

An Analysis of Employee Job Satisfaction through Transformational Leadership Style, Compensation, and Organizational Commitment

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ABSTRACT: Job satisfaction is a psychological state that reflects the extent to which individuals feel satisfied with their jobs, which affects work enthusiasm, loyalty, and productivity. In a competitive work environment, understanding the factors that shape job satisfaction is important to drive organizational performance. This study aims to determine the effect of transformational leadership, compensation, and organizational commitment on employee job satisfaction at CV Bintang Parts Jaya Sentosa in Jambi. This study is based on the Social Exchange Theory framework, which explains that the reciprocal relationship between organizations and employees affects work attitudes, including job satisfaction. The method used is a quantitative approach with a causality design, and data analysis was carried out using Partial Least Square–Structural Equation Modeling (PLS- SEM) on 72 permanent employees who have worked for at least six months. The results of the study indicate that transformational leadership, compensation, and organizational commitment have a positive and significant effect on employee job satisfaction. These findings confirm that to improve job satisfaction, companies need to implement inspirational leadership, develop a fair compensation system, and build strong organizational commitment. This study provides theoretical contributions to the human resource management literature and practical implications for the development of organizational strategies.

KEYWORDS: Transformational, Compensation, Organizational Commitment, and Satisfaction

I. INTRODUCTION

Amidst increasingly fierce industrial competition, a company's success depends heavily on the quality and performance of its employees. Consequently, various companies face the challenge of maintaining and increasing productivity through effective efforts to improve employee job satisfaction. Job satisfaction is a crucial element because it is directly related to work morale, commitment to the organization, and employee retention. Gallup (2023) revealed that only 23% of employees globally feel engaged in their jobs, indicating a low level of job satisfaction in general. This indicates that efforts to improve job satisfaction require serious attention from organizational management.

Job satisfaction is a key indicator of employee psychological well-being, directly impacting organizational performance and productivity. Dissatisfied employees tend to lose motivation, perform poorly, and even have a high risk of leaving, while satisfied employees work wholeheartedly and make optimal contributions to the company (Soejanto & Turangan, 2025). This situation reinforces the urgency of managing job satisfaction as a way to maintain workforce stability and improve company performance.

One factor influencing job satisfaction is transformational leadership. Transformational leadership is a leadership style that emphasizes inspiring a long-term vision and personally motivating followers. According to Bass & Riggio (2006), transformational leaders possess an inspiring vision and are able to communicate shared goals, thus motivating employees to work creatively and develop. A previous literature review by Hussain & Khayat (2021) found a positive relationship between transformational leadership and employee job satisfaction. Research by Kadek Sintha Dewi (2013) also showed that a transformational leadership style significantly influences employee job satisfaction. Prayekti & Pangestu (2022) stated that transformational leaders can increase employee work motivation, and this increased motivation impacts employee job satisfaction. These findings confirm that the implementation of transformational leadership in the workplace plays a crucial role in creating high job satisfaction.

Another factor influencing job satisfaction is compensation. Appropriate compensation is a crucial determinant of employee job satisfaction. Compensation includes both financial and non-financial rewards given to employees as a result of their work. Fair and competitive compensation is believed to increase job satisfaction. Agathanisa & Prasetyo (2018) found that compensation had a significant positive effect on employee job satisfaction at a retail company in Indonesia. The results of this study indicate that the better the compensation received, the higher the level of employee job satisfaction. Similarly, research by Permadi et al. (2019) also found a significant positive effect of compensation on job satisfaction. This suggests that an adequate salary structure, benefits, and incentives can increase employee job satisfaction.

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In addition to compensation, another factor influencing job satisfaction is organizational commitment. Organizational commitment reflects the level of psychological attachment employees have to the organization where they work. Employees who are highly committed to an organization tend to feel a sense of belonging to the company, strive harder for shared goals, and are motivated to achieve to meet their personal needs and expectations, including job satisfaction (Harahap & Wartono, 2023). The findings of Rahayu & Dahlia (2023) indicate that organizational commitment has a positive and significant effect on employee job satisfaction. This means that the higher an employee's emotional attachment and sense of responsibility to the organization, the greater their level of job satisfaction.

CV Bintang Parts Jaya Sentosa is a company engaged in the sales and distribution of automotive spare parts, particularly for two-wheeled vehicles. In conducting its business operations, the company faces various dynamics typical of the retail and distribution sectors, such as high demands for speed of service, accuracy in inventory management, and achieving customer satisfaction. These conditions require employees to work efficiently, meticulously, and responsively to address changing market needs and the intense competition in today's era. CV Bintang Parts Jaya Sentosa has implemented various managerial strategies to improve organizational performance. These strategies include developing a transformational leadership style aimed at inspiring and supporting employees, a compensation system designed to reward tangible contributions, and initiatives to build organizational commitment. However, there are indications that employee job satisfaction levels are still below optimal levels. Emerging phenomena within the company environment indicate complaints from some employees regarding unclear incentive systems, ineffective communication between management and staff, and a weak sense of ownership within the company.

