





Job satisfaction as a mediation between motivation and employee performance in Bank Jatim

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ABSTRACT

This research is purpose to analyze the influence of transformational leadership and work environment on employee performance, the impact of motivation on job satisfaction, job satisfaction on employee performance, and motivation on employee performance with job satisfaction as a mediating variable. The study focuses on the Unit of Sharia Business in Bank Jatim, with a population of 224 employees. The result are transformational leadership, Work Environment and Job Satisfaction has a significant positive impact on employee performance. Job Satisfaction mediates the relationship between Motivation and Employee Performance, showing partial mediation. This suggests that work motivation enhances employee performance in the Sharia Business Unit of Bank Jatim, with or without direct involvement of job satisfaction. The findings provide valuable insights for improving management practices and fostering employee engagement at Unit of Sharia Business in Bank Jatim.

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Introduction

In pursuit of achieving effective performance within a specified period, companies employ various strategies encompassing production, marketing, and human resources management. Among these strategies, human resource management (HRM) stands out as crucial, considering that employees—commonly referred to as human resources or personnel—play a pivotal role in the company's performance outcomes.

According to Paparang et al. (2021), employee performance refers to the outputs generated by the functions or dimensions of work or profession executed by human resources within a specified period, in accordance with their assigned responsibilities. In today's competitive landscape, companies strive to innovate their corporate strategies to enhance performance significantly. PT. Bank Pembangunan Daerah Jawa Timur Tbk, commonly known as Bank Jatim, operates in the financial services sector and aims to enhance its performance to compete effectively with industry peers.

Established as a regional bank in East Java, Bank Jatim initiated its Unit of Business Sharia in 2014, starting with Bank Jatim Syariah Branch Darmo located at Jalan Raya Darmo No. 105-107, Wonokromo, Surabaya. Over the years, Bank Jatim Syariah has expanded its operations by establishing several new Sharia branches across key cities in East Java, perceived as potential areas for Sharia business development. Presently, Bank Jatim Syariah operates 7 branch offices, 9 branch assistants, and 4 functional offices. However, despite these expansions, the Unit of Business Sharia of Bank Jatim faces challenges, particularly concerning employee performance, which significantly impacts the overall success of the organization.

Employee performance directly correlates with business performance. Good employee performance enhances business growth, while poor performance adversely affects overall company performance. This relationship is evident from Key Performance Indicators

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(KPIs) across all branches and branch assistants of Bank Jatim's Sharia Business Unit as of September 2023, indicating that most branches have yet to meet business targets consistently, with KPI scores below expectations since 2020.

Several factors contribute to the underperformance of employees, including overly ambitious target distributions without commensurate motivational and supportive work environments, economic downturns exacerbated by the COVID-19 pandemic, and other related issues. Human resources (HR) remain integral to organizational success; an organization cannot function optimally without effective human resources. Individuals within a group actively plan, execute, and determine the success of a company. Human beings play a crucial role in achieving success in both small and medium-sized enterprises (Hamid & Hazriyanto, 2019).

According to Eliyana et al. (2019), employee performance represents the culmination of individual achievements in completing tasks. Employee performance is considered successful when it demonstrates improvements beneficial to the company. This theory, when applied to Bank Jatim, underscores that employee performance is reflected in individual KPIs, which aggregate into branch-specific KPIs, thereby portraying overall company performance. Consequently, low employee performance at Bank Jatim significantly affects the bank's overall performance.

Transformational leadership is a leadership style that inspires followers to set aside personal interests and possesses exceptional influencing abilities (Robbins & Judge, 2008). According to Wahjono (2010), authentic transformational leadership comprises four components: Idealized Influence, Inspirational Motivation, Intellectual Stimulation, and Individualized Consideration. Bass (1990) suggests that transformational leadership occurs when executives enhance and strengthen employee interests, create awareness and acceptance of group goals and missions, and encourage employees to prioritize company or team interests over their own.

Transformational leadership influences employee performance. According to Korejan and Shahbazi (2016), transformational leadership fosters new ideas and perspectives to drive progress and innovation within an organization or company. Similarly, Mahmood et al. (2019) describe transformational leadership as a process where leaders role model ideal behaviors, foster creativity, provide inspirational motivation, and actively support and guide followers to achieve organizational visions and goals.

The variable of transformational leadership is pertinent in this study because, based on the previous discussions and the vision and mission of PT. Bank Jatim Tbk, it is evident that Bank Jatim is transitioning to this leadership model. Bank Jatim's vision and mission include becoming the "Number 1 Regional Development Bank" in Indonesia, accelerating performance and healthy business transformation towards a digital bank with highly competitive human resources, contributing to the economic growth of East Java, and applying sustainable financial principles.

Bank Jatim endeavors to achieve its vision and mission through various actions that empower staff and outsourced workers to optimize their potential, thereby positively impacting their performance. Notably, Bank Jatim has established five primary pillars of transformation, including Organizational Structure Change and Human Capital Transformation, aligned with Digital Banking & Information Technology developments and accelerating asset growth through Corporate Capital Participation.

Based on these five pillars, Bank Jatim's actions in realizing its corporate vision and mission, the two pillars—Organizational Structure Change and Human Capital Transformation—are discussed further in relation to transformational leadership.

