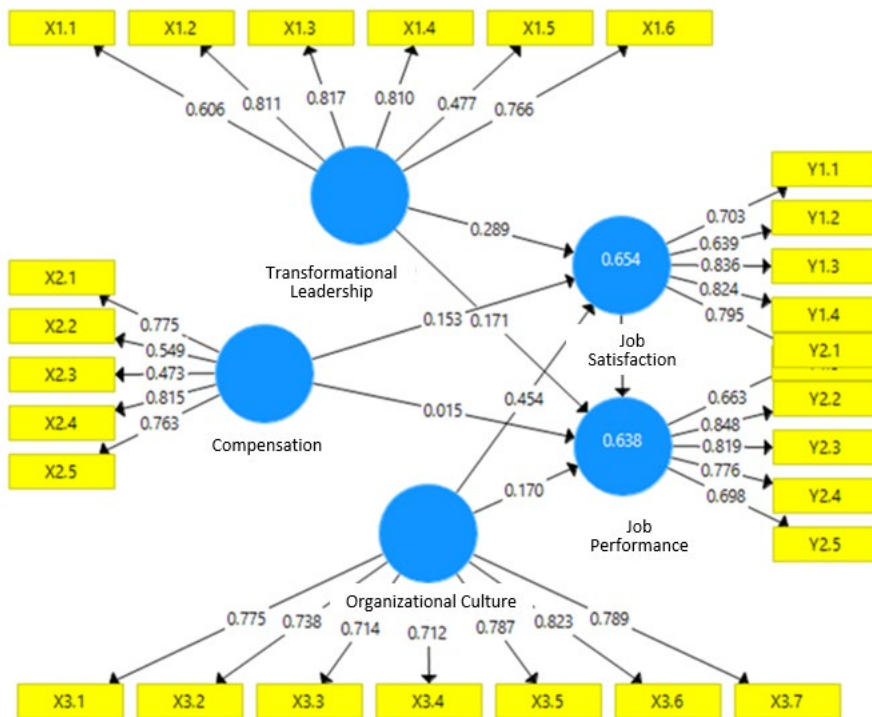


Figure 3. Result of PLS Algorithm Before Modification

According to Satibi et al. (2011), the loading factor above 0.70 is highly recommended in research models. However, the loading factor of 0.50-0.60 is still possibly tolerated as long as the model is still in development. Based on Figure 4 illustrated that there is a loading factor value of 0.50, so by using this research model, we can find out the outer and inner models.