In transformational leadership, interactions between superiors and subordinates in this dynamic work environment can influence employee perceptions and expectations of the leadership style. A leadership style that fails to fully accommodate the need for emotional support and inspiration has the potential to reduce employee engagement. Therefore, the implementation of transformational leadership is necessary, focusing not only on achieving organizational targets but also prioritizing individual development within the team. Transformational leadership is characterized by a long-term vision, individualized attention to employees, and encouragement for creative and innovative thinking (Bass & Riggio, 2006). In practice, this leadership style is believed to increase employee morale and job satisfaction, especially when facing the challenges and dynamics of a constantly changing work environment.

In terms of compensation, although companies provide various forms of rewards such as salaries, incentives, and benefits, employee understanding and expectations of the applicable compensation system can vary significantly. This can lead to differing perceptions of fairness and recognition for contributions. Furthermore, because distribution and retail jobs tend to be highly demanding, with tight deadlines and a focus on achieving sales targets, this can impact employee psychological well-being and work motivation. In such situations, organizational commitment is crucial to foster long-term loyalty and work enthusiasm.

These various dynamics are crucial reasons for companies to review the role of transformational leadership, compensation systems, and organizational commitment in shaping employee job satisfaction. These three factors—transformational leadership, fair compensation, and organizational commitment—are interrelated and influence each other. Inspirational leadership can increase employee commitment, which in turn strengthens positive perceptions of compensation and motivates them to perform better. While various previous studies have separately discussed the influence of transformational leadership, compensation, and organizational commitment on job satisfaction, very limited research has comprehensively examined all three variables simultaneously within a single research model. Most studies tend to focus on the relationship between only two variables, such as leadership and job satisfaction, or compensation and job satisfaction, without considering how the interaction of these three variables collectively influences employee job satisfaction levels.

Therefore, this study aims to fill this gap in the literature by comprehensively examining the relationship between transformational leadership, compensation, and organizational commitment on employee job satisfaction. This simultaneous approach to these three variables has not been widely addressed in previous research, particularly in the context of the automotive retail industry in Indonesia. It is hoped that this will provide both theoretical and practical contributions to the development of more effective managerial strategies.

II LITERATURE REVIEW

This research was analyzed using Social Exchange Theory proposed by George C. Homans (1958). This theory states that the relationship between employees and the organization is based on the principle of reciprocity, where each party provides something of value in the expectation of receiving an equivalent reward. Based on Social Exchange Theory, the implementation of transformational leadership by a company results in emotional support, motivation, and strategic direction, which are perceived as non-material rewards by employees. This encourages employees to respond positively by demonstrating higher levels of job satisfaction. Furthermore, compensation provided as a concrete form of recognition for employee contributions plays a significant role in strengthening perceptions of fairness, thus further increasing job satisfaction. Organizational commitment also develops as a result of a harmonious reciprocal relationship between employees and the organization, where support from leadership and fair

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compensation further foster employee loyalty and emotional attachment to the company. Based on Social Exchange Theory, it can be concluded that transformational leadership, appropriate compensation, and organizational commitment collectively contribute to increased employee job satisfaction.

A. Job Satisfaction

Job satisfaction is an emotional state that reflects an individual's feelings about their job, both in the form of satisfaction and dissatisfaction. According to Robbins & Judge (2008), job satisfaction is a person's positive feelings about their job, resulting from an evaluation of the job's characteristics. Rivai (2011) adds that job satisfaction is an individual's subjective evaluation of their job, reflecting their level of happiness and satisfaction at work. Davis & Newstrom (1985) explain that job satisfaction is a set of employee feelings regarding whether their job is enjoyable or not, while Hasibuan (2010) calls it an emotional attitude that indicates that employees enjoy and love their work. Handoko (2012) defines job satisfaction as an emotional feeling, whether happy or unhappy, that arises from an employee regarding their work. Almazrouei, in Nuryadi et al. (2020), adds that job satisfaction is a concept used in the workplace to identify employees' feelings about their work. Robbins & Judge (2015) outline five indicators of job satisfaction: satisfaction with superiors' attitudes, satisfaction with coworkers, satisfaction with the job itself, satisfaction with salary, and satisfaction with promotions. Thus, job satisfaction can be defined as an individual's evaluation of their job, influenced by various aspects of the work environment and determining the extent to which a person feels comfortable, motivated, and satisfied at work.