Organizational Structure Change encompasses improving performance, effective and efficient transformation, aligning with the bank's vision and mission, and being flexible and agile. On the other hand, Human Capital Transformation involves developing standardized competencies, enhancing competency improvement methods, developing supportive infrastructure for HR development, and cultivating digital competency among human resources.

Employee motivation significantly influences their performance and job satisfaction. According to Kusjainah & Listyorini (2015), motivation is an internal drive compelling individuals to act. Motivation within the context of employee behavior prompts positive actions, enhancing employee performance. Similarly, the work environment variable significantly affects employee performance within a company. Affandi & Atmaja (2023) define the work environment as the essential tools or elements influencing task continuity for individuals or groups. Job satisfaction serves as a mediating variable. Job Satisfaction refers to employees' feelings toward their work, whether they perceive it as pleasurable or otherwise.

The problem formulation of this research is as follows; (1) How does transformational leadership influence performance employees in the Unit of Business Sharia at Bank Jatim?; (2) How does the work environment influence employee performance?; (3) How does motivation influence job satisfaction in the Business Unit?; (4) How does job satisfaction affect employee performance in the Unit?; and (5) How does motivation influence employee performance through Job satisfaction as mediation in the Unit of Business Sharia at Bank Jatim?.

Literature Review

Transformational Leadership

According to Mahmood, Uddin, & Fan (2018), transformational leadership is described as a process where leaders act as ideal role models and encourage creativity, provide inspirational motivation, and engage in supporting and guiding followers to achieve the

shared vision and goals of the organization. Transformational leadership demonstrates psychological behaviors that contribute to a willingness to work, whereby employees help each other for the success of the company (Lai et al., 2020).

Thus, transformational leadership not only inspires and motivates employees but also creates a collaborative work environment, where team support and cooperation are prioritized to achieve common goals. This research will use the Transformational Leadership variable which will see its influence on employee performance in the Unit of Business Sharia in Bank Jatim.

Motivation

Marinak and Gambrell (2008) state that motivation is a psychological process that provides purpose and direction to employee behavior, or as an internal drive to meet employee satisfaction, as well as an internal process and external forces related to organizational behavior. McClelland, as cited in Agustin (2023), asserts that motivation is the desire of an individual to achieve high performance. Research on achievement motivation highlights the importance of setting targets or standards for success.

Thus, motivation functions as the main driving factor in employee behavior, directing them to achieve high performance by setting and trying to achieve predetermined targets. The work motivation variable in this research will look at its influence on job satisfaction in the Unit of Business Sharia at Bank Jatim.

Work Environment

According to Schultz & Schultz (2006), the work environment is defined as conditions related to the characteristics of the workplace that affect employee behavior and attitudes, which are associated with psychological changes due to experiences in their work or in certain circumstances that must be continuously monitored by the organization. This includes job boredom, monotonous work, and fatigue. According to Chandra & Priyono (2016), the work environment encompasses everything around employees that can influence them in carrying out their daily tasks and duties. Additionally, the work environment is the surroundings of the workers or everyone who desires someone to influence the job itself in performing the assigned tasks. Many factors affect employee performance in a work environment. To work effectively and efficiently, a supportive work environment is necessary to ensure that activities can function well.

Thus, a supportive and adequate work environment is key to facilitating optimal employee performance, avoiding problems such as boredom and fatigue, and ensuring that work processes take place effectively and efficiently. Work environment variables are used in this research to analyze their influence on employee performance in the Unit of Business Sharia at Bank Jatim. This research aims to evaluate how the conditions and characteristics of the work environment influence employee performance, with a focus on elements that support or hinder performance. By understanding the influence of the work environment, it is hoped that factors that need to be corrected or enhanced can be identified to maximize employee performance and support the achievement of organizational goals.

Employee Performance

Every employee in an organization is required to contribute positively through good performance, considering that the performance of the organization depends on the performance of its employees (Gibson et al., 2012). According to Thoha (2010), leadership style is a behavioral norm used by a person when they attempt to influence the behavior of others or subordinates. Many factors can influence employee performance, including leadership style.

Thus, leadership style plays an important role in influencing employee performance, and the overall performance of an organization largely depends on the ability of each employee to contribute positively. The employee performance variable is used in this research as the dependent variable. This research aims to measure and analyze how various factors, such as work environment, leadership, and motivation, influence employee performance in the Unit of Business Sharia at Bank Jatim. As a dependent variable, employee performance is measured to assess the impact of independent variables on employee work results, so that insight can be gained into the factors that influence work effectiveness and efficiency in the context of Unit of Business Sharia at Bank Jatim.

Job Satisfaction

Job satisfaction serves as a mediating variable. According to Andreani & Petrik (2016), when leaders understand the differences of each employee and can provide appropriate rewards for their work, employees will feel satisfied because they are valued individually. Job satisfaction is a feeling that employees have towards their jobs, viewing them as either enjoyable or not enjoyable. Employee job satisfaction is a collage that bridges the role of rewards to job involvement (Brown, 2014), indicating that involvement stems from feelings of satisfaction at work. In important careers, employee preferences for their careers are based on whether their jobs inspire them (Chawla et al., 2017).

