

## Research Article

# Mediation of Job Satisfaction to Enhance Bank Employee Performance Affected by Compensation and Leadership Transformation

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**Abstract.**

This study aims to provide a comprehensive description of compensation, transformational leadership, job satisfaction, and employee performance. Additionally, it analyzes the impact of compensation and transformational leadership on job satisfaction and employee performance. Furthermore, it examines the influence of job satisfaction on employee performance. Lastly, it investigates the effect of compensation and transformational leadership on employee performance, mediated by job satisfaction. The study population consisted of all employees of BPR in Malang Raya, totaling 471 individuals. A sample size of 175 people was selected for the study. This study employs descriptive analysis and structural equation modeling (SEM) analysis. The study findings indicate that in terms of professional growth and interactions with supervisors, both monetary and non-monetary rewards contribute to employee satisfaction. Leadership characterized by idealized influence can foster employee happiness in professional growth and working relationships with superiors. Financial and non-financial compensation can create the quantity and quality of employee work. Leadership that has idealized influence can encourage the quantity and quality of employee work. Financial and non-financial compensation and leadership that has idealized influence, can build employee performance if it is encouraged through job satisfaction in professional development and satisfaction in implementing working relationships with superiors and co-workers. This research contributes to understanding leadership theory in different conditions and situations.

**Keywords:** job satisfaction, performance, compensation, leadership transformation

## 1. Introduction

The role of human resources in determining a company's success in reaching its goals is crucial, as the accomplishment of these goals relies on the competence and performance of the employees in executing assigned responsibilities. Performance refers to the measurable results generated by employees' job functions within a specific timeframe [1]. High performance is distinguished by the attainment of optimal work quality in the successful completion of all tasks assigned by organizational leadership, in accordance with the objectives established by the company. According to the source

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cited as [2], performance refers to the quality and quantity of work outputs achieved by an employee in fulfilling their obligations and carrying out tasks.

Performance is a fundamental and integral term inside organizations. It may be understood as the outcome of actions, which can be perceived as accomplishments. Achievement is considered one of the crucial factors, since the degree of performance directly influences the success of an organization. The necessity for optimal employee performance has become inherent in every organization, as the success of a firm is inextricably linked to the performance levels exhibited by its workforce. Another crucial aspect that organizations must consider in relation to their human resources is the matter of job happiness. Job satisfaction refers to an individual's subjective evaluation of their work, encompassing their overall attitude and feelings towards their job. It is influenced by the perceived disparity between the rewards and benefits received by employees and their expectations or what is deemed as necessary compensation.

As stated in reference [3], it is imperative for the organization to consistently assess the job satisfaction of every employee in order to maintain productivity and stay competitive with other banks. Each person at a company must experience job satisfaction in order to positively influence performance enhancement. employment satisfaction is the favorable emotional state that arises from assessing the qualities of one's employment [4]. Job satisfaction has a positive correlation with enhanced performance, indicating that workers who are content with their jobs tend to be more productive [5].

The company's management needs to maintain and improve the suitability of the work environment [6]. Good working environment conditions can support workers to carry out activities optimally, healthily, safely and comfortably. Another thing that needs to be considered by companies in managing their human resources is compensation. Through appropriate compensation policies, companies can motivate and increase job satisfaction [6]. The results of previous research conducted by [6] stated that compensation variables affect job satisfaction.

Employee performance within a business can be influenced by several factors, one of which is the implementation of a transformational leadership style. According to the cited source, transformational leaders have the capacity to inspire their followers to put the company's collective interests over their own personal goals, so having a substantial influence on them [7]. According to the author cited in reference [8], the transformational leadership style refers to a leader who possesses the ability to facilitate changes at both the human and organizational levels, with the goal of attaining enhanced performance.

