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
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
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# **The Effect of Motivation and Transactional Leadership Style on Employee Job Satisfaction at Cable Company in Indonesia**

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## **ABSTRACT**

The purpose of this study is to determine the relationship between motivation and transactional leadership style on employee job satisfaction at a cable company in Indonesia. Ali et al. [1] and Amin et al. [2] found that transactional leadership style had insignificant effect to job satisfaction. Moreover, a study conducted by Anghelache [3] discovered that there is insignificant effect between motivation and job satisfaction. In this study, the sample size was 75 respondents who worked for a cable company in Indonesia. This study's sampling method was purposive sampling by distributing online questionnaires in google forms. This study used SEM-PLS with Smart PLS software version 3.0.in processing the data. The findings indicated that motivation and transactional leadership styles have a positive and significant effect on employee job satisfaction at one of cable companies in Indonesia.

**Keywords:** *Motivation, Transactional leadership style, Job Satisfaction*

## **1. INTRODUCTION**

Employees are essential human resources for the company. Without employees, an organization or company cannot run properly. Employees are company assets that need to be nurtured and directed to be productive in their work. One of them is by paying attention to employees' level of job satisfaction.

Data from Jobstreet [4] showed a decrease in employee job satisfaction from several key industrial sectors in Indonesia, such as the tourism and travel sector, which decreased by 73%, energy, electricity, and waste management dropped by 52%, manufacturing and production decreased by 50%, industrial machinery decreased by 64%, retail decreased by 64%, and engineering decreased by 63%. Then, research conducted by the Global Leadership Study [5] stated that only 17% of employees claimed to be satisfied with their jobs, and research shows that the behavior of superiors strongly influences satisfaction. As many as 85% of employees consider appreciation and praise from leaders for their work were very important.

Problems like this can occur because of leadership and job satisfaction factors. The management leadership cannot communicate effectively with the unions to do not reach a collective agreement and impact job satisfaction. Influential motivational factors should be able to provide job satisfaction. However, one of the motivational factors in allowances has not provided job satisfaction for employees. The statement above is in line with research conducted by Harahap & Khair [6], which showed that motivation and leadership significantly affects job satisfaction. In addition, in their study, Pahlawan and Onsardi [7] also showed that motivation and leadership significantly influence employee job satisfaction.

## **2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT**

### **2.1. Motivation**

According to Robbins et al. [8], motivation is a driven desire of an individual intensity, direction, and persistence in an attempt to achieve goals. According to Sulasmi [9], motivation is the thing that creates and supports human behavior to work enthusiastically to achieve the best outcomes. Based on the foregoing, it is possible to conclude that motivation is anything that can persuade someone to take any action in order to achieve the desired goal.

### **2.2. Transactional Leadership Styles**

Bass and Avolio [10] defined the transactional leadership style as a style in which the leader emphasizes transactions or exchanges between leaders, co-workers, and followers. The leader discusses with colleagues or subordinates what is needed and then determines the rewards that will be received if the associates have met the requirements that have been mutually agreed upon. Based on the above understanding, the transactional leadership style can be interpreted as a leadership style. A leader demands obedience and loyalty from his followers, rewards him if he completes a task well, and punishes him if something goes wrong.

### **2.3. Job Satisfaction**

Job satisfaction refers to an employee's positive feelings about his job [8]. Wijaya [11] defined job satisfaction as a complex employee emotional reaction. Emotional reactions arise from employees' urges, desires, and demands towards work, giving rise to a form of emotional response in the form of feelings of pleasure and satisfaction.

### **2.4. The Relation Between Motivation and Job Satisfaction**

The research conducted by Ahluwalia and Preet [12], Pancasila et al., [13], and Dias et al. [14] found there was a positive and significant effect between motivation variable and job satisfaction. Based on previous research, the hypothesis in this study is:

**H1: Motivation has a positive and significant influence on job satisfaction**

### **2.5. The Relation Between Transactional Leadership Style and Job Satisfaction**

Several studies, including those by Anlesinya and Mickson [12], Baah and Ampofo [16], and Dias et al. [14], showed there was a positive and significant effect between transactional leadership style variable and employee job satisfaction. The results of several research studies have led to the conclusion that the transactional leadership style variable has a positive and statistically significant impact on the job satisfaction variable. The following hypothesis based on previous research in this study is:

**H2: Transactional leadership style has a positive and significant influence on job satisfaction**

## **3. RESEARCH METHODOLOGY**

This study used a causal research design with a quantitative approach. Raihan [17] defined causal research as research to determine cause-and-effect relationships between variables that focus on situational analysis to explain the pattern of relationships between variables. Jaya [18] described quantitative research as a type of research conducted using statistical or measurement procedures.

A non-probability sampling method with purposive sampling was in this research in order to collect the data. Fitrah and Lutfhiyah [19] defined purposive sampling as a sample selection technique with specific considerations in taking the sample. The sample size in this study was 75 employees at a cable company in Indonesia. A questionnaire in the form of a Google form was used in the study, and

it was distributed online. The Partial Least Square - Structural Equation Modeling (PLS-SEM) method with the SmartPLS application was used to analyze the data in this study. PLS-SEM is a statistical method that is used to test the effects of observed and latent variables [17]. These are the indicators that have been used in this study:

**Table 1** Variables and Indicators

Variables	Items	References
Motivation	7	Pancasila, et al. [13]
Transactional Leadership Style	6	Bass and Avolio [10]
Job Satisfaction	8	Pawirosumarto, et al. [21]

#### 4. RESULTS & DISCUSSION

The results of the outer loading test consist of validity and reliability tests. The loading factor value on each indicator is bigger than 0.7 [22], and the Average Variance Extracted (AVE) value is bigger than 0.5 [22]. The validity test by looking at the loading factor value on each indicator is higher than 0.7 [22]. The results of the first-factor loading test eliminated invalid indicators, namely M1, M4, TLS3, and JS8. Based on the reference above, the indicators of this study are declared valid. For the reliability test results, Cronbach's alpha and Composite Reliability are both higher than 0.7 [23], and therefore, all of the variables in this study are considered reliable, as shown in Table 2.