Thus, job satisfaction not only reflects how employees feel about their work, but also serves as a mediator linking rewards to work engagement, as well as influencing the extent to which work inspires and motivates them. Job satisfaction in this research is used as a mediating variable. This research aims to explore how job satisfaction mediates the relationship between the independent variable, motivation and the dependent variable, namely employee performance in the Bank Jatim Sharia Business Unit. As a mediating variable, job satisfaction functions to bridge or influence how motivation influences employee performance, with the aim of

understanding more deeply how job satisfaction plays a role in increasing or reducing the effect of these factors on employee performance.

Theoretical and Conceptual Background

This study examines the effects of transformational leadership, motivation, and work environment on employee performance. Previous research has shown inconsistent results regarding these variables, prompting this study to include job satisfaction as a mediating variable between transformational leadership, motivation, work environment, and employee performance.

PT. Bank Jatim, a regional government-owned enterprise in East Java, faces competition in the financial services sector. Evaluating employee performance through effective human resource management is crucial. Transformational leadership, motivation, and work environment are deemed vital in determining employee performance within a company. According to Priarso et al. (2018), transformational leadership, work motivation, and work environment influence job performance through job satisfaction.

However, other studies present differing results. Jiang et al. (2017) and Salustiano (2021) found that transformational leadership does not significantly impact employee performance. Yunus et al. (2022) concluded that motivation does not positively affect employee performance. Ikramina et al. (2021) found that the work environment does not influence employee performance.

Given these conflicting findings, this study focuses on three independent variables: transformational leadership, motivation, and work environment, with employee performance as the dependent variable. Job satisfaction is included as a mediating variable to better understand the relationships between these factors and employee performance at PT. Bank Jatim.

Empirical Review and Hypothesis Development

Hypothesis 1 (H1): Transformational leadership significantly influences employee performance in the Unit of Business Sharia at PT. Bank Jatim.

The hypothesis is to explore the relationship between transformational leadership and employee performance within the Unit of Business Sharia at PT. Bank Jatim. Transformational leadership is characterized by charismatic qualities and plays a strategic role in directing employees towards achieving predetermined organizational goals (Elizabeth et al., 2016). Research suggests that when managers or leaders implement transformational leadership styles, it enhances employee loyalty and respect towards leadership, motivating subordinates to exceed expected job performance (Alam et al., 2013). Prabowo, Noermijati, & Irawanto (2017) define transformational leadership as integrating creative insights, perseverance, energy, intuition, and employee sensitivity to achieve organizational goals, which significantly impacts employee performance. Yukl (2010) identifies four characteristics of transformational leaders: idealized influence, which engenders admiration, respect, and trust among employees towards their leaders. Additionally, Prabowo et al. (2017) conclude that transformational leadership influences employee performance.

Hypothesis 2 (H2): The work environment significantly influences employee performance in the Unit of Business Sharia at PT. Bank Jatim.

Simbolon and Nuridin's (2017) study on the work environment's effect on employee performance indicates a positive and significant relationship. A conducive work environment fosters effective communication among employees, enhancing satisfaction and performance. Chandra & Priyono (2015) similarly affirm that a comfortable and supportive work environment contributes to improved employee performance. This hypothesis suggests that a positive work environment contributes to enhanced employee performance through improved communication and satisfaction.

Hypothesis 3 (H3): Job motivation significantly influences job satisfaction in the Unit of Business Sharia at PT. Bank Jatim.

Job motivation significantly affects job satisfaction, as higher motivation levels lead to greater job satisfaction (Mangkunegara & Octorend, 2015). Research by Karsli & Iskender (2009) and Hayati & Caniogo (2012) confirms that motivated employees exhibit higher job satisfaction levels. Jeffrey & Dantes (2017) emphasize the positive and significant impact of job motivation on job satisfaction. This hypothesis asserts that motivated employees will experience higher job satisfaction, contributing positively to organizational outcomes.

Hypothesis 4 (H4): Job satisfaction significantly influences employee performance in the Unit of Business Sharia at PT. Bank Jatim.

Job satisfaction correlates positively with job performance, with satisfied employees demonstrating higher performance levels (Hayati & Caniogo, 2012). Naeem & Khanzada (2018) and other researchers confirm this relationship across various organizational settings. This hypothesis suggests that satisfied employees will exhibit higher performance levels, contributing to organizational effectiveness.

Hypothesis 5 (H5): Motivation significantly influences employee performance through job satisfaction as a mediator in the Unit of Business Sharia at PT. Bank Jatim.

Ramli (2018) discusses how job satisfaction mediates the relationship between job motivation and employee performance, emphasizing that motivated employees with high job satisfaction tend to perform better. Bastari et al. (2020) also highlight the strong

influence of job satisfaction on employee performance. This hypothesis posits that job satisfaction mediates the relationship between motivation and employee performance, enhancing organizational outcomes.

Research and Methodology

The research was conducted in April - May 2024 across 7 Branch Offices and 10 Assistant Branch of Unit of Business Sharia PT. Bank Jatim, located in Surabaya, Malang, Gresik, Kediri, Jember, Madiun, and Sidoarjo. The study is purpose to analyze factors influencing employee performance within these units to provide insights into enhancing operational effectiveness and customer satisfaction in Unit of Business Sharia PT. Bank Jatim.