Every organization seeks to demonstrate its superiority to compete in the tight business world, especially in banking companies. Banking companies are required to produce output in the form of high-quality financial services and in accordance with consumer needs. The People's Credit Bank Company (BPR) is a financial institution that the government supervises. Attention to the quality of BPR products in the form of savings, credit, and Payment Point Online Banking (PPOB) services is closely related to the quality of employee performance, considering the large number of customers that must be served every day, the company must always pay attention to the quality of its human resources in order to maintain productivity and can compete with other banks.

The study intends to describe and analyze compensation, transformational leadership, job satisfaction, and employee performance. It also seeks to analyze the impact of each of these variables on performance, specifically through job satisfaction. This research is anticipated to provide practical advantages to BPR management by enhancing their performance through work happiness, pay, and transformational leadership. The aim of this research is to enhance our understanding of leadership theory in various conditions and situations. It seeks to provide a more comprehensive explanation of how individuals become leaders by focusing on their character traits and actions. Additionally, it aims to investigate the impact of compensation and leadership on employee performance through job satisfaction within the organization.

## 2. Theoretical Review

### 2.1. Performance

Performance refers to an individual's successful completion of specified tasks [9]. In essence, performance is the outcome of an employee's execution of their responsibilities within the business they are employed by. There are three fundamental assumptions that pertain to the differentiation between task performance and contextual performance [10,11]. The activities associated with task performance exhibit variability across different job roles, whereas contextual performance activities tend to exhibit more similarity across various job roles. Task performance is primarily influenced by an individual's abilities, whereas contextual performance is influenced by their personality traits and motivation. Task performance is more closely tied to specific job responsibilities and can be considered as role behavior, whereas contextual performance is more accessible and can be seen as extra-role behavior. Five factors refer to task

performance: job-specific task skills, non-specific job task skills, written and verbal communication skills, supervision in supervisory or leadership positions and some management/administration. Factors that influence performance include motivation, work ethics, job design, colleagues and support from organizations that include training and development [12]. Employee performance is measured according to the standards of the organization. Performance measurement can be seen and carried out with several dimensions, namely: (quantity of work), (quality of work), (dependability), (initiative), and (adaptability) [13]. Leadership has a direct effect on performance, according to the research. Based on what is said in [14], there is a strong and positive relationship between the transformational leadership style and how well a team performs. Furthermore, studies have demonstrated that transformational leaders are vital in improving team output and increasing organizational efficiency.

## 2.2. Job satisfaction

Job satisfaction can be defined as an individual's favorable emotional state derived from an assessment of the inherent qualities of their profession [15]. According to the study conducted by [2], various factors have been identified as influential in determining job satisfaction. These factors can be broadly categorized as employee-related factors, which encompass attributes inherent to the individual employee. These attributes include intelligence (IQ), age, gender, physical condition, education, experience, years of service, personality traits, emotional disposition, cognitive processes, perceptions, work attitudes, and specialized skills. Measuring job satisfaction was developed by [16], namely liking and loving one's job, positive work morale, discipline, and performance. The variable measurement uses a Likert scale, namely the scale of each answer uses a scale of 1 to 5 from very low to very high. Three critical factors are used in measuring satisfaction: professional development, working relationships with superiors, and working relationships with colleagues.

## 2.3. Compensation

Compensation refers to the remuneration offered by an organization to its employees as a form of recognition for their contributions, encompassing both direct and indirect forms of reward [9]. It can take the form of financial or non-financial benefits, such as monetary compensation or products, which are granted to employees in exchange

for the services they render to the firm. Based on the information provided. Employee remuneration is widely recognized as a critical factor that influences several aspects of employee behavior inside an organization. Compensation is categorized into two distinct types, namely intrinsic and extrinsic, as stated by the source [17]. Extrinsic pay encompasses several forms such as salary/wages, bonuses, promotions, and benefits. Intrinsic compensation refers to a set of psychological incentives that individuals receive in the workplace. These incentives manifest in various forms, such as praise, recognition, empowerment, job security, and promotion.