B. Transformational Leadership

Transformational leadership is a leadership style that focuses on enhancing the motivation, morale, and performance of followers through the inspiration and influence of the leader. Burns (1978) explained that transformational leadership occurs when leaders and followers mutually enhance their motivation and morale. Bass & Avolio (2004) later developed this concept by identifying four main dimensions: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration.

According to Xirasagar (2008), transformational leadership builds trust, admiration, loyalty, and respect from followers, ultimately encouraging them to perform above and beyond expectations. Yulk (2010) added that transformational leadership not only directs followers to meet established standards but also inspires them to exceed them through a strong vision and individual empowerment. Furthermore, Yunita (2008) emphasized that transformational leadership creates a dynamic organizational vision that can drive innovation and change within the organization. Permana et al. (2019) stated that this leadership relies on the effectiveness of the leader's inspiration in shaping the mindset and emotions of followers. Priarso et al. (2018) highlighted that a transformational leadership style involves the integration of creativity, perseverance, positive energy, and intuition to achieve organizational goals and improve employee well-being. Robbins & Judge (2013) listed several key indicators of transformational leadership: charisma, inspirational motivation, intellectual stimulation, and individualized attention. Kouzes & Posner (1988) also identified five key practices in transformational leadership: challenging the process, inspiring a shared vision, enabling others to act, serving as a role model, and encouraging follower enthusiasm. Thus, transformational leadership can be summarized as a leadership style oriented toward positive change, in which leaders inspire, motivate, and empower their followers to achieve higher performance and contribute to the achievement of organizational goals in an innovative and sustainable manner. Transformational leadership has a close relationship with employee job satisfaction, as found in various previous studies. Hussain & Khayat (2021) stated that there is a significant positive relationship between transformational leadership style and job satisfaction and organizational commitment among hospital staff. Transformational leaders are able to increase employee motivation and morale, which ultimately impacts their job satisfaction. This suggests that when a leader is able to inspire and provide individual attention to their employees, they will be more satisfied with their work and tend to be more committed to the organization.

Similar research findings were also found by Kadek Sintha Dewi (2013), who showed that transformational leadership plays a role in increasing employee job satisfaction. This study revealed that job satisfaction has a positive influence on organizational commitment, where employees who are satisfied with their superiors' leadership are more motivated to continue contributing to the organization. In other words, leadership that provides a clear vision, inspiring motivation, and support for employees will create a more positive work environment, thereby increasing job satisfaction. However, research conducted by Prayekti & Pangestu (2022) shows that although transformational leadership plays a role in creating job satisfaction, other factors such as the work environment and compensation system also play an important role. In this study, transformational leadership had a less significant effect on employee work hours, but still contributed to overall work performance. This finding suggests that employee job satisfaction is influenced not only by leadership style but also by other external factors such as working conditions and financial well-being.

From these various studies, it can be concluded that transformational leadership plays a significant role in shaping employee job satisfaction. When leaders are able to inspire, provide individual attention, and encourage innovation in the workplace, employees will feel more valued and motivated, ultimately increasing their job satisfaction. However, job satisfaction is also

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influenced by other factors such as the work environment and fair compensation. Therefore, organizations need to consider various aspects to create optimal job satisfaction for their employees.

C. Compensation

Compensation is a form of remuneration provided by a company to employees for their contributions and performance in achieving organizational goals (Panggabean, 2023). Handoko (2012) defines compensation as a reward given by a company to employees as a form of appreciation for their work. Hasibuan & Afrizal (2019) added that compensation encompasses all forms of payment or reward given in return for work performed by employees. Compensation is not only financial but can also be nonfinancial. According to Mangkuprawira (2014), non-financial compensation encompasses aspects of the job and work environment, such as responsibility, attention, opportunity, recognition, and supportive working conditions. Meanwhile, Rivai (2011) divides compensation into two main categories: direct financial compensation (salary, bonuses, and incentives) and indirect compensation such as insurance, benefits, facilities, and pensions.

A similar opinion was expressed by Kasmir (2017), who explained that compensation is a form of remuneration that can be financial or non-financial. Sutrisno (2009) stated that compensation must be provided fairly and appropriately to increase employee motivation and job satisfaction. Sinambela (2017) emphasized that compensation can impact employee performance and productivity and is influenced by factors such as the cost of living, company capacity, government regulations, and the role of labor unions.

Based on these various opinions, compensation can be defined as all forms of rewards, both financial and non-financial, provided by a company to employees as a reward for their performance, with the goal of increasing job satisfaction and productivity. Compensation is closely related to employee job satisfaction, as found in various studies. According to research by Agathanisa & Prasetio (2018), compensation has a positive and significant effect on job satisfaction among Indogrosir Samarinda employees. The better the compensation, the higher the level of employee job satisfaction. This indicates that when employees perceive they are receiving appropriate compensation, they are more likely to be satisfied with their jobs.