The study employed purposive sampling, a form of probability sampling, due to specific criteria aligned with the research variables. The population consisted of staff and outsourced personnel at Unit of Business Sharia PT. Bank Jatim, each having worked for more than 1 year, reflecting their transition from probationary to permanent employment. This selection criteria ensured relevance to the study's focus on transformational leadership. The total population identified for the study was 224 individuals. Sampling was conducted exhaustively, meaning the entire population was included as samples for the research.

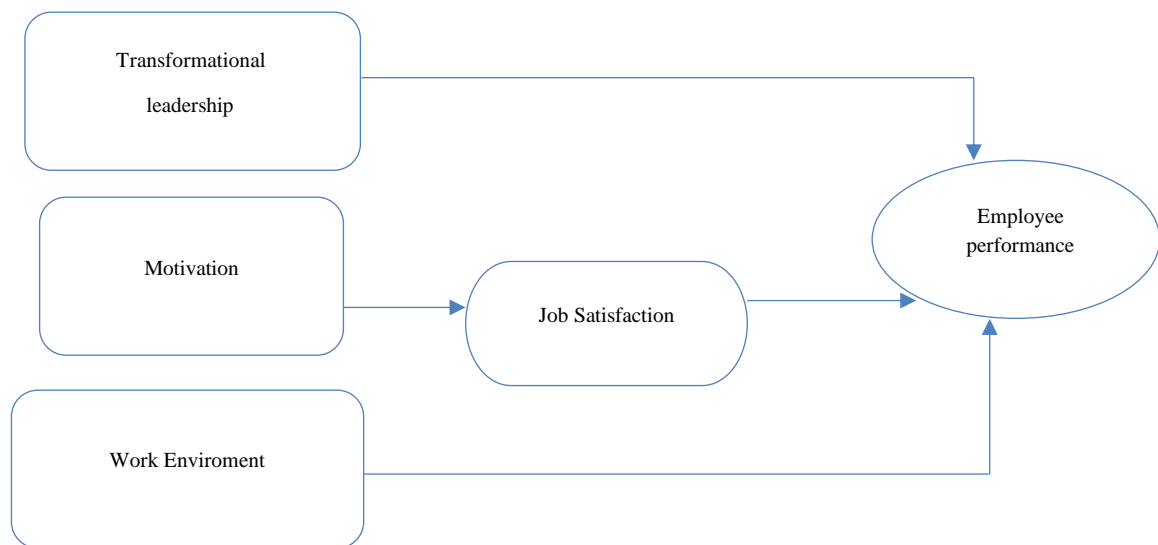


Figure 1: Conceptual Model of the Study; *Source:* Suhartono

Data analysis in this study involved descriptive analysis using Microsoft Excel to summarize respondent characteristics and their answers to research variables. Structural Equation Modeling (SEM) with Partial Least Squares (PLS) was utilized to process data on the impact of motivation, transformational leadership, and job satisfaction on employee performance (Sholihin & Ratmono, 2021). PLS-SEM is a causal model illustrating how factors influence variable constructs, offering robustness in handling multiple regressions and principal component regressions. It excels in complex studies with numerous variables and latent indicators, bypassing nonparametric assumptions and enhancing model prediction accuracy through its adaptive parameter estimation capabilities.

There are limitations of this research:

- i. The research may only involve a limited sample from the Unit of Business Sharia, which may affect the generalization of the results to other units or organizations. To overcome this, future research can involve a larger sample size or expand the research to other units or branches in different organizations or sectors to increase the generalizability of the results.
- ii. External factors such as economic conditions or industry trends can influence employee performance and job satisfaction, but may not be fully accounted for in research. Including control variables related to external factors and conducting sensitivity analyzes can help isolate the effects of transformational leadership, motivation, and job satisfaction on performance.

Findings and Discussions

The method of processing research data using Partial Least Squares Structural Equation Modeling (PLS-SEM) involves three stages: outer model analysis, inner model analysis, and hypothesis testing with SmartPLS 3.0 software (Hussein, 2015). For outer model analysis, SmartPLS evaluates Convergent Validity, Discriminant Validity, and Composite Reliability to ensure the alignment of variables with their measurements. Reflective individual measures are considered adequate if their loading factors range from 0.5 to 0.6 during initial measurement scale development (Ghozali and Latan, 2015). Convergent Validity assesses relationships between indicators and latent variables, requiring loading factors above 0.5 and composite reliability values exceeding 0.7 (Hussein, 2015).

