



Enhancing Employee Performance Through Transformational Leadership and Organizational Culture: The Mediating Role of Job Satisfaction

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ABSTRACT

Objective. Escalating competition within the manufacturing industry requires organizations to preserve workforce effectiveness as a strategic source of competitive advantage. This study investigates the influence of transformational leadership and organizational culture on employee performance at PT Untung Bersama Sejahtera (UBS GOLD) Surabaya, with job satisfaction positioned as a mediating construct.

Method. A quantitative explanatory design was employed. Data were collected through questionnaires administered to 125 employees and analyzed using Structural Equation Modeling–Partial Least Squares (SEM-PLS) with SmartPLS 4.0. The analytical procedure involved measurement model evaluation, structural model assessment, and hypothesis testing.

Results. The findings indicate that transformational leadership and organizational culture significantly enhance job satisfaction. Transformational leadership and job satisfaction also exert significant positive effects on employee performance. Conversely, organizational culture does not directly influence performance. Mediation analysis confirms that job satisfaction transmits the effect of organizational culture on employee performance, whereas its mediating role in the relationship between transformational leadership and employee performance is not supported.

Conclusion. Job satisfaction serves as a crucial determinant of employee performance. Transformational leadership contributes directly to performance improvement, while organizational culture affects performance indirectly through job satisfaction. Strengthening transformational leadership practices and fostering a supportive organizational climate are therefore essential for sustaining superior employee performance.

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1. INTRODUCTION

The growing complexity of today's business landscape has intensified the need for organizations to optimize the contribution of their human resources. The extent to which employees perform effectively determines not only the attainment of operational goals but also the organization's ability to sustain growth and strengthen its competitive standing over time (Robbins, 2006). For this reason, the exploration of factors capable of enhancing employee performance continues to attract considerable interest among researchers in the field of human

resource management. PT Untung Bersama Sejahtera, widely known through its brand UBS GOLD Surabaya, is one of Indonesia's leading gold jewelry manufacturers. As a manufacturing company operating in an industry that requires high precision, strict quality standards, and consistent production processes, employee performance represents a crucial organizational priority. The company's internal data indicate steady sales growth, increasing from 480 kg, equivalent to Rp360 billion, in 2020 to 620 kg, equivalent to Rp525 billion, in 2024. During the same period, employee turnover decreased significantly from 10.5 percent to 6.8 percent, suggesting improvements in workforce stability and employee satisfaction (PT UBS GOLD Surabaya, 2025).

The coexistence of improving employee performance and declining turnover rates invites further examination of the internal organizational conditions responsible for such outcomes. Prior studies have consistently highlighted transformational leadership and organizational culture as influential drivers of employee effectiveness (Bass & Riggio, 2006; Schein, 2010). Rather than relying solely on formal authority, transformational leaders shape employee behavior by inspiring commitment, encouraging creative problem-solving, and recognizing individual potential. Likewise, organizational culture provides a shared framework of values and expectations that guides workplace behavior, nurtures collective identity, and supports coordinated efforts toward organizational objectives. Despite the widely acknowledged importance of transformational leadership and organizational culture in shaping employee outcomes, their contribution to performance may not occur through a straightforward pathway. Previous empirical evidence suggests that job satisfaction functions as an intervening mechanism through which employees translate organizational experiences into work-related outcomes (Judge & Piccolo, 2004; Ardityas et al., 2021). Individuals who perceive their jobs positively are generally more inclined to exhibit stronger commitment, heightened enthusiasm, and superior work achievements. Even so, prior research has produced mixed results across different organizational settings, leaving unresolved questions that warrant further examination within specific industrial contexts.

A review of prior empirical work reveals considerable variation in the reported relationships among the studied variables. Research conducted previously support for the argument that transformational leadership enhances employee performance, either independently or through its influence on job satisfaction (Ariyani & Widodo, 2021; Prahiawan & Sutisno, 2018). Conversely, no meaningful performance improvement under conditions characterized by low job satisfaction (Sari, 2022). Similar inconsistencies are evident in studies examining organizational culture. While cultural strength with improved performance outcomes (Denison & Mishra, 1995), the effectiveness of organizational culture depended on the existence of participative leadership behaviors (Kharisma et al., 2019). Another limitation within the literature concerns research coverage, as investigations have largely concentrated on service, education, and healthcare environments, whereas evidence from the precious metal manufacturing industry remains scarce. Persistent inconsistencies in prior findings, together with the limited evidence available from the precious metal manufacturing sector, underscore the need for a more context-specific examination of employee performance determinants. This study therefore explores the interplay among transformational leadership, organizational culture, job satisfaction, and employee performance at PT UBS GOLD Surabaya. Emphasis is placed on uncovering the extent to which leadership and cultural attributes contribute to performance outcomes and on determining whether job satisfaction functions as a mechanism through which these organizational factors exert their influence. Through this approach, the study is expected to enrich the understanding of performance enhancement within manufacturing organizations.

