The influence of transformational leadership and organizational commitment on employee performance of tea distributor

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**Keyword**
leadership
performance
commithment
distributor

**ABSTRACT**
This study focuses on the impact of transformational leadership, organizational culture, and organizational commitment on employee performance of Javanese tea distributors. The research methodology is quantitative, involving 115 individuals from the Java Tea Distributor. Data collection was done through questionnaires, which were used to assess factors such as transformational leader, organizational commitment, and employee performance. The reliability of Partial Least Squares (PLS) analysis was assessed in this study using the Cronbach Alpha, Composite Reliability, and Average Variance Extracted (AVE) methods. The results showed that Transformational Leadership has an indirect influence on Employee Performance through its influence on Organizational Commitment. The study reveals that organizational commitment has a significant impact on the performance of the Javan tea distributor personnel using the SmartPLS application.

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**INTRODUCTION**
In the rapidly growing era of globalisation, business organisations, especially tea distributors, face increasingly complex challenges in trying to retain and improve the performance of their employees. Tea distributors, especially in the Java region, are encountering dynamic changes in their business environment, both from intensifying market competition and consumers' increasing demands for quality and speed of service. One aspect that is considered crucial in meeting these challenges is the role of leadership in the organisation.

Transformational leadership has become one of the most significant approaches in this environment. Transformational leadership, which emphasises vision, motivation, and staff development, is believed to have the ability to bring about substantial changes in corporate culture and performance. Transformational leadership refers to the process in which a leader motivates and empowers their subordinates to beyond their own expectations and personal interests in order to benefit the organisation (Ketut Surya et al., 2022; Manik, 2016).

Transformational leadership provides trust and evokes admiration, loyalty, respect, motivation, and creativity in employees to perform their work beyond targets, as well as increasing efficiency which has an impact on improving employee performance (Kawiana et al., 2020). A transformational leader has an influence on the teamwork climate, developing a healthy work climate, creating a flexible and focused organisational climate that influences innovative work behaviour (Roni Harsoyo, 2022). The importance of the role of leadership in strengthening relationships and shaping values within an organisation has been affirmed (Daft, 2021; Herminingsih, 2011; Kirono et al., 2022). According to Yukl (2010), the influence of leadership on organisational effectiveness can be seen in two forms, namely direct and indirect effects (S. A. Putri et al., 2020; Rachmat et al., 2023). The direct effects of leadership include the immediate decisions and actions of a leader that impact employee performance in the short term, while the indirect effects tend to be slower but ongoing. An example of such long-term effects is the transformation in organisational culture, which reinforces values such as emphasis on quality and loyalty to the organisation.
Empirical research elucidate the ways in which transformational leadership might construct or enhance employee performance. The research conducted by Pamungkas et al. (2023), reveals the following findings: “(1) Transformational leadership has a notable impact on employee organisational commitment, (2) Transformational leadership does not have a significant effect on employee performance, (3) Organisational culture does not have a significant effect on employee organisational commitment, (4) Organisational culture has a significant influence on employee performance, (5) The management control system does not have a significant effect on employee organisational commitment, (6) The management control system has a significant impact on employee performance, and (7) Employee organisational commitment has a significant influence on employee performance”. Followed by the results of research conducted by Silaban & Siregar (2023) concluded that transformational leadership characteristics, such as vision, inspiration, individual influence, intellectual stimulation, and attention to individual needs. Transformational leadership style is a person’s ability to influence subordinates in implementing changes in accordance with the vision and mission that have been made to make changes and leaders who can move the organisation towards a new direction (Silaban & Siregar, 2023). Nastavia Putri & Lista Meria (2022) research shows that job satisfaction, organizational commitment, and employee performance are all significantly influenced by transformational leadership. Furthermore, there is a direct correlation between Job Satisfaction with Organizational Commitment and Employee Performance. This research also shows that Transformational Leadership has an indirect influence on Employee Performance through its influence on Organizational Commitment.