## 2.4. Transformational leadership

Transformational leadership entails the capacity of a leader to effectively collaborate with and leverage the efforts of individuals within an organization, with the aim of efficiently utilizing organizational resources to attain significant objectives within set performance benchmarks [18]. According to the source [4], a transformational leader is characterized as somebody who motivates their followers to prioritize the collective goals of the organization over their own personal objectives, and possesses the ability to exert significant influence over their followers. The user did not provide any text to rewrite. The transformational leadership strategy involves leaders who undertake change initiatives and oversee the associated process, while concurrently implementing transformational strategies pertaining to the organizational structure.

According to the findings of [19], in order to attain success, organizations must focus on three key aspects. Firstly, economic efficiency entails achieving organizational goals while minimizing resource utilization. Secondly, customer satisfaction involves delivering exceptional outcomes with limited resources, surpassing consumer expectations. Lastly, employee satisfaction relies on the leader's capacity to effectively guide the team, fostering enthusiasm and addressing individual team members' personal needs. Leadership fosters a correlation between the individual performance of employees and the overall effectiveness of a business. The idealized impact, inspirational motivation, intellectual stimulation, and individual consideration are the characteristics used to assess the qualities of transformational leadership. A numerical citation has been supplied by the user.

### 3. Research Methods

#### 3.1. Research design

This study employs a quantitative approach typical of causal associative research. Investigating the potential for a cause-and-effect link between variables is the goal of causal associative research [20]. The purpose of this research is to examine the relationship between several factors, including direct and indirect effects of transformational leadership and compensation on employee performance, job satisfaction's effect on performance, and the aforementioned effects of both on job satisfaction.

#### 3.2. Research population and sample

The population for this study consisted of all employees of BPR in the Malang Raya region, with a total of 471 employees. The research sample consisted of 175 employees, selected using the Slovin formula, with a predetermined margin of error of 5% or 0.05. Research sampling employs proportional random sampling, which involves selecting samples from population members using a random approach without considering the strata within the population [21]. The researcher employs a sample strategy wherein the limited population is divided into subpopulations, and random sampling techniques are then applied to each subpopulation. The quantity of samples ascertained in this investigation is presented in the subsequent table 1:

#### 3.3. Instruments and research data sources

A questionnaire was utilized as the research instrument in this study. In order to ascertain the instrument's validity and reliability, it is important to conduct validity and reliability assessments on the questionnaire. The data utilized in this study is primary data acquired directly from research participants through closed questionnaires structured according to a Likert scale.

#### 3.4. Data analysis technique

The analysis technique uses descriptive analysis to assess features such as mean, median, mode, standard deviation, variance, and so on. It also uses Structural Equation

TABLE 1: Sample number of BPR employees in Malang Raya.

No.	BPR Company Name	Number of employees	Number of Samples
1	BPR A	27	10
2	BPR B	19	7
3	BPR C	128	48
4	BPR D	40	15
5	BPR E	68	25
6	BPR F	17	6
7	BPR G	17	6
8	BPR H	45	17
9	BPR I	15	6
10	BPR J	54	20
11	BPR K	22	8
12	BPR L	19	7
Total		471	175

Source: Primary data processed, 2023

Modeling (SEM) research to study the causal relationship between variables related to organizational culture and organizational citizenship behavior in the context of information sharing. This association will be explored with the SEM analysis methodology. As a result, descriptive analysis strategies were used to explain the characteristics of the research variables, while SEM analysis approaches using the AMOS (Analysis of Moment Structure) computer package were used to examine the data in this study.