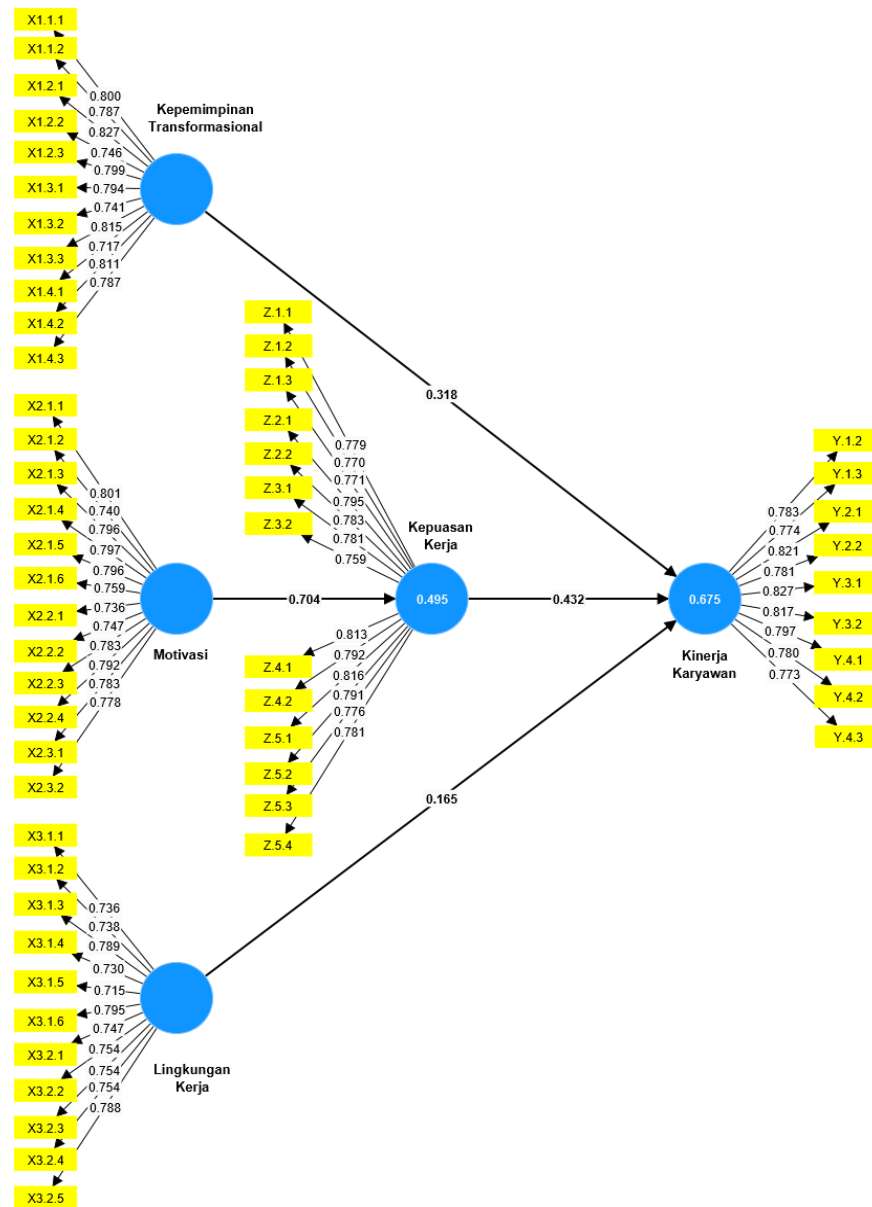


Figure 2: Path analysis results

Based on the path analysis results above, it can be concluded that all variables—transformational leadership, motivation, work environment, employee performance, and job satisfaction—have loading factor values > 0.5 for all their respective items. This indicates that the data in this study are deemed valid and ideal.

The Composite Reliability values are presented in the following table. The results show that the Composite Reliability values for transformational leadership, work motivation, work environment, employee performance, and job satisfaction variables are > 0.7. A CR value above 0.7 indicates high reliability, and values above 0.9 indicate very high reliability. In this case, all variables exhibit very high reliability, meaning the scores for each variable are consistent and dependable.

Table 1: Composite Reliability values

Variable	Composite Reliability	Noted
Transformational Leadership	0,939	Valid
Job Satisfaction	0,948	Valid
Employee Performance	0,928	Valid
Work environment	0,927	Valid
Motivation	0,941	Valid

The study evaluates discriminant validity using Average Variance Extracted (AVE), where a variable is considered valid if $AVE >$ the correlations with other latent variables in the research model and $AVE > 0.5$. Essentially, if the correlations between a latent variable and its manifest indicators are stronger than those with other latent variables, the variable better predicts its indicators.

Table 2: discriminant validity using Average Variance Extracted

Variable	AVE (Average Variance Extract)	Noted
Transformational Leadership	0,616	Valid
Job Satisfaction	0,616	Valid
Employee Performance	0,632	Valid
Work environment	0,570	Valid
Motivation	0,602	Valid

Table shows AVE values: Transformational Leadership (0.616), Job Satisfaction (0.616), Employee Performance (0.632), Work Environment (0.570), and Work Motivation (0.602), all indicating good convergent validity as all AVEs exceed 0.5.

Table 3: Composite Reliability (CR) measured for each latent variable

Variable	Cronbach's alpha	Composite reliability	Noted
Transformational Leadership	0,937	0,939	Reliable
Job Satisfaction	0,948	0,948	Reliable
Employee Performance	0,927	0,928	Reliable
Work environment	0,925	0,927	Reliable
Motivation	0,940	0,941	Reliable

Composite Reliability (CR), measured for each latent variable, indicates reliability if $CR > 0.7$ and Cronbach's alpha > 0.6 . Table displays high values for Transformational Leadership ($CR = 0.939$, $\alpha = 0.937$), Job Satisfaction ($CR = 0.948$, $\alpha = 0.948$), Employee Performance ($CR = 0.928$, $\alpha = 0.927$), Work Environment ($CR = 0.927$, $\alpha = 0.925$), and Work Motivation ($CR = 0.941$, $\alpha = 0.940$). These metrics underscore the reliability and consistency of these variables as measures of their respective theoretical constructs, crucial for validating their use in the study's context.