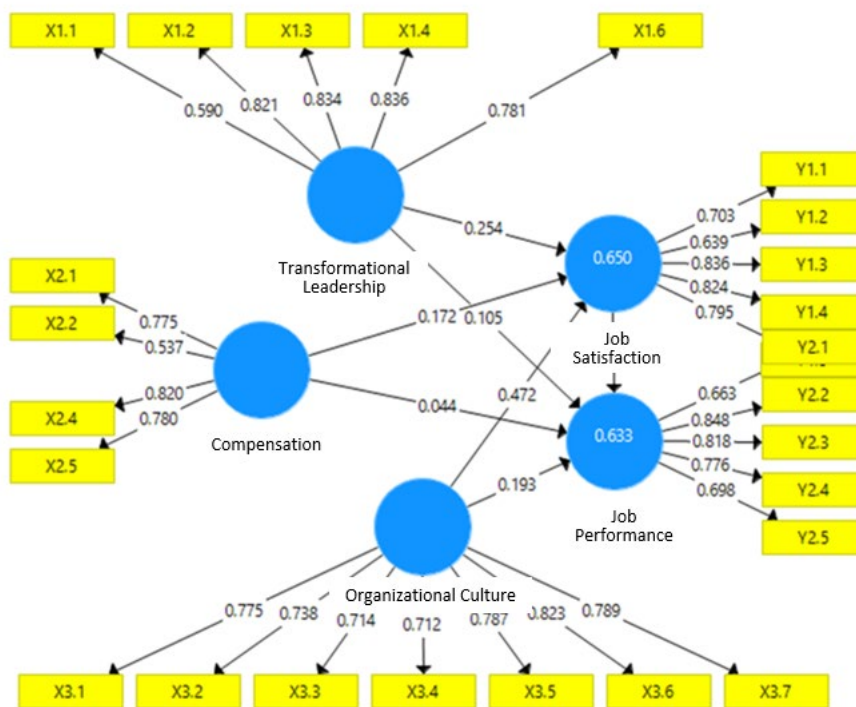


Figure 4. Result of PLS Algorithm After Modification

### 4.2.2. Measurement Model or Outer Model

#### Convergent Validity

Validity is assessed using convergent validity (original sample size estimate/loading factor for each construct). Loading factor above 0.70 is highly recommended. However, a loading factor of 0.50-0.60 is still tolerable as long as the model is still in development. The research model output results show a loading factor above 0.50, and the T-Statistic is significant ( $> 1.96$  or  $p\text{-value} < 0.05$ ). This can be seen in Figure 5.3 and Table 5.1. Results for Outer Loading Where Original sample estimation  $> 0.50$  and  $t\text{-Statistic} > 1.96$  So, instrument research is considered satisfactory convergent validity.

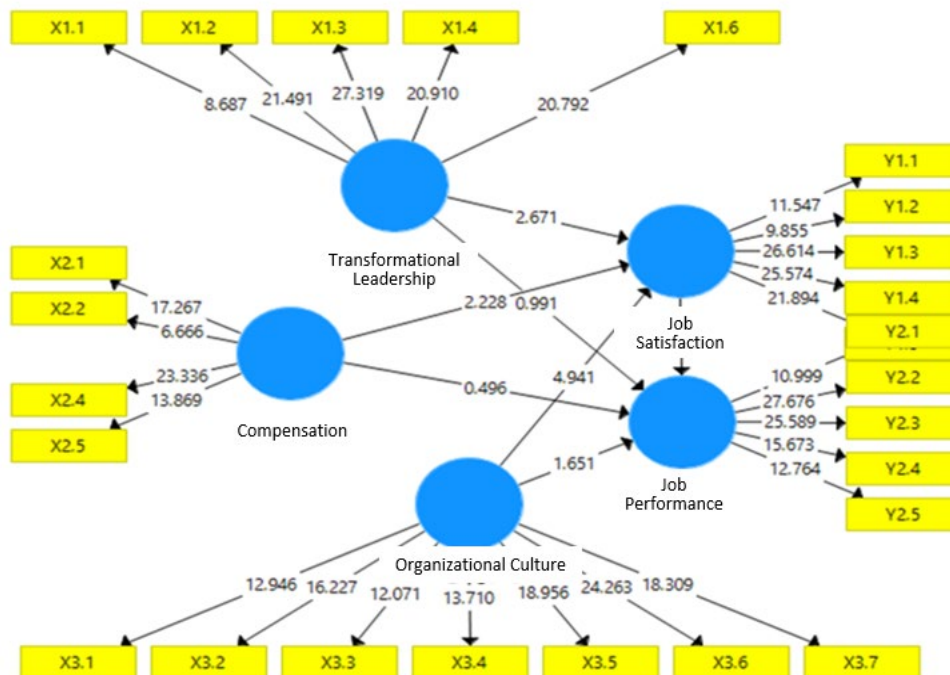


Figure 5. Result of PLS Bootstrapping

Figure 5 captures that all T-Statistics values are significant  $> 1.96$ , so it can be concluded that the loading factor value for all variables in this research model has significant values, this can also be explained in Table 4 as follows:

Table 4. Result of Outer Loadings

	Original Sample	Standard Deviation	T-Value	P-Value
Transformational leadership				
X1_1	0.590	0.068	8.676	0.000
X1_2	0.821	0.038	21.605	0.000
X1_3	0.834	0.031	26.903	0.000
X1_4	0.836	0.040	20.900	0.000
X1_6	0.781	0.038	20.553	0.000
Compensation				
X2_1	0.775	0.045	17.222	0.000
X2_2	0.537	0.081	6.630	0.000
X2_4	0.820	0.035	23.429	0.000
X2_5	0.780	0.056	13.929	0.000
Organizational culture				
X3_1	0.775	0.060	12.917	0.000
X3_2	0.738	0.045	16.400	0.000
X3_3	0.714	0.059	12.102	0.000

X3_4	0.712	0.052	13.692	0.000
X3_5	0.787	0.041	19.195	0.000
X3_6	0.823	0.034	24.206	0.000
X3_7	0.789	0.043	18.349	0.000
Job satisfaction				
Y1_1	0.703	0.061	11.525	0.000
Y1_2	0.639	0.065	9.831	0.000
Y1_3	0.836	0.031	26.968	0.000
Y1_4	0.824	0.032	25.750	0.000
Y1_5	0.795	0.036	22.083	0.000
Employee performance				
Y2_1	0.663	0.060	11.050	0.000
Y2_2	0.848	0.031	27.355	0.000
Y2_3	0.818	0.032	25.563	0.000
Y2_4	0.776	0.050	15.520	0.000
Y2_5	0.698	0.055	12.691	0.000

Table 4 shows original sample estimate indicators that provide dominant influence on each exogenous and endogenous variable in this research.

#### Discriminant Validity

The discriminant can be seen from the average variance extracted value (AVE) to determine whether a variable is convergence. For constructs with good validity, the AVE value must be above 0.50. In Table 5, the Average variance Extracted shows an AVE value above 0.50, meaning the instrument variables are said to be valid discriminants. The AVE value can be explained in Table 5 as follows:

**Table 5.** Average Variance Extracted & Square root of AVE

Variable(s)	AVE	Decision
Transformational leadership (X <sub>1</sub> )	0.606	Valid
Compensation(X <sub>2</sub> )	0.542	Valid
Organizational culture (X <sub>3</sub> )	0.583	Valid
Job satisfaction (Y <sub>1</sub> )	0.542	Valid
Employee performance (Y <sub>2</sub> )	0.582	Valid

#### Composite Reliability

The composite reliability values are used to determine all constructs' reliability. A construct is reliable if it has a composite reliability value above 0.70. The output results show all constructs in the variables transformational leadership, organizational culture, job satisfaction and employee performance are reliable because of composite reliability value > 0.70, as seen in Table 6 below:

**Table 6.** Composite Reliability

Variable(s)	Composite Reliability
Transformational leadership (X1)	0.883
Compensation (X2)	0.822
Organizational culture (X3)	0.907
Job Satisfaction (Y1)	0.873
Employee performance (Y2)	0.874

#### 4.2.3 Structural Model or Inner Model

##### Evaluating the Goodness of Fit Model

Nilai R-Square (R<sup>2</sup>) serves to test the structural model by looking at the R-Square value (R<sup>2</sup>), which is a goodness of fit model test. Predictive strength can be seen using the R-Square criteria. 0.67 means strong; 0.33 means moderate;



0.19 means weak, (Furadantin, 2018). This study used two dependent variables: Job Satisfaction (Y1) and Performance variables (Y2). The following is the R-Square value (R2):

**Table 7.** Result of Coefficient Determination (R-Square)

Variable(s)	R-Square	Adjusted R-Square
Performance (Y2)	0.633	0.619
Job Satisfaction (Y1)	0.650	0.641

Table 7 shows the result of coefficient determination (R-Square). The R-square of the Performance variable is 0.633 (63.3%). This shows that the diversity of performance variables can be explained by the variable's transformational leadership, compensation, organizational culture and job satisfaction at 63.3%, or in other words the contribution of transformational leadership, compensation, organizational culture and job satisfaction to performance at 63.3% is indicated as strong. In comparison, the remaining 36.7% is the contribution of other variables not discussed in this research. Next, the R-square of the Job Satisfaction variable is 0.650 (65.0%). This shows that the diversity of job satisfaction variables can be explained by the variables transformational leadership, compensation and organizational culture at 65.0%, or in other words the contribution of transformational leadership, compensation and organizational culture to job satisfaction at 65.0% is indicated as strong, while the remainder is 35.0% is the contribution of other variables not discussed in this research.