Similar results were found in research by Prayekti & Pangestu (2022), which showed that compensation influences employee job satisfaction at PT. BPR BKK Kebumen. Although transformational leadership did not significantly impact employee work hours, compensation was found to play a role in increasing job satisfaction. This finding suggests that while other factors such as leadership and the work environment also play a role, compensation remains one aspect that can influence employee job satisfaction. From these various studies, it can be concluded that compensation contributes to employee job satisfaction. When employees feel the compensation they receive is commensurate with the effort and responsibility they receive, they are more motivated and experience higher job satisfaction.

D. Organizational Commitment

Organizational commitment is crucial for achieving maximum performance. Jobs that align with employees' abilities make them satisfied with their work, thus fostering employee commitment (Santoso, 2017). Organizational commitment refers to employees' psychological attachment to the organization (O'Reilly & Chatman, 1986). Meyer & Allen (1991) divide organizational commitment into three components: affective commitment, which refers to emotional attachment; normative commitment, which indicates an obligation to continue working; and continuance commitment, which indicates the costs associated with leaving a career.

Nagar (2012) states that company goals can be achieved if employees are committed to their organization, because committed employees are willing to exert effort to achieve organizational goals. Porter & Michael (2001) state that organizational commitment is the strength of an individual's identification with an organization, while Hasan (2012) states that organizational commitment is the individual's desire or willingness to accept the organization's values and goals. Thus, organizational commitment can be defined as an employee's psychological attachment to the organization, reflecting the extent to which an individual identifies with the organization, accepts its values and goals, and desires to remain employed and contribute to the organization. Organizational commitment encompasses three main dimensions: affective commitment (emotional attachment to the organization), normative commitment (a sense of obligation to remain), and continuance commitment (consideration of the consequences of leaving the organization).

Organizational commitment has a significant relationship with employee job satisfaction. Rahayu & Dahlia (2021) stated that organizational commitment has a positive effect on job satisfaction of BKPSDM employees. This indicates that when employees are highly committed to the organization, they tend to feel more satisfied with their work and are more motivated to achieve company goals. Research conducted by Hussain & Khayat (2021) also found a positive and significant relationship between organizational commitment and job satisfaction among hospital staff. In this study, high organizational commitment was associated with increased employee motivation and morale, which ultimately contributed to their job satisfaction. Kadek Sintha Dewi (2013) also found that job satisfaction has a positive and significant effect on organizational commitment. This means that employees who are satisfied with their jobs will have a higher sense of ownership of the organization and be more loyal in carrying out their duties. From these various studies, it can be seen that organizational commitment has a positive and significant effect on

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employee job satisfaction. When employees have a high level of commitment, they are more likely to feel satisfied with their jobs and more enthusiastic in carrying out their duties. Conversely, when employees feel less engaged with the organization, their job satisfaction tends to be lower.

E. Conceptual Framework and Hypotheses

Job satisfaction is the result of various interrelated factors, including transformational leadership, compensation, and organizational commitment. Effective transformational leadership can create a supportive work environment, increase motivation, and provide a clear vision to employees. Furthermore, fair and appropriate compensation commensurate with employee contributions is also an important factor in increasing job satisfaction. Employees who feel financially valued tend to be more satisfied and motivated in their jobs. Furthermore, high levels of job satisfaction are also correlated with organizational commitment, with employees who feel satisfied with their jobs tend to have higher loyalty to the organization. Thus, the relationship between transformational leadership, compensation, and organizational commitment collectively contributes to increased employee job satisfaction, which ultimately supports overall organizational productivity and performance.

Transformational leadership plays a crucial role in shaping employee job satisfaction. Leaders who inspire, pay attention to individual needs, and encourage innovation in the workplace will create a more positive work environment. Furthermore, compensation is also a significant factor influencing job satisfaction. Employees who receive compensation commensurate with their efforts and responsibilities will feel more appreciated and satisfied with their work, and organizational commitment is also closely related to employee job satisfaction. Employees who feel a sense of belonging to the organization will be more motivated in their work and contribute more to achieving organizational goals.

Therefore, transformational leadership, compensation, and organizational commitment are interacting factors in shaping employee job satisfaction. Organizations or companies seeking to improve job satisfaction need to consider these various aspects simultaneously, rather than focusing on a single factor. By creating inspirational leadership, providing fair compensation, and fostering organizational commitment, companies can build a more positive and productive work environment for their employees, thereby creating positive job satisfaction. Based on the explanation above, the research model is presented in Figure1.