Transformational Leadership has a significant influence on Job Satisfaction, but it lacks a considerable effect on Employee Performance (Hussain & Khayat, 2021). Organisational commitment has a significant influence on both job satisfaction and staff performance (Loan, 2020). Job satisfaction has a substantial impact on employee performance (Andreas, 2022). However, Job Satisfaction does not have a significant impact as a mediator between Transformational Leadership and Employee Performance (Rawashdeh et al., 2020). Job satisfaction is a critical characteristic that acts as a mediator between organizational commitment and employee performance (Agus & Ghalib, 2021). On the other hand, organisational commitment is also an important factor in shaping employee performance (Paramita et al., 2020). Organisational commitment reflects the extent to which employees feel attached and have loyalty to the organisation they work for (Aziz et al., 2021). This commitment can affect the level of employee motivation, productivity, and loyalty, which in turn has an impact on overall organisational performance (Darmawan et al., 2020).

Empirically, organisational commitment can also improve employee performance, as in research according to Setiadi & Lutfi (2021) stated that the dimensions of organisational commitment, such as affective, normative, and continuous commitment. According to Setiadi & Lutfi (2021), explaining organisational commitment there are several parts, such as: Emotional attachment, this refers to employees who want to become members of the organisation because of emotional attachment. Continuance commitment, continuance commitment is when an employee or employee remains in the organisation because they need benefits as well as salary, when they cannot find another job because they need a job. Normative commitment, normative commitment comes from the self-esteem of employees or employees, then the results of research by Kurniasari et al, show that competence, training, and organisational culture directly affect organisational commitment, but have no effect on nurse performance. Organisational commitment acts as a full mediator by competence, training, and organisational culture on nurse performance at Waluyo Jati Kraksaan Hospital (Kurniasari et al., 2018). Furthermore, the results of research from Venny et al. (2023), that organisational commitment has a significant effect on performance. According to Alam & Nursiam (2020) research, it has been found that organisational culture and organisational commitment do not have an impact on employee performance. However, the leadership style does affect employee performance.

Within the realm of tea distributors in Java, there is a growing interest in studying the phenomena associated with the impact of human resources (HR) on enhancing organizational performance.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Employees</th>
<th>Average Sales (in Hundred Thousand Rupiah)</th>
<th>Attendance Rate (%)</th>
<th>Satisfaction Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>50</td>
<td>350</td>
<td>55</td>
<td>50</td>
</tr>
<tr>
<td>2021</td>
<td>55</td>
<td>380</td>
<td>63</td>
<td>62</td>
</tr>
<tr>
<td>2022</td>
<td>60</td>
<td>450</td>
<td>72</td>
<td>65</td>
</tr>
<tr>
<td>2023</td>
<td>62</td>
<td>420</td>
<td>65</td>
<td>60</td>
</tr>
</tbody>
</table>

Source: Internal Data of Tea Distributor in Java Production Subdivision

An analysis of internal data from Javanese tea distributors over the past four years reveals many trends and patterns that require further investigation to acquire a comprehensive understanding of the correlation between transformational leadership, organisational commitment, and employee performance.
An intriguing research issue in the realm of distribution business is the impact of transformational leadership and organizational commitment on the success of tea distributors. Transformational leadership and organizational dedication are crucial factors that can influence a productive work environment and enhance employee performance. Tea distributors are crucial in the supply chain of this commodity, since they have a significant role in ensuring effective distribution and consumer satisfaction.

This study attempts to enhance the knowledge of the diversity of findings in diverse contexts by analyzing citations from both significant and minor journals in the related literature. The research seeks to measure the influence of transformational leadership and organizational commitment on employee performance of tea distributor in hopes of giving more knowledge on the topic discussed and become a reference for future research.