### Predictive Relevance (Q2)

To find out the size of the inner model, you can see the size of Q2 of each endogenous variable, namely a variable whose diversity is influenced by other variables whose nature can only be influenced (dependent). According to Jaya and Noercahyo et al., (2021) Goodness of Fit Model is measured using the R-square of the dependent latent variable with the same interpretation as regression, Q-square predictive relevance for structural models, measures as big as both the conservation values generated by the model and also the estimated parameters. Quantity Q2 is in the range  $0 < Q2 < 1$ , where closer to 1 means the model is better. Quantity Q2 is equivalent to coefficient total determination in path analysis. Based on Table 8. the calculation of predictive relevance is as follows:

$$Q \text{ value}^2 = 1 - (1 - R12) \times (1 - R22) = 1 - (1 - 0,401) \times (1 - 0,423) \\ = 1 - (0,599) \times (0,578) = 1 - 0,346 = 0.654$$

Description: Q2 : Predictive Relevance value

R12: R-Square value of the Performance variable

R22: R-Square value of the Job Satisfaction variable

From the results of these calculations, the Q value is known<sup>2</sup> amounting to 0.654, meaning that the amount of diversity in data from research obtained is explained by the designed structural model, which is 65.4%, while other factors outside the model explain the remaining 34.6%. Based on these results, it can be said that the structural model in this study is good because it is closer to the value of 1.

### c) Direct Research Hypothesis Testing

In the smartPLS program, a t-test is carried out on each path. The test results can be seen in Table 8 below:

**Table 8.** Results of Hypothesis Testing (Direct Effect)

Hypothesis	Path Analysis	Original Sample	Sample Mean	Standard Deviation	T-Stats	P-Values
H1	Transformational Leadership -> Job Satisfaction	0.254	0.252	0.095	2.674	0.008
H2	Compensation -> Job Satisfaction	0.172	0.171	0.077	2.234	0.026
H3	Organizational Culture -> Job Satisfaction	0.472	0.479	0.095	4.968	0.000
H4	Transformational leadership -> Employee Performance	0.105	0.112	0.106	0.991	0.322
H5	Compensation -> Employee Performance	0.044	0.05	0.089	0.494	0.620

H6	Organizational culture -> Employee Performance	0.193	0.188	0.117	1.650	0.099
H7	Job Satisfaction->Employee Performance	0.524	0.522	0.112	4.679	0.000

Table 8 shows that the original sample estimate value of the transformational leadership variable on the job satisfaction variable is 0.254 with T-Statistics and P values of 2.671 and 0.008, respectively, indicating that the transformational leadership variable has a positive and significant effect on the job satisfaction variable. Based on the test results, it can be concluded that **hypothesis H1 is accepted**. The original sample estimate value of the Compensation variable for the Job Satisfaction variable is 0.172 with T-Statistics and P values of 2.228 and 0.026, respectively, indicating that the Compensation variable has a positive and significant effect on the Job Satisfaction variable. Based on the test results, it can be concluded that **hypothesis H2 is accepted**. The original sample estimate value of the Organizational Culture variable on the Job Satisfaction variable is 0.472 with T-Statistics and P values of 4.941 and 0.000, respectively, indicating that the Organizational Culture variable has a positive and significant effect on the Job Satisfaction variable. Based on the test results, it can be concluded that **hypothesis H3 is accepted**.