Analysis Structural Model (Inner Model)

Coefficient of Determination (R^2)

A coefficient of determination (R^2) of 0.494 indicates that 49.4% of the variation in Job Satisfaction can be explained by the transformational leadership, motivation, and work environment variables in this research model. This suggests that the model is moderately successful in predicting Job Satisfaction based on these variables. The remaining 50.6% of the variation in Job Satisfaction is likely attributed to other factors not included in the analysis.

Table 4: Coefficient of Determination (R^2)

Variable	R- Square
Employee Performance	0,690
Job Satisfaction	0,494

Predictive Relevance (Q^2)

This test is a method used to evaluate how well the observed values produced by the research model are. The Q^2 value ranges between 0 and 1; if it approaches 1, it indicates a good model, but if it approaches 0, it indicates a poor model.

Table 5: Predictive Relevance (Q^2)

Variable	Value Q^2	Noted
Transformational Leadership	0,000	Good
Job Satisfaction	0,291	Good
Employee Performance	0,430	Good
Work environment	0,000	Good
Motivation	0,000	Good

Results of Testing Hypothesis

Hypothesis 1: Transformational Leadership influences employee performance in the Unit of Business Sharia of PT. Bank Jatim. Tbk. Based on the analysis results, it can be concluded that Hypothesis 1 is accepted. The path coefficient value for this hypothesis is 0,301, with a t statistic value of 2,580. The t statistic value is greater than the t table value of 1,96. The p-value obtained is 0,010 < 0,05, indicating that the influence of transformational leadership on employee performance is significant.

Hypothesis 2: The work environment influences employee performance in the Unit of Business Sharia of PT. Bank Jatim. Tbk. Based on the analysis results, it can be concluded that Hypothesis 2 is accepted. The path coefficient value is 0,177, with a standard deviation of 0,079. The t-value is 2,244, which is greater than the t table value of 1,96, and the p-value is 0,025 < 0,05. This indicates that the work environment significantly influences employee performance.

Table 6: Results of Testing Hypothesis

Variable	Path coefficients	Standard deviation (STDEV)	T statistics	p-value	Noted
Transformational Leadership -> Employee Performance	0,301	0,117	2,580	0,010	Accept
Work environment -> Employee Performance	0,177	0,079	2,244	0,025	Accept
Motivation -> Job Satisfaction	0,703	0,058	12,223	0,000	Accept
Job Satisfaction -> Employee Performance	0,316	0,126	2,512	0,012	Accept

Hypothesis 3: Work motivation influences job satisfaction in the Unit of Business Sharia of PT. Bank Jatim. Tbk. Based on the analysis results, it can be concluded that Hypothesis 3 is accepted. The path coefficient value is 0,703, with a standard deviation of 0,058. The t value is 12,223, which is greater than the t table value of 1,96, and the p-value is 0,000 < 0,05. This indicates that motivation significantly influences job satisfaction.

Hypothesis 4: Job satisfaction influences employee performance in the Unit of Business Sharia of PT. Bank Jatim. Tbk. Based on the analysis results, it can be concluded that Hypothesis 4 is accepted. The path coefficient value is 0,316, with a standard deviation of 0,126. The t value is 2,512, which is greater than the t table value of 1,96, and the p-value is 0,012 < 0,05. This indicates that job satisfaction significantly predicts employee performance.



Figure 3: Model result

Results of Testing Mediation

Mediation testing in this research uses indirect effect testing, also known as mediation testing, with the aim of examining the interval of the mediation variable based on the theory (Baron and Kenny, 1986). By conducting mediation testing, it can be determined whether the existing mediation variable constitutes perfect mediation or partial mediation. Table 5.20 below shows the mediation testing results using PLS:

Hypothesis 5: Motivation influences employee performance through job satisfaction as a mediator in the Unit of Business Sharia of PT. Bank Jatim. Tbk.

Table 7: the analysis of the influence of the motivation variable on employee performance

Relationships Variable	Path Coefficient	SD	t	p	Noted.
Motivation -> Job Satisfaction -> Employee performance	0,222	0,091	2,439	0,015	Sig.

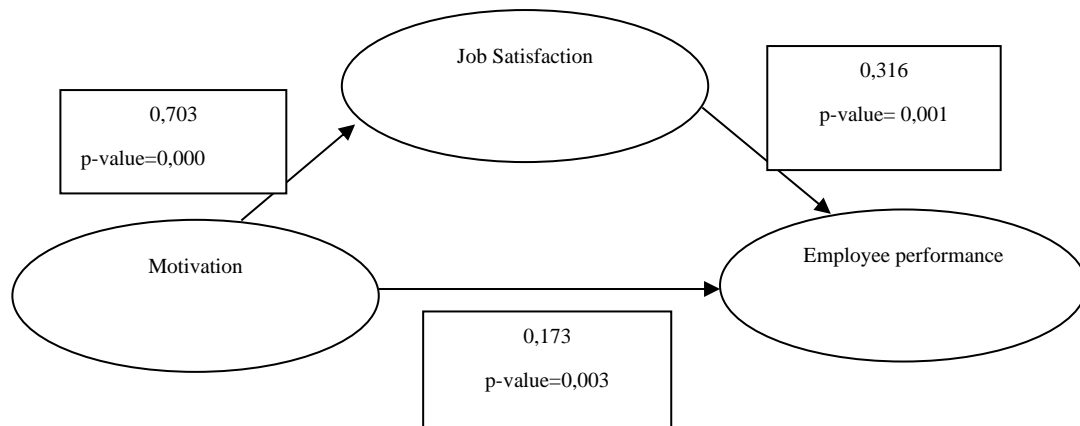


Figure 4: the analysis of the influence of the motivation variable on employee performance