## 4. Results and Discussion

### 4.1. Research result

#### 4.1.1. SEM analysis results

Inferential analysis was carried out using the Structural Equation Modeling (SEM) technique in this study. The goal of SEM (Structural Equation Modeling) is to assess and validate research models and hypotheses. The SEM technique is used to investigate the direct causal relationship between transformational leadership and compensation on performance, as well as the indirect causal relationship between transformational leadership and compensation on performance via the intermediary variable of job satisfaction. This model simultaneously analyzes the factor loading and regression

weight of transformational leadership and compensation for performance, with job satisfaction acting as a mediator variable. As depicted in Figure 1 below:

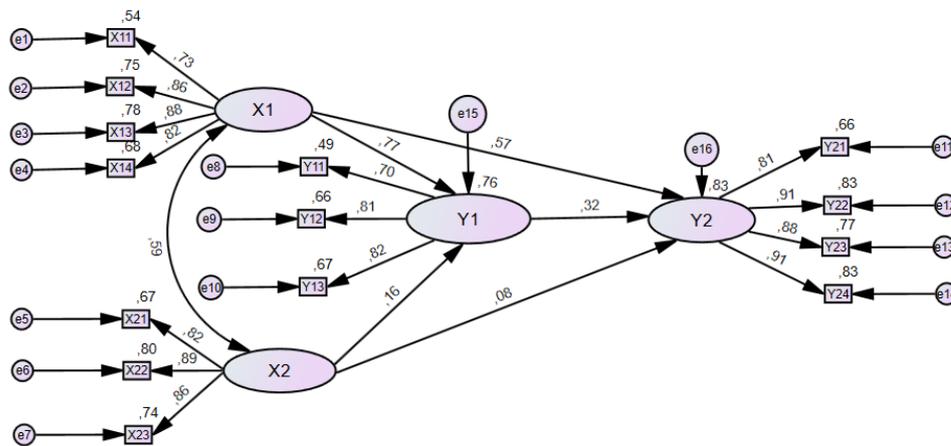


Figure 1: Structural model results.

### 4.1.2. Structural equation results

Next, to calculate the structural equation that explains the influence of each variable, see the following table 2:

TABLE 2: Structural equation results.

Var. Exogenous	Var. Endogenous	B	CR	Prob.
Transformational Leadership (X1)	Job Satisfaction (Y1)	0.77	8,636	0,000
Compensation (X2)	Job Satisfaction (Y1)	0.16	2,115	0.034
Transformational Leadership (X1)	Performance (Y2)	0.57	4,540	0,000
Compensation (X2)	Performance (Y2)	0.08	1,283	0.200
Job Satisfaction (Y1)	Performance (Y2)	0.32	2,487	0.013

Source: Primary data processed, 2023

The research utilized the AMOS for Windows program version 26 to conduct the SEM analysis. There are four possibilities, which can be described as follows. The causality relationship established in the hypothetical model is assessed using a t-test, similar to how it is done in regression analysis. Value of the CR statistic The subsequent text provides an account of the test outcomes for the four lines in the final model of this study. The progression of the hypothesis testing outcomes is outlined in the following manner:

The results of testing the first hypothesis can be seen in the following table 3.

TABLE 3: Standardized regression weight transformational leadership and compensation for job satisfaction.

Variable		Coef. raw	CR	p-value	Information
Exogenous	endogenous				
Transformational Leadership (X1)	Job Satisfaction (Y1)	0.77	8,636	0,000	Significant
Compensation (X2)	Job Satisfaction (Y1)	0.16	2,115	0.034	Significant

Source: Primary Data, processed in 2022.

The table displays the regression coefficient of transformational leadership on work satisfaction, which has been computed as 0.77. The coefficient is associated with a critical ratio (CR) value of 8.636 and a p-value of 0.000, which suggests that the coefficient is statistically significant at a significance level of 0.05. This discovery indicates a positive and strong correlation between transformative leadership and job happiness. The computed regression coefficient for the association between pay and work satisfaction is 0.16. The statistical significance of this coefficient has been determined using a critical ratio (CR) of 2.115 and a p-value of 0.034. These values indicate that the coefficient is statistically significant at the 0.05 level. The results suggest that remuneration has a statistically significant and favorable effect on job satisfaction. Thus, the statistical tests offer substantiation for hypothesis 1, which asserts that both transformative leadership and compensation exert a positive and significant impact on job satisfaction.