Transformational Leadership

Transformational leadership is characterized by the ability to bring about significant changes, drawing upon religious values, systems, and cultural influences to foster innovation and creativity among followers, ultimately working towards a common vision (Iqbal, 2021). Through the implementation of transformational leadership, executives will recognise that it facilitates the process of motivating their subordinates to successfully attain company objectives. Leaders adeptly employ this leadership style to foster a sense of contentment and enthusiasm among their workers, ensuring effective transmission of the company's vision and mission (Huynh, 2021).

Transformational leadership according to Bass is measured mainly with regard to the leader's influence on followers. Leaders transform and motivate followers by: “1) making them aware of the importance of task outcomes; 2) persuading them to exceed their personal interests for the sake of the organisation or team; and 3) activating their needs at a higher level” (Roni Harsoyo, 2022).

Transformational leadership can share knowledge about the organisation and promote management innovation, solve the problems of low efficiency, high cost, and multiple links, improve the quality of market performance organisations, build efficient consumer goods companies, and create new patterns for the development of consumer goods companies (Purwanto et al., 2021).

Research conducted by Silaban & Siregar (2023) concluded that transformational leadership characteristics, such as vision, inspiration, individualised influence, intellectual stimulation, and attention to individual needs. Transformational leadership style is a person's ability to influence subordinates in implementing changes in accordance with the vision and mission that have been made to make changes and leaders who can move the organisation towards a new direction.

The leadership values that are instilled within the organization must align with principles of fairness in order to foster admiration and loyalty among employees, as well as command respect from members towards their leaders. This, in turn, cultivates employee loyalty, leading to a workforce that is committed and dedicated, ultimately resulting in improved employee performance and business outcomes (Kawiana et al., 2020).

Transformational leadership is characterized by the ability to initiate profound changes, effectively employ this leadership approach to foster employee satisfaction and enthusiasm, disseminate organizational knowledge, and promote managerial innovation. These qualities engender respect from subordinates towards their leaders, ultimately fostering employee loyalty, dedication, and enhanced performance.

According to Yukl (2010), transformational leadership motivates and inspires others to achieve that vision, the dimensions used are idealized influence with indicators of Trust, Respect, Integrity; inspirational motivation with indicators of Communication, enthusiasm, optimism; intellectual stimulation with indicators of rationality, problem-solving; and individual consideration with indicators of personal attention, mentoring, listening.

Organizational Commitment

Organizational commitment refers to the extent to which employees are actively involved in their organization and demonstrate a desire to continue their membership (Sinambela & Sinambela, 2019). This includes displaying loyalty and a willingness to work diligently for the organization. Employees who exhibit high levels of commitment are valuable assets for a company in achieving its organizational goals in an optimal, effective, and efficient manner (Senjaya & Anindita, 2020). According to Allen and Meyer, organizational commitment comprises affective, normative, and continuance commitment. Employees who are committed to the values and objectives of the organization typically demonstrate increased levels of engagement and performance (Sinambela & Sinambela, 2019).

Setiadi & Lutfi (2021) conducted research that showed that organizational commitment can be divided into several dimensions such as affective, normative, and sustainable commitment. The results showed that organizational commitment can be understood by considering many factors, including emotional attachment, ongoing commitment, and normative commitment. Emotional attachment relates to personnel experiencing a
deep emotional bond with the organization. Ongoing commitment refers to situations where people stay in an organization primarily because of the benefits and compensation offered, even when they cannot get another job elsewhere. Normative commitment arises when an employee feels a strong sense of responsibility and obligation towards the organization.

Organizational commitment allows us to analyze the connections that employees have with their organization, including the characteristics of their work relationships. The literature on organizational commitment is based on the idea that employees must maintain psychological connections with their organization and align themselves with its aims and ideals (Ng, 2015).

According to Donkor et al. (2021), organizational commitment is a significant factor that benefits both employees and organizations. When a person has a strong sense of organizational commitment, they align with the organization's values and are more likely to effectively complete their assigned tasks.