2. LITERATURE REVIEW

2.1 Theoretical Foundation: Social Exchange Theory

The conceptual basis of this research is derived from Social Exchange Theory (Blau, 1964). The theory explains workplace relationships as a series of reciprocal interactions in which both employees and organizations exchange tangible and intangible resources. Employees continuously evaluate how they are treated by the organization, while organizational practices shape employees' perceptions regarding fairness, support, and appreciation. From this perspective, organizational initiatives such as transformational leadership practices and the establishment of favorable cultural values represent forms of investment directed toward employees. When such investments are perceived positively, employees tend to reciprocate through constructive attitudes and behaviors that benefit the organization. Thus, employee responses are not merely driven by formal obligations but also by perceptions of mutual exchange and relational balance.

In relation to the present study, job satisfaction can be interpreted as an outcome arising from employees' assessment of their interactions with the organization. Favorable exchange experiences are generally associated with stronger feelings of satisfaction, whereas unfavorable experiences may weaken employees' attachment to their work. Higher levels of satisfaction are expected to encourage greater commitment, stronger engagement, and enhanced work performance, reflecting employees' willingness to reciprocate the benefits received from the organization.

2.2 Transformational Leadership

The concept of transformational leadership emerged from the work of Burns (1978) and was subsequently refined by Bass and Riggio (2006) as well as Bass and Avolio (1994). This leadership approach emphasizes the leader's ability to shape employee attitudes and behaviors by creating meaningful organizational aspirations and encouraging individuals to contribute beyond routine job requirements. Rather than concentrating solely on the completion of assigned tasks, transformational leaders seek to cultivate employee capabilities, stimulate personal growth, and align individual efforts with broader organizational objectives (Bass & Riggio, 2006).

Transformational leadership is reflected through four complementary dimensions. The first dimension, *idealized influence*, describes a leader who demonstrates integrity and exemplary conduct, thereby earning credibility and respect from followers (Bass & Avolio, 1994). The second dimension, *inspirational motivation*, relates to the leader's capacity to generate optimism and commitment by articulating a clear and meaningful organizational direction. The third dimension, *intellectual stimulation*, encourages employees to challenge conventional assumptions, explore alternative perspectives, and develop creative solutions to workplace issues. The fourth dimension, *individualized consideration*, emphasizes personal mentoring and attention to the unique needs, capabilities, and career aspirations of each employee. Collectively, these dimensions characterize a leadership approach that promotes employee empowerment, continuous development, and active engagement in achieving organizational success.

2.3 Organizational Culture

Organizational culture reflects the collective values, beliefs, and behavioral expectations that become embedded within an organization over time. These shared understandings influence how employees interpret workplace situations, interact with colleagues, and approach organizational responsibilities (Schein, 2010). Beyond serving as a social characteristic of the organization, culture functions as an underlying force that shapes patterns of behavior, supports internal integration, and influences the achievement of organizational objectives (Luthans & Doh, 2012).

Organizational culture provides a common reference system that helps organizational members understand acceptable behaviors and shared expectations while simultaneously creating

a distinctive identity for the organization (Robbins, 2006). Within manufacturing environments, cultural attributes such as discipline, teamwork, attention to detail, and commitment to quality play an essential role in maintaining operational reliability and production effectiveness. Furthermore, employees working within a favorable cultural environment tend to experience higher levels of job satisfaction, which may subsequently contribute to stronger individual and organizational outcomes (Tsai, 2011).

2.4 Job Satisfaction

Job satisfaction represents an employee's overall psychological evaluation of their work and the experiences encountered within the workplace. The concept encompasses the extent to which employees perceive their jobs as fulfilling personal expectations and professional needs. Such evaluations are shaped by multiple work-related elements, including compensation systems, interpersonal interactions within the workplace, the quality of the working environment, and prospects for professional advancement (Locke, 1976). Employees' satisfaction levels emerge from both emotional responses and rational judgments regarding their work experiences, which subsequently influence workplace attitudes and behaviors (Colquitt et al., 2011). The Two-Factor Theory proposed by Herzberg (1966) explains that employee satisfaction is influenced by two categories of factors. The first category consists of motivators, including achievement, recognition, responsibility, and opportunities for self-development, which contribute directly to positive work experiences. The second category comprises hygiene factors, such as compensation, supervisory practices, and workplace conditions, which primarily function to minimize dissatisfaction. Employees tend to experience higher levels of job satisfaction when motivational factors are sufficiently present, leading to stronger dedication, greater perseverance, and improved work quality.