The above results represent the analysis of the influence of the motivation variable on employee performance through job satisfaction as a mediation variable. The results show that motivation has a significant effect on employee performance with a path coefficient value of 0.173 and a p-value of 0.003 < 0.005. Job satisfaction also has a significant effect on employee performance with a path coefficient value of 0.316 and a p-value of 0.001 < 0.005. Based on these results, it can be concluded that job satisfaction can mediate the relationship between the motivation variable and employee performance. The mediation relationship is classified as partial mediation

Discussion

Impact of Transformational Leadership on Employee Performance

The research results show that transformational leadership has a positive and significant impact on employee performance. Transformational leadership in this study is measured using four indicators according to Bass (1990) and Park and Pierce (2020): Idealized Influence, Inspirational Motivation, Intellectual Stimulation, and Individual Consideration. Transformational leadership can be concluded to enhance employee performance, meaning that the higher the application of transformational leadership in the Sharia Business Unit of Bank Jatim, the higher the employee performance. According to research by Priarso (2018), transformational leadership style significantly impacts employee performance through job satisfaction at PT. Gynura Consulindo, with a contribution of 27.5%. This indicates that the higher the application of transformational leadership style, the higher the employee performance, influenced by increased job satisfaction. This is consistent with the results of this research.

The implementation in transformational leadership Unit of Sharia Business at Bank Jatim, can yield several benefits: (1) Good Vision and Mission, which is a leader who has a clear vision, the entire team will work towards the same goals, enhancing operational efficiency and effectiveness. (2) Support for Innovation also make Transformational leaders will encourage innovation in Sharia products and services, helping Bank Jatim to compete more effectively in the market. (3) Employee Development with more individualized attention, employees will feel supported in their career development, improving employee retention and reducing turnover. (4) Morale and Work Enthusiasm that's Employee morale and enthusiasm will increase, directly contributing to improved individual and overall organizational performance.

Overall, applying transformational leadership in the Unit of Sharia Business at Bank Jatim can have a significant and positive impact on employee performance, creating a dynamic, innovative, and productive work environment.

Impact of Work Environment on Employee Performance

The SEM-PLS analysis results show that the work environment variable has a positive and significant effect on employee performance. The work environment variable in this study uses two indicators: physical work environment and non-physical work

environment (Sedarmayanti, 2001; Sidanti, 2015; Sihombing, 2012). The conclusion from these results is that if the work environment in the Sharia Business Unit of Bank Jatim is more supportive, it can also support increased employee performance. Previous research by Dahlan & Riyanto (2020) states that the work environment at PT. Djaya Sinar Propertindo significantly affects employee performance. The current work environment condition is good. However, based on respondents' answers, improvements are still needed, especially regarding the statement "Infrastructure is sufficiently supportive." The expectation is that the company can provide better facilities according to employees' needs. With good infrastructure, employees can work more effectively and efficiently.

To implement these results in the Unit of Sharia Business at Bank Jatim, several steps can be taken to create a more supportive work environment, namely improving physical conditions, developing a positive organizational culture, improving relationships between employees, and providing management support.

By implementing these steps, Unit of Sharia Business at Bank Jatim can create a more supportive work environment, which will ultimately improve employee performance. Employees who work in a positive and supportive environment will feel more motivated, productive, and loyal, making a greater contribution to the overall success of the organization.

Impact of Motivation on Job Satisfaction

The analysis results show that motivation has a positive and significant effect on job satisfaction. The work motivation variable in this study is measured using three indicators: Achievement Motivation, Power Motivation, and Affiliation Motivation (McClelland in Agustin, 2023). If employee motivation increases, their job satisfaction can also increase. Hayati & Caniago (2012) state that job motivation among Sharia bank employees in Lampung impacts job satisfaction. This finding is consistent with this research's results, indicating that motivation can influence job satisfaction.

To increase motivation and job satisfaction, which is linked to employee performance in the Unit of Sharia Business at Bank Jatim, several steps can be taken: (1) Implementing a Reward Program, (2) Increasing Employee Involvement (3) Providing Training and Development and (4) Creating an Environment Positive Work.

With these steps, the Unit of Sharia Business at Bank Jatim can create an environment that supports increasing employee motivation and job satisfaction, which in turn will have a positive impact on the overall performance of the organization. Employees who are motivated and satisfied with their work will contribute more to the company's success and the achievement of strategic goals.