The dimensions of organizational commitment (meyer, 1997) include (sinambela, et al., 2019): “1) affective commitment, which is the emotional attachment of employees to the organization, reflected in feelings of love, joy, and loyalty, with indicators of the level of affection for organizational values and culture. 2) normative commitment, which is the moral obligation of employees to remain in the organization due to norms and responsibilities, with indicators of the level of moral obligation to remain with the organization and identification with organizational norms and values. 3) continuance commitment, which is employee engagement based on the perception that leaving the organization will incur high costs, with indicators of the perception of the costs of leaving the organization and engagement that is continuous because of the expected benefits.”

Employee Performance

Employee performance is a crucial factor that contributes to the success of an organization in navigating global competition (Sinambela & Sinambela, 2019). It is the outcome of the efforts of individuals or groups within an organization, who work within their designated roles and responsibilities to achieve the organization's goals in a legal, ethical, and morally upright manner (Ketut Surya et al., 2022).

Performance refers to the scope and volume of tasks accomplished by individuals, teams, and organizations (J.R Schermerhorn, 2011). Performance is the outcome of employees' efforts based on their personal attributes and understanding of their role within the organization, as well as through evaluations of their execution and enhancement of work initiatives (Caniago & Swadaya Gunung Jati, 2022). According to (Rachmat et al., 2023), the performance of employees is directly influenced by the quality and quantity of their work. The outcomes of their work significantly impact their overall productivity, ultimately contributing to the company's effectiveness and ability to achieve its goals in alignment with expectations. According to (Kartono, 2020), performance is a reflection of an individual's ability to meet their responsibilities and duties within a specific timeframe, in alignment with the company's established standards.

Employee performance, as described by Mathis and Jackson, plays a crucial role in determining the success of an organization. Various dimensions of employee performance are taken into consideration when evaluating overall organizational effectiveness (Mathis, 2006) namely individual ability, with indicators: knowledge, understanding, interpersonal skills, technical proficiency; Effort expended, indicators: motivation, work ethic; and organizational support, its indicators equipment, and colleagues.

Framework

The framework in this study is as follows:

![Figure 1. Research Framework of Mind](image-url)
Hypothesis
The hypotheses in this study are as follows:
1) H1: Transformational Leadership variables have a significant effect on Employee Performance variables
2) H2: The Organizational Commitment variable has a significant effect on the Employee Performance variable.

METHOD
This study focuses on the impact of transformational leadership, organizational culture, and organizational commitment on employee performance in Javanese tea distributors. The research methodology is quantitative, involving 115 individuals from the Java Tea Distributor. Data collection was done through questionnaires, which were used to assess factors such as transformational leadership, organizational commitment, and employee performance. Likert scales were used to assess the magnitude of the variables investigated. A Google Form was distributed to all sections of the Java Tea Distributor due to time constraints. Data analysis procedures involved categorizing data, organizing it into tables, displaying data for each variable examined, and conducting calculations to evaluate submitted hypotheses. Data was processed and presented using the SmartPLS 3.0 application. Hypothesis testing was conducted using statistical tests to assess the impact of the independent variable (X) on the dependent variable (Y). The study aims to provide valuable insights into the factors influencing employee performance in the tea distribution industry.

RESULTS AND DISCUSSION
Characteristics of Respondents
This study analyzed 115 employees at Java Tea Distributors. This study collected data on the participants' age, gender, tenure, and greatest educational attainment. The subsequent sections present a summary of the demographic attributes of the participants. The data reported in Table 1 reveals that the largest proportion of participants consisted of those who were employed and aged between 31 and 40 years (53%). This was followed by participants aged between 41 and 50 years (24%), and those aged between 20 and 30 years (23%). Regarding gender, 37% of the participants were male while 63% were female. Regarding education levels, 63% of the participants were high school graduates, 27% were college graduates, and 10% had completed junior high school. Then according to the length of work 0-10 years of service by 39% and those more than 10 years of service by 61%.