**Table 2** Outer Model Test Results

Variable	Indicator	Loading factor	AVE	Cronbach's Alpha	Composite Reliability
Motivation	M2	0.711	0.614	0.843	0.888
	M3	0.820			
	M5	0.842			
	M6	0.796			
	M7	0.742			
Transactional Leadership Style	TLS1	0.855	0.634	0.854	0.896
	TLS2	0.838			
	TLS4	0.854			
	TLS5	0.716			
	TLS6	0.702			
Job Satisfaction	JS1	0.721	0.632	0.902	0.923
	JS2	0.849			
	JS3	0.820			
	JS4	0.713			
	JS5	0.852			
	JS6	0.842			
	JS7	0.752			

Based on Table 2, the outer loading of each indicator must be higher than the other loading values in order for the indicator to be declared valid. Table 2 also shows the variables used have met

the requirements of research validity because the value of Average Variance Extracted (AVE) for the three variables is already above 0.5. As shown in Table 2, Cronbach's Alpha and Composite Reliability results for the three variables both have a value of 0.7, which means that all three variables have been declared reliable.

**Table 3** Test Results of R<sup>2</sup>

Variable	R-Square
Job Satisfaction	0.803

**Table 4** Test Results of F<sup>2</sup>

Variable	F-Square
Motivation	0.398
Transactional Leadership Style	0.554

**Table 5** Test Results of Q<sup>2</sup>

Variable	Q <sup>2</sup>
Job Satisfaction	0.487

**Table 6** Test Results of Goodness of Fit

Variable	NFI
Job Satisfaction	0.688

The next step is to measure the inner model. Table 3 shows that the value of the coefficient of determination (R<sup>2</sup>) is 0.803 meaning that the motivation and transactional leadership styles can explain the job satisfaction variable of 80.3%. The remaining 19.7% can be explained by other factors that were not discussed in this study. The effect size (f<sup>2</sup>) in table 4, obtained for the motivation variable, is 0.398. The transactional leadership style variable is 0.554, where based on the reference, if the f<sup>2</sup> value is above 0.35, then the latent variable is exogenous solid [22]. Then, the Q<sup>2</sup> test is used to know the magnitude of the predictive capacity of each indicator [22]. In Table 5, The value for Q<sup>2</sup> is 0.487, so the conclusion is the predictive relevance value in this study is quite high. The goodness of Fit test assesses the accuracy of a research model [24]. In Table 6, GoF gets a value of 0.688, which is included in the big criteria. Then, the hypothesis will be tested. The following path analysis results are presented in Table 7.

**Table 7** Path Analysis Results

Hypothesis	Variable	Path Coefficient	t-Statistics	p-Value	Result
H1	Motivation → Job Satisfaction	0.437	5.156	0.000	Supported
H2	Transactional Leadership Style → Job Satisfaction	0.516	5.669	0.000	Supported

Test results H1: The effect of motivation on job satisfaction shows that motivation positively influences job satisfaction of 0.437. The t-statistic value is 5.156 (> 1.96) and the p-value is 0.000 (< 0.05). It means that there is a positive and significant impacts of motivation to employee job satisfaction. As a result, H1 is supported. Ahluwalia and Preet [12], Rodiyana and Virby [25], Pancasila, et al. [13], Bakhtawar S. [26], Dias et al. [14], and Nurhaiyati and Trisani [27] have all found that motivation has a positive and significant impact on job satisfaction.

H2 test results: The relationship between transactional leadership style and job satisfaction reveals that transactional leadership positively influences job satisfaction of 0.516. The t-statistic value is 5.156 (> 1.96), and the p-value is 0.000 (< 0.05), According to the finding, there is a positive and significant impact of transactional leadership style to employee job satisfaction. As a result, H2 is supported. The findings of research conducted by Darmawan [28], Amanda and Masman [29], Anlesinya and Mickson [15], Baah and Ampofo [16], Rathnaraj and Vimala [30], Akhigbe, et al. [31],

Safarudin, et al. [232], Darko and Darko [33], and Visvanathan et al. [34] support the theory that there is a positive and significant impact of transactional leadership style variable to employee job satisfaction.

## **5. CONCLUSIONS & IMPLICATIONS**

Based on findings and discussion described above, several conclusions can be made. First, motivation positively and significantly affects employee job satisfaction at a cable company. This happens because employees are motivated to advance the company and have a good acceptance of the company. Second, transactional leadership style positively and significantly affects employee job satisfaction at the cable company. This happens because the leadership provides good direction for employees in doing their jobs.

As an implication for the company, they should pay attention to provide more significant opportunities for employees to develop their potential and reward the excellent work that employees have done. Employee job satisfaction can be improved by use of motivation theories. The company needs to conduct periodic compensation evaluations to comply with employee responsibilities. Vivid guidance from a leader can ease the employee to do their job.

## **6. LIMITATIONS & SUGGESTIONS FOR FUTURE RESEARCH**

The limitation of this study is that the variables used in researching job satisfaction only focus on the variables of motivation, transactional leadership style, and job satisfaction. Due to the pandemic, data collection was accomplished through the use of a questionnaire in Google Form that was distributed through online media. Future research is expected to add other variables that influence job satisfaction and increase the number of respondents as samples so that research results are more optimal.

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