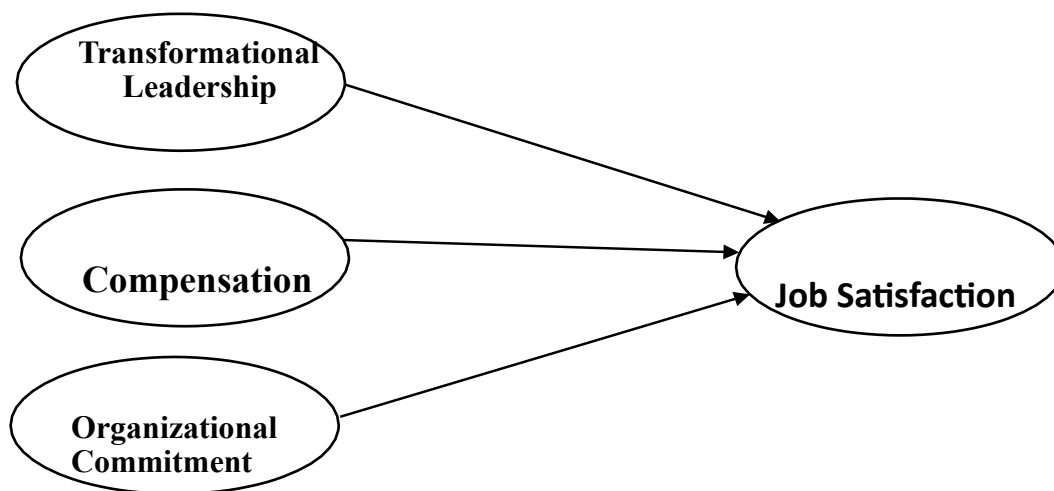


Figure 1: Research Model Hypothesis

Based on the research model presented in Figure 2.1, the following hypotheses are formulated in this study:

H1: Transformational leadership has a positive influence on employee job satisfaction at CV Bintang Parts Jaya Sentosa in Jambi.

H2: Compensation has a positive influence on employee job satisfaction at CV Bintang Parts Jaya Sentosa in Jambi.

H3: Organizational commitment has a positive influence on employee job satisfaction at CV Bintang Parts Jaya Sentosa in Jambi.

III. METHODS

This study employed a quantitative research method with a causality design. According to Sugiyono (2009), quantitative research can be defined as a research method based on the philosophy of positivism, used to study specific populations or samples, with sampling techniques generally conducted randomly. Data collection utilizes research instruments, and data analysis is quantitative or statistical in nature, with the aim of testing predetermined hypotheses. A quantitative approach was chosen because this study aims to measure and test the influence of the independent variables—transformational leadership, compensation, and organizational commitment—on the dependent variable of employee job satisfaction. This study uses numerical data that can be analyzed

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statistically to describe the relationships between variables and test the proposed hypotheses. Therefore, quantitative research is more appropriate because it allows for objective and measurable testing of relationships between variables using statistical analysis techniques.

According to Sari & Kurniawan (2022), quantitative causality research is a type of research that focuses on the cause-and-effect relationship between variables, where researchers attempt to determine the extent to which an independent variable (cause) influences the dependent variable (effect). This research aims to measure the impact or influence of one or more independent variables on the dependent variable based on a predetermined theoretical model. This relationship can be positive or negative, and statistically significant or insignificant. In this study, the researcher used a non-probability sampling technique with a purposive sampling approach, where the sample is selected based on specific criteria or objectives relevant to the research problem. This technique was chosen because the researcher wanted to obtain a sample with specific characteristics that align with the research focus, thus providing more in-depth results and aligning with the research objectives. The required criteria for this study were:

- a. Employees working as staff, assistant managers, and managers at CV Bintang Parts Jaya Sentosa
- b. Employees who have worked at CV Bintang Parts Jaya Sentosa for at least 6 months, so that employees have a sufficient understanding of the company's policies and culture.

Therefore, Roscoe (1975 in Sekaran & Bougie, 2020) stated that the number of participants in a questionnaire should be greater than 30 and less than 500. Therefore, in this study, the sample size was 72 employees who met the established criteria.

A. Operationalization of Variables

In the operationalization of variables and instruments, the researcher will identify the types of variables to be studied, the indicators used to measure these variables, and the measurement scale applied in this study. Clear and precise operationalization is crucial to ensuring that each variable measured in the study can be measured and analyzed statistically. In this study, the researcher will use three independent variables: transformational leadership, compensation, and organizational commitment, and one dependent variable: job satisfaction. The operationalization of the variables used in this study is as follows:

1. Transformational Leadership

Transformational leadership is a leadership style characterized by the leader's ability to inspire, motivate, and influence followers through ideas, emotions, and actions oriented toward positive change. Transformational leaders integrate creativity, perseverance, positive energy, and intuition into their leadership, and demonstrate concern for the needs of individual employees to optimally achieve organizational goals. Transformational leadership variables are measured using the Transformational Leadership Scale which is compiled based on four indicators according to Robbins & Judge (2013) in Prayekti & Pangestu (2022), namely charisma, inspirational motivation, intellectual stimulation, and individual attention.