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>20-30 Years</td>
<td>26</td>
<td>23%</td>
</tr>
<tr>
<td></td>
<td>31-40 Years</td>
<td>61</td>
<td>53%</td>
</tr>
<tr>
<td></td>
<td>41-50 Years</td>
<td>28</td>
<td>24%</td>
</tr>
<tr>
<td>Gender</td>
<td>Man</td>
<td>27</td>
<td>37%</td>
</tr>
<tr>
<td></td>
<td>Women</td>
<td>73</td>
<td>63%</td>
</tr>
<tr>
<td>Recent Education</td>
<td>SMP</td>
<td>10</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>SMA</td>
<td>66</td>
<td>63%</td>
</tr>
<tr>
<td></td>
<td>S1</td>
<td>39</td>
<td>27%</td>
</tr>
<tr>
<td>Length of Work</td>
<td>0-10 Years</td>
<td>45</td>
<td>39%</td>
</tr>
<tr>
<td></td>
<td>&gt;10 Years</td>
<td>70</td>
<td>61%</td>
</tr>
</tbody>
</table>

Test Outer Loading

<table>
<thead>
<tr>
<th>Transformational Leadership</th>
<th>Organizational Commitment</th>
<th>Employee Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>KT1</td>
<td>0.528</td>
<td></td>
</tr>
<tr>
<td>KT2</td>
<td>0.816</td>
<td></td>
</tr>
<tr>
<td>KT3</td>
<td>0.828</td>
<td></td>
</tr>
<tr>
<td>KT4</td>
<td>0.708</td>
<td></td>
</tr>
<tr>
<td>KT5</td>
<td>0.694</td>
<td></td>
</tr>
<tr>
<td>KT6</td>
<td>0.823</td>
<td></td>
</tr>
<tr>
<td>KT7</td>
<td>0.874</td>
<td></td>
</tr>
<tr>
<td>KT8</td>
<td>0.813</td>
<td></td>
</tr>
<tr>
<td>KT9</td>
<td>0.893</td>
<td></td>
</tr>
</tbody>
</table>

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The result of the loading factor value above 0.7 shows that each indicator has a strong contribution in measuring the latent construct (Ghozali, 2015). However, in development research the loading scale range of 0.5 can still be used but factors with loading values below 0.5 must be eliminated. Based on the information presented in Table 3, it is evident that the indicators representing the measured construct exhibit loading factor values exceeding 0.5. This information provides confidence that the measurement instrument in the outer model demonstrates sufficient reliability and validity in representing the construct under test. These results form a solid basis for proceeding to further structural analysis stages in PLS analysis.

**Construct Reliability**

The reliability of Partial Least Squares (PLS) analysis was assessed in this study using the Cronbach Alpha, Composite Reliability, and Average Variance Extracted (AVE) methods. The findings from the PLS data analysis indicate that the data meets the criteria for AVE values on reflective constructs, with values exceeding 0.5 (Barati et al., 2019). The Cronbach Alpha and composite reliability values demonstrate a strong level of reliability, with each exceeding 0.7 (Sarstedt et al., 2017). The findings from the reliability test are outlined in Table 4, offering a thorough assessment of the reliability of the constructs in the PLS analysis. These results enhance the methodological foundation of the study and instill confidence in the validity and reliability of the measures utilized.

<table>
<thead>
<tr>
<th>Table 4. Reliability Test</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cronbach’s Alpha</strong></td>
</tr>
<tr>
<td>Transformational Leadership</td>
</tr>
<tr>
<td>Organizational Commitment</td>
</tr>
<tr>
<td>Employee Performance</td>
</tr>
</tbody>
</table>

**R-Square**

If the R Square value reaches 0.67, it is deemed a commendable accomplishment. When the value falls within the range of 0.33 to 0.67, the model is categorized as moderate. Conversely, a R Square value below 0.33 suggests weaknesses in the model. Based on the findings of the data analysis, the R Square value in this study can be elaborated as follows.