Viewed through the lens of Social Exchange Theory, job satisfaction may be interpreted as a reflection of how employees assess the treatment they receive from their organization. Positive perceptions regarding organizational support, equitable treatment, and recognition can foster favorable attitudes toward work. As a result, employees are more likely to develop stronger satisfaction levels and exhibit behaviors that contribute positively to organizational performance (Blau, 1964; Cropanzano & Mitchell, 2005).

2.5 Employee Performance

Employee performance reflects the degree to which employees are able to generate results that support the operational and strategic objectives of the organization. The concept encompasses not only the completion of assigned tasks but also the effectiveness, consistency, and value of employees' contributions to organizational activities. Performance as behaviors and outcomes that facilitate organizational success and enhance the accomplishment of desired objectives (Robbins & Judge, 2019). Within manufacturing organizations, performance is commonly evaluated through several observable indicators, including product quality, production volume, adherence to schedules, efficient utilization of resources, individual initiative, and the ability to collaborate effectively with others. From an organizational perspective, employee performance extends beyond personal productivity. It represents a critical component in maintaining operational stability, ensuring product quality standards, and strengthening the organization's capacity to compete in increasingly demanding markets. Consequently, sustained performance improvement is often regarded as an essential prerequisite for long-term organizational effectiveness and business continuity.

2.6 Previous Studies and Hypothesis Development

Existing empirical evidence generally suggests that transformational leadership contributes to more favorable employee attitudes and workplace outcomes. Research conducted previously

indicated that employees tend to experience higher levels of job satisfaction when leaders adopt transformational behaviors (Rasminingsih, 2024). Comparable observations highlighted the importance of transformational leadership in shaping employee satisfaction within the banking industry (Nawaz et al., 2016). Likewise, findings reported that the contribution of organizational culture in creating workplace conditions that enhance employees' satisfaction with their jobs (Pratama, 2024).

The relationship between leadership, job satisfaction, and employee performance has also attracted considerable scholarly attention. Studies undertaken suggested that transformational leadership may improve employee performance through its influence on job satisfaction, particularly in manufacturing environments. Nevertheless, not all investigations have reached similar conclusions (Rahmawati, 2020; Setiawan, 2021). The effectiveness of transformational leadership may be constrained when the prevailing organizational culture fails to encourage innovation and employee involvement (Khan et al., 2020). Such variation in empirical findings indicates that the interaction among leadership, culture, job satisfaction, and performance remains context-dependent. This circumstance highlights the importance of further examination within the gold manufacturing industry, where operational activities require exceptional precision, strict quality control, and highly specialized production processes.

2.7 Conceptual Framework and Hypothesis Development

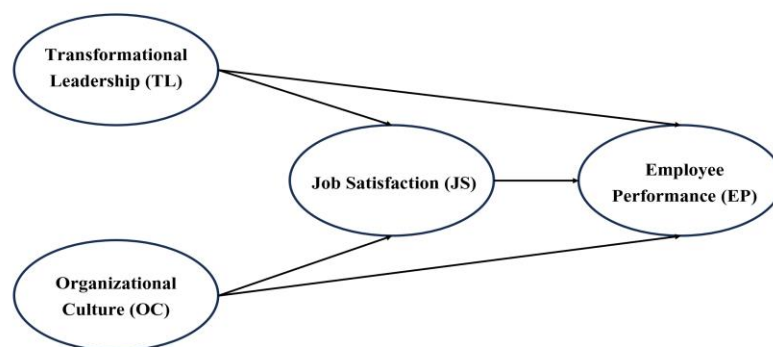


Figure 1. Conceptual Framework

Rather than viewing employee performance solely as a direct consequence of organizational practices, this study adopts a broader perspective that considers the role of employee attitudes in translating organizational influences into performance outcomes. Accordingly, the proposed research model examines how transformational leadership and organizational culture interact with job satisfaction in explaining variations in employee performance. In this configuration, leadership and cultural factors operate as organizational antecedents, while employee performance represents the ultimate behavioral outcome. The rationale for this model is anchored in Social Exchange Theory, which suggests that workplace relationships are governed by reciprocal exchanges between employees and organizations. When employees encounter supportive leadership, equitable treatment, and constructive organizational values, they are more likely to develop favorable perceptions of their work environment. These positive perceptions can strengthen satisfaction with work, which subsequently encourages greater dedication, persistence, and performance. Consequently, job satisfaction is expected to serve as an important explanatory pathway through which organizational influences are translated into employee performance outcomes.