The results of testing the second hypothesis are as follows (table 4).

TABLE 4: Standardized regression weight transformational leadership and performance compensation.

Variable		Coef. raw	CR	p-value	Information
Exogenous	endogenous				
Transformational Leadership (X1)	Performance (Y2)	0.57	4,540	0,000	Significant
Compensation (X2)	Performance (Y2)	0.08	1,283	0.200	Not significant

Source: Primary Data, processed in 2022.

Analyzing the indirect influence entails evaluating the overall impact of transformational leadership and remuneration on performance by considering work satisfaction. The results demonstrate a significant and positive relationship between transformative leadership and performance, as shown by a direct effect coefficient of 0.57. Furthermore, when considering the impact of work happiness, the overall influence coefficient of transformational leadership on performance increases to 0.81. This suggests that job

happiness acts as a mediator in the connection between transformative leadership and performance. Moreover, it has been noted that there is a direct correlation of 0.08 between salary and performance. However, when evaluating the overall influence of compensation on performance, while also considering work satisfaction, the total effect is determined to be 0.13. Therefore, empirical data has confirmed that job happiness plays a crucial role in connecting salary and job performance. The findings from the experimentation of the third hypothesis are presented below (table 5).

TABLE 5: Standardized regression weight from job satisfaction to performance.

Variable		Coef. raw	CR	p-value	Information
<b>Intervening</b>	<b>endogenous</b>				
Job Satisfaction (Y1)	Performance (Y2)	0.32	2,487	0.013	Significant

Source: Primary data processed, 2023.

The indirect impact of transformational leadership and remuneration on performance through job satisfaction is examined by comparing the total effect value to the direct effect. The data show that transformative leadership has a direct influence on performance of 0.57, and an overall impact on performance through work satisfaction of 0.81. This demonstrates that occupational satisfaction acts as a moderator of transformative leadership and performance. Furthermore, salary has a direct impact on performance of 0.08, with a total impact of 0.13 through work satisfaction. As a result, it has been determined that work satisfaction serves as an intervening variable in the link between salary and performance.

Comparing the total effect value with the direct effect is necessary to analyze the indirect effects of transformational leadership and compensation on work satisfaction and performance. The results show that while transformational leadership has an overall 0.81 impact on performance through work satisfaction, its direct impact on performance is only 0.57. This implies that the relationship between transformative leadership and performance is mediated by work satisfaction. Furthermore, the impact of money directly on performance is 0.08, and the overall impact of remuneration through job satisfaction on performance is 0.13. Consequently, it has been shown that the relationship between compensation and performance is mediated by work satisfaction.

The present study has examined hypothesis 4, which posits that the relationship between transformational leadership and compensation influences job satisfaction and

subsequently impacts performance. The statistical findings pertaining to the examination of the fourth hypothesis, which investigates the impact of transformational leadership and compensation on performance via job satisfaction, reveal that the magnitude of the indirect effect surpasses that of the direct effect. However, it is important to note that this pattern is not observed in the case of the indirect effect of compensation. A detailed presentation and explanation of these results can be found in Table 6.

TABLE 6: Results of the Influence of career adaptability and work motivation on performance through job satisfaction.

Variable	Direct Influence	Indirect Influence	Total Influence
Transformational Leadership (X1) on Performance (Y2) through Job Satisfaction (Y1)	0.57	$0.77 \times 0.32 = 0.24$	0.81
Compensation (X2) on Performance (Y2) through Job Satisfaction (Y1)	0.08	$0.16 \times 0.32 = 0.05$	0.13

Source: Primary data processed, 2023.