Impact of Job Satisfaction on Employee Performance

The analysis results show that job satisfaction has a positive and significant effect on employee performance. The job satisfaction variable in this study is measured using several indicators, including the job itself, salary, promotion opportunities, supervision, and other incentives (Wang et al., 2017; Islamy, 2019; Robbins & Judge, 2015). Employee job satisfaction can positively influence their performance, meaning that if job satisfaction increases among employees in the Sharia Business Unit of Bank Jatim, their performance will also increase. This finding aligns with previous research by Aprileani and Abadi (2022) on job satisfaction among employees of Bank Syariah Indonesia (BSI) regarding their performance, which showed a positive effect. Several previous studies, such as Mathews & Khann (2016), and Renyut et al. (2017), demonstrate that job satisfaction can influence work performance because satisfied employees with their work are likely to increase their productivity, thereby enhancing their work performance (Ibrahim et al., 2020). However, this study indicates that job satisfaction does not influence work performance. Employees who are satisfied should significantly improve their work performance. Employees believe that job satisfaction can increase due to the equitable career advancement opportunities provided by Bank Jatim at all levels of employee positions. Bank Jatim's career advancement opportunities include TAD/contract/outsourced employees, who can then advance to TKIK employees, permanent employees/staff, branch office supervisors, branch/sub-branch managers/operational section heads (PBO), branch managers/assistant vice presidents (AVP), vice presidents (VP), senior executive vice presidents (SEVP), and directors of Bank Jatim.

The impact of job satisfaction on employee performance includes; Increased Productivity, Better Work Quality, Employee Loyalty and Retention, Innovation and Creativity, and Reduced Absenteeism and Stress. To increase employee job satisfaction in the Unit of Sharia Business at Bank Jatim, several steps can be taken: improving working conditions, building good relationships, and providing development opportunities. Satisfied and motivated employees will work more efficiently, produce better quality work, and contribute to the long-term success of the company.

Impact of Motivation on Employee Performance through Job Satisfaction as a Mediation Variable

The analysis results show that job satisfaction can mediate the effect of motivation on employee performance. The job satisfaction variable is concluded to provide partial mediation. This proves that work motivation can improve the performance of employees in the Sharia Business Unit of Bank Jatim with or without involving their job satisfaction. This research aligns with the study conducted by Prabowo, Noermijati, & Irawanto (2017), which explains that work motivation affects employee performance. Job satisfaction also significantly impacts employee performance. Therefore, work motivation positively affects employee performance if employees have job satisfaction.

Job satisfaction can serve as a partial mediator between motivation and employee performance. This means that while job satisfaction plays an important role in enhancing performance, motivation still has a direct impact on employee performance. Therefore, at the Unit of Sharia Business at Bank Jatim, it is crucial to focus on both aspects—motivation and job satisfaction—to ensure that employees perform at their best and contribute to the overall success of the organization. Unit of Sharia Business at Bank Jatim needs to implement strategies for managing both work motivation and job satisfaction effectively.

Conclusions

Based on the results and discussion, it can be concluded that:

- i. Transformational leadership has a positive and significant impact on employee performance. This means that the higher the implementation of transformational leadership in the Unit of Sharia Business at Bank Jatim, the higher the employee performance. This results can be implemented in the Unit of Sharia Business at Bank Jatim. With a leader who has a good vision, the entire team will work towards the same goals, increasing operational efficiency and effectiveness. Transformational leadership will encourage innovation in products and services of Sharia, helping Bank Jatim to compete more effectively in the market.
- ii. The work environment variable has a positive and significant impact on employee performance. If the work environment in the Unit of Sharia Business at Bank Jatim is more supportive, it can also support the improvement of employee performance. To implement these findings in the Unit of Sharia Business at Bank Jatim, several steps can be taken to create a more supportive work environment, including improving physical conditions, developing a positive organizational culture, enhancing relationships among employees, and providing management support.
- iii. Motivation has a positive and significant impact on job satisfaction. If employee motivation increases, their job satisfaction can also increase. The job satisfaction variable has a positive and significant impact on employee performance. The steps to be taken based on the research findings include implementing a reward program and increasing employee engagement. By doing so, the Unit of Sharia Business at Bank Jatim can create an environment that supports increased motivation and job satisfaction among employees, which will in turn positively impact the overall performance of the organization. Motivated and satisfied employees will contribute more significantly to the company's success and the achievement of strategic goals.
- iv. Employee job satisfaction can positively influence their performance, meaning that if job satisfaction among employees in the Unit of Sharia Business at Bank Jatim increases, their performance will also increase. To enhance job satisfaction among employees in the Unit of Sharia Business at Bank Jatim, several steps can be taken: improving working conditions, building strong relationships, and providing development opportunities. Satisfied and motivated employees will work more efficiently, produce higher quality work, and contribute to the long-term success of the company.
- v. Employee job satisfaction can mediate the effect of motivation on employee performance. The job satisfaction variable is concluded to provide partial mediation. This proves that work motivation can improve the performance of employees in the Unit of Sharia Business at Bank Jatim with or without involving their job satisfaction. Job satisfaction can serve as a partial mediator between motivation and employee performance. This means that while job satisfaction plays an important role in enhancing performance, motivation still has a direct impact on employee performance. Therefore, at the Unit of Sharia Business at Bank Jatim, it is crucial to focus on both aspects—motivation and job satisfaction—to ensure that employees perform at their best and contribute to the overall success of the organization. Unit of Sharia Business at Bank Jatim needs to implement strategies for managing both work motivation and job satisfaction effectively.

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