The original sample estimate value of the transformational leadership variable on employee performance variables is 0.105 with T-Statistics and P values of 0.991 and 0.322, respectively, indicating that the transformational leadership variable has a positive and insignificant effect on employee performance variables. Based on the test results, it can be concluded that **hypothesis H4 is rejected**. The original sample estimate value of the Compensation variable for the Employee Performance variable is 0.044 with T-Statistics and P values of 0.496 and 0.620 respectively, indicating that the Compensation variable has a positive and insignificant effect on the Employee Performance variable. Based on the test results, it can be concluded that **hypothesis H5 is rejected**. The original sample estimate value of the organizational culture variable on the Employee Performance variable is 0.193 with T-Statistics and P values of 1.651 and 0.099 respectively, indicating that the organizational culture variable has a positive and insignificant effect on the Employee Performance variable. Based on the test results, it can be concluded that **hypothesis H6 is rejected**. The original sample estimate value of the Job Satisfaction variable on the Employee Performance variable is 0.524 with T-Statistics and P values of 4.685 and 0.000 respectively, indicating that the Job Satisfaction variable has a positive and insignificant effect on the Employee Performance variable. Based on the test results, it can be concluded that **hypothesis H7 is accepted**.

### Hypothesis Testing (Indirect Effect)

Indirect influence hypothesis testing is carried out to test whether exogenous variables have an indirect influence on endogenous variables through intermediary variables. The test criteria state that if the p-value  $\leq$  level of significance (alpha = 5%), then it is indicated that there is a significant influence of exogenous variables on endogenous variables through intermediary variables. The results of indirect influence hypothesis testing can be seen through the summary in Table 9 below:

**Table 9.** Result of Hypothesis Testing (Indirect Effect)

Hypothesis	Path Analysis	Original Sample	Sample Mean	Standard Deviation	T-Stats	P-Values
H8	Transformational leadership -> Job Satisfaction -> Employee performance	0.133	0.131	0.056	2.375	0.018
H9	Compensation -> Job Satisfaction -> Employee Performance	0.09	0.091	0.048	1.875	0.061
H10	Organizational culture -> Job Satisfaction -> Employee Performance	0.247	0.249	0.071	3.479	0.001

Table 9 indicates that the transformational leadership variable on employee performance through job satisfaction has an original sample value of 0.133 with T-statistics and P Values respectively 2.375 and 0.018, indicating that transformational leadership through the Job Satisfaction variable has a positive and significant effect on employee performance. Based on the test results, it can be concluded that hypothesis H8 is accepted. The compensation variable for Performance through Job Satisfaction has an original sample value of 0.090 with T-statistics and P Values respectively 1.881 and 0.061, indicating that compensation through the Job Satisfaction variable has a positive but not significant effect on Employee Performance. Based on the test results, it can be concluded that hypothesis H9 is

rejected. The organizational culture variable on Performance through Job Satisfaction has an original sample value of 0.247 with T-statistics and P Values respectively 3,470 and 0.001, indicating that organizational culture through the Job Satisfaction variable has a positive and significant effect on Employee Performance. Based on the test results, it can be concluded that hypothesis H10 is accepted.

### 4.3. Discussion

Based on the results of data analysis in this study, some indicators were eliminated because they had loading factor values below the predetermined provisions, namely 0.5. Based on the loading factor value of the two indicators that must be eliminated, namely one indicator from the transformational leadership variable and one from the variable compensation. The eliminated indicator in the transformational leadership variable was the leader giving challenges to employees to work more than the target, while the indicator in the compensation variable was that employees felt protected by health insurance when working at the company. Eliminating indicators on this variable is caused by the indicator value being unable to describe the variable.

#### 4.3.1. Transformational Leadership and job satisfaction

Transformational leadership emphasizes the leader's perspective and path to develop employees and influence employee behavior through idealistic influence, inspirational motivation, intellectual stimulation, and individualist considerations. Transformational leadership will direct his followers to better moral values, direct his subordinates to be committed to the values of an organization, respect his subordinates, encourage his subordinates to be creative and inspire them to achieve the goals they want to reach. Transformational leadership is directly and significantly related to employee job satisfaction. The influence of transformational leadership on job satisfaction is explained through empirical studies, research conducted by [Saleem \(2015\)](#), [Andreani & Petrik \(2016\)](#), [Malik et al. \(2017\)](#), [Pratama, \(2016\)](#), [Mangkunegara & Huddin \(2016\)](#), [Ibraheem Shelash Mohammad et al. \(2011\)](#), [Qabool & Jalees \(2017\)](#), [Muslichah & Asrori \(2018\)](#) state that transformational leadership has a significant influence on job satisfaction.