Table 1: Operationalization of Transformational Leadership Variables

Variable	Indicator	Statement	Code	Scale	Source
Transformational Leadership	Charisma	the leader at my workplace is a role model and demonstrates an attitude of integrity.	KT1	Interval	Prayekti & Pangestu (2022)
	Inspirational Motivation	The leaders in my workplace are able to inspire and provide meaningful work goals.	KT2		
	Intellectual Stimulation	The leaders in my workplace encourage critical and innovative thinking.	KT3		
	Individualized Attention	The leaders in my workplace care about and pay attention to the personal needs of employees.	KT4		

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2. Compensation

Compensation is any form of reward provided by a company to employees in return for their contributions and performance within the organization. This reward can be financial or non-financial. Financial compensation includes all forms of direct payments such as salaries, bonuses, and incentives. Non-financial compensation, meanwhile, encompasses aspects related to the work environment, such as benefits, facilities, career development opportunities, and comfortable and supportive working conditions. Providing appropriate compensation aims to motivate employees, increase job satisfaction, and achieve organizational goals effectively and efficiently. The compensation variables in this study will be measured using a Compensation Scale, which is based on two compensation indicators according to Rivai (2011) in Prayekti & Pangestu (2022): direct financial compensation and indirect compensation.

Table 2: Operationalization of Compensation Variables

Variable	Indicator	Statement	Code	Scale	Source
Compensation	Direct Financial Compensation	I feel that the direct financial compensation I receive, such as base salary, bonuses, and incentives, is commensurate with my contributions and performance.	K1	Interval	Prayekti & Pangestu (2022)
	Indirect Compensation	I feel that indirect compensation, such as insurance, benefits, pension, and additional company benefits, is appropriate and supports my work comfort.	K2		

3. Organizational Commitment

Organizational commitment is the extent to which an employee feels a strong sense of belonging, involvement, and desire to remain a member of the organization where they work. This commitment reflects an employee's loyalty to the organization, including acceptance of the organization's values and goals and efforts to contribute their best to their work. Organizational commitment is important because it reflects the extent to which employees are willing to maintain their membership in the organization and contribute optimally to achieving shared goals (Lesmana & Prayogi, 2021). Organizational commitment is measured using the Organizational Commitment Scale, which is based on four indicators according to Mowday (1983) in Putri et al. (2020): a strong desire to remain a member of the organization, a willingness to exert effort in work, acceptance of organizational values, and acceptance of organizational goals.

Table 3: Operationalization of Organizational Commitment Variables

Variable	Indicator	Statement	Code	Scale	Source
Organizational Commitment	Desire to Become a Member	I am proud to be an employee and want to remain a part of my work organization.	KO1	Interval	Putri <i>et al.</i> (2020)
	Hard Work Effort	I am highly motivated to contribute and excel at work.	KO2		
	Acceptance of Organizational Values	I accept and agree with the values espoused by the organization in my workplace.	KO3		

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	Acceptance of Organizational Goals	I agree with and support the organization's goals and strive to achieve them in my workplace.	KO4		
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4. Job Satisfaction

Job satisfaction is a positive emotional attitude experienced by employees as a result of evaluating various aspects of their work. This satisfaction is reflected in a sense of enjoyment and love for their work, and impacts work morale, discipline, and performance. Employees who are satisfied with their jobs tend to demonstrate a higher commitment to the organization (Surito et al., 2019). In research by Jufrizen & Sitorus (2021), job satisfaction encompasses five aspects: the work itself, quality of supervision, relationships with coworkers, promotion opportunities, and pay. Job satisfaction is measured using a job satisfaction scale compiled based on five indicators according to Jufrizen & Sitorus (2021): the work itself, quality of supervision, relationships with coworkers, promotion opportunities, and pay.

Table 4: Operationalization of Job Satisfaction Variables

Variable	Indicator	Statement	Code	Scale	Source
Job Satisfaction	The Work Itself	I feel happy and enjoy the work I do.	KK1	Interval	Jufrizen & Sitorus (2021)
	Quality of Supervision	I feel I receive good guidance and direction from my superiors.	KK2		
	Coworker Relationships	I feel comfortable and supportive with my coworkers.	KK3		
	Promotion Opportunities	I see opportunities for growth and promotion at work.	KK4		
	Pay	I feel that the salary and compensation I receive is appropriate.	KK5		

B. Data Analysis

In this study, data obtained from respondents will be analyzed using the Structural Equation Modeling (SEM) method with the assistance of SmartPLS software. This method was chosen because SEM is capable of analyzing relationships between variables while simultaneously assessing the quality of the measurement instruments used in the study. The analysis process includes testing the measurement model (outer model) and the structural model (inner model), each of which has its own assessment criteria.