The table below shows the regression coefficient for the transformational leadership variable in relation to work satisfaction. The coefficient is estimated to be 0.77, with a critical ratio (CR) of 8.636 and a p-value of 0.000 (less than 0.05). These findings suggest that transformative leadership has a statistically significant and favorable effect on work satisfaction. The regression coefficient between the pay variable and work satisfaction is calculated to be 0.16. This coefficient has a critical ratio (CR) of 2.115 and a p-value of 0.034, indicating statistical significance at the 0.05 level. The data show a positive and statistically significant association between compensation and job satisfaction, but no meaningful relationship between compensation and performance was discovered. The regression coefficient for the association between job happiness and performance is evaluated at 0.32. This coefficient has a critical ratio (CR) of 2.487 and a p-value of 0.013, indicating statistical significance at the 0.05 level. This research shows that there is a robust and statistically significant association between job satisfaction and performance.

The indirect effect of transformational leadership and compensation on performance in the table above (total effect) transformational leadership has a greater value than compensation through job satisfaction. Comparison of the total effect with the direct effect between each variable, job satisfaction is proven as a variable that mediates between the influence of transformational leadership on performance with a value ( $0.81 > 0.57$ ), as well as job satisfaction as a variable that mediates between work motivation on performance proven by the value ( $0.13 > 0.08$ ), thus the modeling in this study,

namely transformational leadership and compensation affect performance through job satisfaction.

## 4.2. Discussion

Compensation received includes both financial and non-financial compensation for employees as a contribution to the company, which will create job satisfaction through professional development, work relationships with superiors, and relationships with coworkers, resulting in happy and joyful feelings for employees for the work they do. Compensation has a substantial influence on members' job satisfaction, as evidenced by [22,23], which have demonstrated a significant relationship between compensation and job satisfaction. Employees will earn financial and non-financial compensation as a contribution to the organization, resulting in continuing professional development. This is owing to the availability of salary allowances and supplementary incentives. The compensation received includes financial compensation and employee non-financial compensation as a contribution to the company will create satisfaction that is felt due to harmonious interactions between subordinates and superiors. This is due to the existence of salary allowances and additional bonuses. The compensation received includes financial and non-financial compensation for employees as a contribution to the company will create satisfaction that is felt due to harmonious interactions between colleagues so that they have communication skills and support each other at work. This happens because of respect for colleagues, and colleagues respect each other.

Financial compensation given in the form of money received by employees can increase job satisfaction, including professional development, working relationships with superiors, and relationships with co-workers to create happy and positive feelings for employees regarding the work they produce. This is due to the existence of salary allowances and additional bonuses. Non-financial compensation in the form of rewards that can provide comfort, pleasure and satisfaction through non-material things can encourage job satisfaction including professional development, working relationships with superiors, and relationships with co-workers so as to create happy and positive feelings for employees. for the work produced. This happened because of the BPJS and promotions.

Transformational leadership is characterized by the utilization of Intellectual Stimulation, Idealized Influence, Inspirational Motivation, and Individualized Consideration. These elements inspire and motivate subordinates to exceed anticipated performance

levels in order to foster job satisfaction, which encompasses professional growth, positive working relationships with superiors and colleagues, and overall contentment with the work being produced. Transformational leadership is very influential on member job satisfaction and has been supported by [24,25] because it has proven that there is a significant influence between transformational leadership and job satisfaction. Transformational leadership includes Idealized Influence, Inspirational Motivation, Intellectual Stimulation, and Individualized Consideration who are able to direct and move their subordinates to do something better than expected in an effort to achieve professional development as a continuous process that is carried out continuously by employees. This happens because placement is by expertise and by skills.

Transformational leadership consists of four fundamental components: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. These components efficiently advise and motivate subordinates to exceed expectations and feel satisfied through pleasant and harmonious interactions with their superiors. This is due to the presence of reverence for higher-ranking persons, as well as the reciprocation of respect by those higher-ranking individuals for their subordinates. Transformational leadership includes Idealized Influence, Inspirational Motivation, Intellectual Stimulation, and Individualized Consideration who are able to direct and move their subordinates to do something better than expected to achieve satisfaction that is felt because there is a harmonious interaction between colleagues so that they can communicate and support each other in work. This happens because of respect for colleagues, and colleagues respect each other.