<table>
<thead>
<tr>
<th>Table 5. R-Square</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>R Square</strong></td>
</tr>
<tr>
<td>Employee Performance</td>
</tr>
</tbody>
</table>

The coefficient of determination (R Square) for employee performance is 0.933, indicating that approximately 93.3% of the fluctuations or changes in employee performance capabilities can be accounted.
for by the factors included in the analytical model. This suggests that the model plays a crucial role in elucidating the aspects that impact an employee's performance skills.

**Direct Effect**

| Hypothesis | Relationship | T Statistics (|O/STDEV|) | P Values | Information |
|------------|--------------|-------------------------------|----------|-------------|
| H1         | Transformational Leadership>Employee Performance | 13.680 | 0.000 | Significant |
| H2         | Organizational Commitment> Employee Performance | 3.528 | 0.000 | Significant |

During the structural model coefficient analysis, hypotheses are examined by assessing the relationship between variables to determine significance. Hypothesis testing in this study involves evaluating T-Statistics and P-Values. A hypothesis is deemed valid if the T-Statistics value exceeds 1.96 and the P-Values are below 0.05. The table provided displays the positive and significant impacts on each variable relationship.

**Hypothesis 1: Transformational Leadership Has a Positive and Significant Effect on Employee Performance**

According to the study's findings, hypothesis one suggests a substantial influence. Empirical evidence has demonstrated that transformational leadership significantly and positively affects the performance of the workforce. The findings show that the T-table value is 13.680, which exceeds the critical value of 1.96. In addition, the p-value is 0.000, which is below the significance level of 0.05. This suggests that transformational leadership effectively enhances employee performance at Javanese tea distributors by boosting morale, providing guidance, fostering capacity development, enforcing work rules, and offering feedback to employees, ultimately leading to improved performance.

Research conducted by Maulana et al. (2022), transformational leadership is characterized by the ability to identify necessary changes, develop a vision to facilitate those changes through influence and inspiration, and collaborate with dedicated team members to enhance performance. In essence, transformational leadership plays a crucial role in driving performance improvement within organizations. This concept aligns with findings from previous research (Fauzan et al., 2023; Pioni et al., 2023; Udin et al., 2023).

**Hypothesis 2: Organizational Commitment Has a Positive and Significant Effect on Employee Performance**

The results of this investigation indicate that Hypothesis 2 has a statistically significant effect. Organizational commitment has a strong and favorable impact on employee performance. The data suggest that the T-table value for the influence of organizational commitment on employee performance is 3.528, exceeding the value of 1.96. Furthermore, the p-value of 0.000 is below the threshold of 0.05.

This demonstrates that the employee's dedication to the Javanese tea sales company is manifested by their sense of pride in working for the company, their feeling of ease in the workplace, their acceptance of the company's values, their embrace of the organization's objectives, and their active pursuit of these goals, all of which are evident in their contributions to the organization. We accomplish this by demonstrating a strong dedication to our organization.

The employees' adherence to the principle of reciprocity will directly influence their performance outcomes. As employees receive more of their desired outcomes from the business, it will lead to improved performance outcomes defined by a strong sense of commitment to the organization (Hidayat et al., 2023). Achieving good employee performance is heavily influenced by high organizational commitment. This assertion is supported by previous research findings (Muktamar et al., 2024; Putri et al., 2023; Rahayu & Dahlia, 2023).

**CONCLUSION**

The research reveals that transformational leadership and organizational commitment significantly improve the performance of Javanese tea distributor personnel using the SmartPLS application. These leaders can encourage work, provide advice, motivate development, address work rules, and provide warnings and praise. Management reform is crucial for increasing employee productivity. Organizational dedication, characterized by a sense of urgency, respect for company policies, and commitment to high-level goals, also significantly impacts employee performance. Thus, strong organizational commitment is a key factor in achieving superior employee performance in tea distribution companies.
REFERENCES


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