IV. RESULTS AND DISCUSSION

A. RESULTS

This stage was analyzed using the Structural Equation Modeling (SEM) approach, processed with the assistance of SmartPLS version 4.0 software. The results of this analysis will be explained in the following section.

Table 5: Path Coefficient, P-Value, and t-Statistic

Model	Path Coefficient (O)	t-statistics (O/STDEV)	P-values
Transformational leadership $\Rightarrow$ Job Satisfaction	0.406	4.457	0.000
Organizational Commitment $\Rightarrow$ Job Satisfaction	0.384	3.748	0.000
Compensation Satisfaction $\Rightarrow$ Job Satisfaction	0.234	2.509	0.012

Source: SmartPLS

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Table 5 shows that transformational leadership, compensation, and organizational commitment have a positive relationship with job satisfaction. Based on the statistical test results, these three variables were declared significant because the t-statistics exceeded 1.96 and the p-values were below 0.05. In other words, all three hypotheses in this study are acceptable because they indicate a significant relationship.

B. DISCUSSION

Based on data from 72 employees at CV Bintang Parts Jaya Sentosa, consisting of various positions such as Manager, Assistant Manager, Supervisor, Senior Staff, and Staff, the majority of respondents were male and most worked as Staff with a tenure of between 1 and 3 years. Validity and reliability tests using the SEM method with the assistance of SmartPLS 4.0 software indicated that all indicators used to measure the variables met the requirements for validity and reliability.

Overall, the analysis indicated that transformational leadership, compensation, and work motivation significantly influence employee job satisfaction. Among these three variables, transformational leadership exerted the strongest influence. This finding was also supported by high Goodness of Fit values and path coefficients, indicating that the research model used was appropriate and reliable in explaining the phenomenon studied.

The first hypothesis, transformational leadership, positively influences employee job satisfaction at CV Bintang Parts Jaya Sentosa. The test results indicated that this hypothesis was accepted. This finding aligns with research by Hussain & Khayat (2021), which found that transformational leadership has a significant positive relationship with job satisfaction, primarily through increased employee motivation and morale. Furthermore, Kadek Sintha Dewi (2013) also found that transformational leadership has a direct impact on increasing job satisfaction. When leaders are respected and trusted, employees tend to feel satisfied because they feel valued, involved, and guided toward shared goals. Additional supporting evidence comes from research by Breevaart et al. (2014), who found that transformational leaders increase engagement and job satisfaction through inspiration and individualized attention. Leaders who can build emotional connections and provide meaning to their work will encourage employees to feel valued and motivated to achieve shared goals. Therefore, the results of this study confirm that transformational leadership is an important aspect in creating a satisfying work environment. Furthermore, research by Novitasari (2020) shows that transformational leadership, particularly in the aspects of idealized influence and intellectual stimulation, has a significant contribution to increasing job satisfaction. This research was conducted on educators and indicates that leadership that inspires, provides personal attention, and encourages critical thinking can strengthen employee engagement and job satisfaction. This aligns with the results of this study, where transformational leadership has the greatest influence on job satisfaction. However, in the study by Chen et al. (2002) found that in some cultural contexts, such as China, loyalty to superiors is more dominant in influencing performance and job satisfaction than transformational leadership in influencing job satisfaction, especially in collectivist cultural contexts. This suggests that the influence of leadership can be influenced by dominant social norms and organizational culture.

The second hypothesis, compensation, positively impacts employee job satisfaction. The test results confirm this hypothesis. The study found that the better the compensation system implemented by the company, the higher the level of job satisfaction experienced by employees. This research aligns with the study by Agathanisa & Prasetyo (2018), which found that compensation significantly impacts job satisfaction. Similarly, the findings of Prayekti & Pangestu (2022) indicate that compensation is one of the most influential factors in creating employee job satisfaction. Fair and appropriate compensation not only improves employee financial well-being but also provides a sense of appreciation for their contributions to the company. This demonstrates that compensation plays a crucial role in recognizing employee performance and can increase work motivation. Therefore, company management plays a strategic role in designing a compensation system that aligns with the workload, responsibilities, and contributions of each individual. The implications of these findings confirm that providing appropriate compensation can be a strategy for creating a satisfying work environment. A similar finding was found in the study by Ali & Anwar (2021), which stated that competitive compensation not only improves financial well-being but also employee loyalty and morale. With adequate compensation, employees feel appreciated for their contributions, which in turn increases job satisfaction. A study by Ramish et al. (2023), which examined the logistics sector, also showed that a competitive compensation system significantly impacts performance and job satisfaction. Fair compensation is considered to foster work enthusiasm and create a sense of appreciation within the organization. Therefore, the more appropriate and appropriate the compensation system implemented, the greater the potential for job satisfaction among employees. However, it cannot be denied that the influence of compensation on job satisfaction is not always dominant in every context. A meta-analysis conducted by Judge et al. (2010) in the *Journal of Economic Behavior & Organization* found that the relationship between salary levels and job satisfaction is positive, but the correlation is relatively weak. This means that salary increases are not always followed by significant increases in job satisfaction. This suggests that while compensation is an important factor, it is not the sole determinant of job satisfaction. In many cases, non-material aspects such as performance recognition, opportunities for self-development, and the quality of the work environment have a greater influence on employee perceptions of job satisfaction.