#### 4.3.2. Compensation and job satisfaction

The results found that compensation positively and significantly affects job satisfaction. This means that providing compensation can encourage a significant increase in job satisfaction. The better the compensation provided, the greater the employee's job satisfaction. The influence of compensation on job satisfaction is explained through empirical studies, research conducted by [Rahayu & Pramularso \(2019\)](#), [Rahayu & Pramularso \(2019\)](#), [Herdiandah \(2017\)](#), [Siregar & Pasaribu \(2022\)](#), [Wiyantini \(2016\)](#), and [Parimita et al. \(2018\)](#) state that compensation has a positive and significant influence on job satisfaction.

#### 4.3.3. Organizational Culture and Job Satisfaction

The results indicated that organizational culture positively and significantly affects job satisfaction. This means that providing organizational culture can significantly increase job satisfaction. The better the organizational culture increasing employee job satisfaction. The influence of organizational culture on job satisfaction is explained through empirical studies, research conducted by [Alvi et al. \(2014\)](#), [Qazi et al. \(2017\)](#), [Belias & Koustelios \(2014\)](#) stated that organizational culture has a significant influence on job satisfaction.

#### 4.3.4. Transformational Leadership and Performance

The research results described that transformational leadership has a positive but not significant effect on the performance of PT Kitadin employees, but indirectly, through variable Job satisfaction, has a positive and significant influence on employee performance. This research shows that job satisfaction successfully mediates the influence of transformational leadership style on employee performance positively and significantly. Job satisfaction among employees will be very important because job satisfaction will influence the performance produced by employees. If employees have high job satisfaction, it will result in good performance, and vice versa. The task of a company leader here is to be able to increase employee job satisfaction. Many ways can be done to increase employee job satisfaction at work, including making employees feel comfortable and safe at work, meeting the needs and desires of employees, and so on. The influence of transformational leadership on performance is explained through empirical studies. Research conducted by [Saleem \(2015\)](#) and [Atmojo \(2012\)](#) stated that transformational leadership had an insignificant influence on performance.

#### 4.3.5. Compensation and Performance

The research results show that both directly and indirectly, compensation through the job satisfaction variable has a positive but insignificant effect on employee performance. This shows that although providing compensation can increase employee satisfaction, it does not significantly increase employee performance. The influence of compensation on performance is explained through empirical studies. Research conducted by [Jalil \(2019\)](#), states that compensation has a positive but insignificant influence on performance.

#### 4.3.6. Organizational Culture on Performance

The research results show that organizational culture has a positive but not significant effect on the performance of PT Kitadin employees, but indirectly, through variable Job satisfaction, has a positive and significant influence on employee performance. This research shows that job satisfaction successfully mediates the influence of organizational culture on employee performance positively and significantly. Job satisfaction here plays a very important role. It is interesting in mediating the influence of organizational cultural style on employee performance, where previous results show that organizational cultural style has a positive effect on employee performance but is not significant. Job satisfaction among employees will be very important because job satisfaction will influence the performance produced by employees. Companies must ensure and increase employee job satisfaction. Many ways can be done to increase employee job satisfaction at work, including making employees feel comfortable and safe at work, meeting the needs and desires of employees, and so on. The influence of organizational culture on performance is explained through empirical studies. Research conducted by [Megasyara et al. \(2022\)](#) state that organizational culture has an insignificant influence on performance.