The ideal leader's behaviour to generate strong emotions and self-identification of employees can create job satisfaction, including professional development, working relationships with superiors, and relationships with co-workers to create happy and joyous feelings for employees for the work they produce. This happens because employees have mastery of knowledge and an empathetic spirit. Leaders who can encourage employees to feel they have positive energy and work enthusiasm and feel happy doing work can increase job satisfaction, including professional development, working relationships with superiors, and relationships with co-workers to create happy and joyous feelings for employees towards work resulting from. This happens because leaders provide encouragement to subordinates and give appreciation. Leaders with the intellectual ability to solve problems, dare to take risks and gather new ideas for employees can be stimulating.

Leaders who can encourage employees to feel they have positive energy and enthusiasm for work and feel happier doing their jobs can improve professional development as a continuous process carried out by employees. This happens because the leader gives encouragement to subordinates and gives appreciation. Leaders who can encourage employees to feel positive energy and enthusiasm for work and feel more comfortable doing work can increase their satisfaction due to harmonious interactions between subordinates and superiors. This happens because the leader gives encouragement to subordinates and gives appreciation. Leaders who can encourage employees so that they feel they have positive energy and morale employees feel happier doing work can increase the satisfaction they feel because there is a harmonious interaction between colleagues so that they have communication skills and support each other at work. This happens because leaders provide encouragement to subordinates and give appreciation.

The compensation received by employees consists of both financial and non-financial rewards provided by the company. These rewards are intended to incentivize and enhance employee performance, including factors such as work quality, quantity, timeliness, and effectiveness, in accordance with their assigned responsibilities. Compensation has a strong influence on the performance of member employees and has been supported by [26,27] research has demonstrated a substantial correlation between salary and employee performance. Monetary remuneration provided to employees can enhance their performance in terms of job quality, quantity, timeliness, and effectiveness in fulfilling their tasks. This is a result of the presence of salary allowances and supplementary bonuses. Non-monetary incentives, such as rewards that offer comfort, pleasure, and satisfaction through intangible means, can motivate employees to perform better in terms of the quality, quantity, timeliness, and effectiveness of their work, as per their assigned responsibilities. This occurred as a result of the implementation of the BPJS (Badan Penyelenggara Jaminan Sosial) and promotional activities.

The concept of transformational leadership is comprised of four essential elements: idealized influence, inspirational motivation, intellectual stimulation, and individualised consideration. These components have the capacity to direct and motivate subordinates to attain high levels of performance in a variety of areas, including the quality of their work, the amount of their work, their punctuality, and their efficiency. Through the use of this type of leadership, employees are given the authority to carry out their obligations to the best of their abilities. Transformational leadership is very influential on the performance of employee members and has been supported by [14]; [19] because it

has proven that there is a significant influence between transformational leadership and employee performance. The ideal leader's behaviour to evoke strong emotions and self-identification of employees can create performance, including quality of work, quantity of work, timeliness and effectiveness of work achieved by employees in carrying out their duties based on their responsibilities. This happens because employees have mastery of knowledge and an empathetic spirit.

Leaders who can foster a sense of positive energy and work enthusiasm among employees can enhance performance in various aspects, such as work quality, quantity, timeliness, and effectiveness. This improvement is achieved by employees fulfilling their duties and responsibilities. This occurs because the leader provides motivation to subordinates and expresses gratitude. Leaders with high intellectual capacity, a willingness to take risks, and a knack for generating fresh ideas can enhance employee performance in terms of work quality, quantity, timeliness, and effectiveness in fulfilling their responsibilities.