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The third hypothesis, organizational commitment, positively influences employee job satisfaction. Statistical testing results confirm this hypothesis. This study demonstrates that the stronger the organizational commitment felt by employees, the higher their job satisfaction. This finding aligns with research by Rahayu & Dahlia (2021), which emphasizes that organizational commitment substantially influences employee job satisfaction, particularly when employees feel they are an important part of the organization. Furthermore, the three-dimensional commitment theory proposed by Meyer & Allen (1991) also supports this finding. They explain that affective commitment, which is an emotional attachment to an organization, has a significant impact on shaping positive attitudes toward work and the organization as a whole. In this context, employees with strong emotional attachments tend to demonstrate higher job satisfaction because they feel valued, trusted, and have a meaningful role in the organization's sustainability. The implications of this finding suggest that management plays a crucial role in creating working conditions that can foster this emotional attachment, such as providing trust, recognition, and support for employee aspirations. Hussain & Khayat (2021) also added that organizational commitment is not only administrative but also serves as a psychological foundation that makes employees feel comfortable and have a long-term orientation towards their work. When individuals feel a strong emotional bond with their workplace, they tend to show higher loyalty and are more satisfied with existing working conditions. This indicates that organizational commitment can be an important strategy in maintaining workforce stability and improving the quality of work relationships within the company. Furthermore, research conducted by Vongchavalitkul et al. (2023) also supports these findings. They found that satisfaction with various aspects of the job, such as salary, promotion opportunities, and relationships with superiors and coworkers, significantly contribute to forming organizational commitment. When employees feel satisfied with the work environment and receive support from the organization, an emotional attachment emerges that fosters long-term loyalty and engagement. This suggests that organizational commitment is not only shaped by employees' internal values but also greatly influenced by the quality of their daily work experiences. Therefore, companies need to create a supportive, open, and responsive work environment to employee needs and aspirations as part of their commitment-building strategy. However, it is important to remember that the influence of organizational commitment on job satisfaction is not always linear or universal. Ng & Feldman (2010) in their meta-analysis found that longer tenure in an organization, which is often associated with high commitment, does not always result in greater job satisfaction. In some cases, career stagnation and a lack of challenges can actually decrease job satisfaction even if employees remain with the organization. This suggests that to create sustainable job satisfaction, organizational commitment needs to be accompanied by support for employee development and a positive work dynamic. Thus, it can be concluded that organizational commitment plays a significant role in shaping employee job satisfaction, but its effectiveness is highly dependent on work experience, development opportunities, and the quality of interpersonal relationships within the organization.

V. CONCLUSION

Based on the data analysis and discussion conducted in this study, it can be concluded that transformational leadership has a positive and significant effect on job satisfaction, compensation has a positive and significant effect on employee job satisfaction, and organizational commitment has a positive and significant effect on employee job satisfaction at CV Bintang Parts Jaya Sentosa in Jambi. Statistically, among the three variables studied, transformational leadership proved to be the most dominant and significant factor in increasing employee job satisfaction at CV Bintang Parts Jaya Sentosa.

Given these limitations and the research results obtained, this study offers some recommendations that are expected to be useful, including: For future research, it is recommended to conduct mixed methods research so that the research does not rely solely on numerical data but also obtains a deeper understanding of employee experiences and perspectives related to the variables studied. This will result in more comprehensive and accurate research results. For CV Bintang Parts Jaya Sentosa, it is recommended to focus more attention on optimizing transformational leadership, as this variable is the most significant factor in supporting employee job satisfaction. Furthermore, the company is advised to continue maintaining a fair compensation system so that employees can work optimally and remain satisfied. And for organizational commitment, it is necessary. Meanwhile, organizational commitment needs to be increased by creating an emotional bond between employees and the company, for example by involving employees in decision-making, building a supportive work culture, and providing consistent recognition for employee contributions. This is necessary to maintain employee job satisfaction.

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