#### 4.3.7. Job Satisfaction and Performance

Job satisfaction has a positive and significant effect on the performance of PT Kitadin employees. This means that job satisfaction can immediately encourage increased employee performance. Increasing employee performance that comes from job satisfaction has a significant effect. Employees' feelings of satisfaction with the support of their co-workers make PT Kitadin employees produce a very cohesive and productive work team because all employees can work together and new initiatives emerge in carrying out their duties, so the more job satisfaction PT Kitadin employees increase, the more their performance will improve. Job satisfaction is defined as a pleasant state or positive emotion resulting from an assessment of an employee's job or work experience. Job satisfaction results from employees' perceptions of how well their jobs provide the things they deem important. Five aspects of job satisfaction are measured by the job description index, namely the job itself which is related to responsibility, interest and growth; quality of supervision related to technical assistance and social support; relationships with colleagues related to social harmony and respect; promotional opportunities related to opportunities for further development; and payments related to adequate payments and perceptions of fairness. The influence of job satisfaction on performance can be explained through empirical studies, research conducted by [Megasyara et al. \(2022\)](#), [Mangkunegara & Huddin \(2016\)](#), [Mazeed et al. \(2019\)](#), [Pongton & Suntrayuth \(2019\)](#), [Perangin-Angin et al. \(2020\)](#), [Sumarni et al. \(2020\)](#), [Tampubolon \(2016\)](#), [Tho'in & Muliarsari \(2020\)](#), [Diliantari & Dewi \(2019\)](#) state that job satisfaction has a significant influence on performance.

## 5. Conclusions

This research concludes that transformational leadership has a direct and significant positive effect on the job satisfaction of PT Kitadin employees. It means that the better the implementation of transformational leadership, the higher the job satisfaction formed. The indicator of transformational leadership, which is the highest correlation indicator for job satisfaction, is that leaders provide time to help employees when needed. Compensation has a direct and significant positive effect on the job satisfaction of PT Kitadin employees. It means that providing fair compensation has enhanced job satisfaction significantly. The compensation indicator with the highest correlation with job satisfaction is that employees who excel receive fair appreciation from the company. Organizational culture has a direct and significant positive effect on the job satisfaction of PT Kitadin employees. It means that improving organizational culture will significantly increase job satisfaction. The indicator of organizational culture that occupies the highest correlation with job satisfaction is that employees prioritize teamwork to obtain optimum results in carrying out their duties. Transformational leadership has a direct but not significant positive influence on the performance of PT Kitadin employees. It means that transformational leadership will be able to encourage employee performance, but it is not yet significant. The indicator of transformational leadership with the highest correlation to performance is that leaders take the time to help employees when needed.

Compensation has a direct but not significant positive effect on the performance of PT Kitadin employees. It means that compensation will be able to encourage increased employee performance, but it is not yet significant. The compensation indicator that occupies the highest correlation with performance is that employees who excel receive fair appreciation from the company. Organizational culture has a direct but not significant positive effect on the performance

of PT Kitadin employees. It means that organizational culture will be able to encourage increased employee performance, but it is not yet significant. The organizational culture indicator with the highest correlation with performance is that employees care about others, especially those who experience problems/difficulties. Job satisfaction has a direct and significant positive effect on the performance of PT Kitadin employees. Increasing job satisfaction will encourage a significant increase in employee performance. The indicator of job satisfaction is the highest correlation with employee performance, where in carrying out their duties, they feel satisfied with their superiors' support in completing their daily tasks at work. Transformational leadership through job satisfaction has a positive and significant effect on the performance of PT Kitadin employees. This means that increasing transformational leadership indicators, which can increase job satisfaction, will significantly increase employee performance.

Compensation through job satisfaction has a positive but not significant effect on the performance of PT Kitadin employees. It means that increasing compensation can encourage increased employee performance but is insignificant. Organizational culture through job satisfaction has a positive and significant effect on the performance of PT Kitadin employees. This means that increasing organizational culture indicators that can increase job satisfaction will be able to encourage a significant increase in employee performance. Future researchers can add variables and change variables according to the conditions and needs that previous researchers have researched, such as workload variables, work environment, promotion system, discipline, intrinsic motivation, and job security, to find out further how it influences job satisfaction and employee performance.

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