Job satisfaction include factors such as career growth, rapport with supervisors, and camaraderie with colleagues, which contribute to the generation of contentment and pleasant emotions among employees regarding their job output. This will enhance performance by improving work quality, quantity, timeliness, and employees' work effectiveness. According to the tasks assigned to him. Job satisfaction has a substantial impact on employee performance, as evidenced by [28], which has demonstrated a high correlation between job satisfaction and employee performance. Professional development is an ongoing process that employees engage in to improve their performance. This includes enhancing the quality, quantity, timeliness, and effectiveness of their job in fulfilling their responsibilities. This occurs because placement is determined by experience and skills.

The satisfaction derived from harmonious interactions between subordinates and superiors will enhance employee performance in terms of job quality, work quantity, timeliness, and work effectiveness, as they fulfill their tasks. This occurs because to the presence of reverence towards higher-ranking individuals and the reciprocation of respect from those higher-ranking individuals towards their subordinates. The satisfaction derived from a harmonious interaction among colleagues, enabling effective communication and mutual support, leads to enhanced performance. This includes improvements in work quality, quantity, timeliness, and effectiveness, as employees fulfill their duties in accordance with their responsibilities.

Rewards, such as incentives, can function as a mechanism for offering employees intangible sources of comfort, pleasure, and fulfillment. These incentives possess the capacity to foster improved performance across multiple dimensions, encompassing the caliber and volume of output, punctuality, and general efficacy in carrying out assigned duties. When motivated by job satisfaction, which includes elements such as opportunities for professional development, positive interactions with supervisors, and harmonious relationships with colleagues, these non-monetary rewards play a role in cultivating a feeling of happiness and satisfaction among employees in relation to their work performance. This situation arises due to the adoption of the BPJS (Social Security Organizing Agency) system and the mechanisms of career advancement.

Non-financial services such as rewards, can serve as a means of providing employees with comfort, pleasure, and satisfaction through intangible means. These incentives have the potential to stimulate enhanced performance in various aspects, including the quality and quantity of work, timeliness, and overall effectiveness in fulfilling assigned responsibilities. When driven by job satisfaction, which encompasses factors such as professional growth opportunities, positive interactions with supervisors, and harmonious relationships with colleagues, these non-financial compensations contribute to fostering a sense of happiness and contentment among employees regarding their work output. This phenomenon occurs as a result of the implementation of the BPJS (Badan Penyelenggara Jaminan Sosial) system and the process of job promotions.

## 5. Conclusions and Recommendations

### 5.1. Conclusion

This study concludes that employee pay for contributions to the organization includes both monetary and non-monetary incentives. Furthermore, transformational leadership includes idealized influence, inspiring motivation, intellectual stimulation, and customized concern, all of which can effectively guide and motivate subordinates to increase their performance and satisfaction levels. Work includes possibilities for professional development, developing collaborative connections with supervisors, and cultivating positive relationships with coworkers, all of which contribute to employees' overall job satisfaction and contentment. This has a significant impact on performance, including the quality of work, quantity of work, punctuality, and efficiency of work completed by employees in fulfilling their assigned duties.

There are both monetary and non-monetary awards that are provided by the company to employees as part of their compensation package received by the employees. The characteristics of idealized influence, inspirational motivation, intellectual stimulation, and customized consideration are all components of transformational leadership. These leadership traits have the capacity to direct and motivate subordinates to achieve success by exceeding expectations and achieving their goals. To enhance employee performance, it is important to focus on various aspects such as work quality, work quantity, timeliness, and work effectiveness. This can be achieved by fostering job satisfaction through factors like professional development opportunities, positive relationships with superiors, and harmonious relationships with co-workers. Creating a sense of happiness and positivity among employees will contribute to the production of high-quality work.

## 5.2. Suggestion

This research is expected to provide theoretical contributions related to leadership in different conditions and situations, which better explain how someone becomes a leader and emphasizes the character characteristics and actions adopted to increase compensation and leadership on employee performance through job satisfaction in the organization. This research can also contribute to BPR Malang Raya managers improving their performance through job satisfaction, compensation and transformational leadership.

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