Based on the theoretical arguments and empirical evidence synthesized in the preceding sections, a set of hypotheses is proposed to examine the relationships among transformational leadership, organizational culture, job satisfaction, and employee performance. The proposed hypotheses are summarized in Table 1.

Table 1. Research Hypotheses

Code	Hypothesis Statement
H1	Transformational leadership has a positive and significant effect on employee performance.
H2	Organizational culture has a positive and significant effect on employee performance.
H3	Job satisfaction has a positive and significant effect on employee performance.
H4	Transformational leadership has a positive and significant effect on job satisfaction.
H5	Organizational culture has a positive and significant effect on job satisfaction.
H6	Job satisfaction mediates the effect of transformational leadership on employee performance.
H7	Job satisfaction mediates the effect of organizational culture on employee performance.

The proposed model emphasizes the interconnected nature of leadership, organizational culture, employee attitudes, and performance outcomes. Within this framework, transformational leadership and organizational culture are viewed as organizational antecedents capable of influencing employee behavior and effectiveness. Job satisfaction is expected to operate as a key explanatory mechanism through which organizational conditions are translated into performance-related outcomes. Consequently, the model provides an analytical perspective for understanding how organizational and psychological factors jointly contribute to employee performance within PT UBS GOLD Surabaya.

3. RESEARCH METHOD

To obtain empirical insights into the relationships among the variables under investigation, this study adopted a quantitative approach using an explanatory research design. Quantitative research is appropriate for examining relationships among variables and testing hypotheses through statistical procedures (Creswell & Creswell, 2018). Meanwhile, explanatory research is intended to explain causal relationships among constructs and verify theoretical assumptions (Saunders et al., 2019). The research was conducted at PT UBS GOLD Surabaya, a manufacturing company engaged in gold jewelry production. Data were collected from employees representing both operational and non-operational functions.

The study involved 125 permanent employees. Given the relatively limited population size, all members of the population were included as research respondents. This approach is commonly referred to as a census or saturated sampling technique, which is recommended when the population size is manageable and researchers seek to minimize sampling error while maximizing population representation (Sugiyono, 2019).

Primary data were gathered using a structured questionnaire based on a five-point Likert scale ranging from strongly disagree to strongly agree. Likert scales are widely utilized in social science research because they facilitate the measurement of attitudes, perceptions, and behavioral tendencies (Sekaran & Bougie, 2016). The instrument consisted of 22 indicators representing four latent constructs. Prior to the main survey, a pilot test involving 34 respondents was conducted to evaluate instrument validity and reliability. The results indicated that all items met the required validity criteria, while Cronbach's Alpha values ranged from 0.699 to 0.823, exceeding the minimum acceptable threshold of 0.60 (Hair et al., 2017).

Data analysis was performed using Structural Equation Modeling–Partial Least Squares (PLS-SEM) through SmartPLS 4.0. PLS-SEM is considered suitable for predictive and exploratory research involving complex relationships among latent variables and relatively small sample sizes (Hair et al., 2017). The analysis comprised measurement model and structural model assessments. Convergent validity was evaluated through outer loading values (>0.70) and

Average Variance Extracted (AVE >0.50), while construct reliability was assessed using Composite Reliability and Cronbach's Alpha coefficients (Sekaran & Bougie, 2016).

The structural model was evaluated using the coefficient of determination (R^2) to assess explanatory power. Hypothesis testing was conducted through a bootstrapping procedure with 5,000 resamples (Hair et al., 2017). A hypothesis was considered supported when the t-statistic exceeded 1.96 and the p-value was below 0.05. Furthermore, mediation effects were examined by evaluating indirect effects through the bootstrapping approach, following recommendations for mediation analysis in PLS-SEM (Nitzl et al., 2016).

4. RESULTS AND DISCUSSION

4.1 Research Findings

Respondent Characteristics

Seeing on the questionnaires distributed to 125 respondents at PT Untung Bersama Sejahtera, widely known as UBS GOLD Surabaya, the majority of respondents were employees from the production division within the productive age range of 25 to 40 years. Most respondents had employed in the company longer than five years, indicating that they had sufficient familiarity with the company's organizational culture, leadership patterns, and operational work systems.

This condition suggests that the respondents possessed adequate work experience to provide informed and reliable assessments of the research variables. Their tenure and direct involvement in daily organizational activities strengthen the relevance of their perceptions.

Outer Model Evaluation

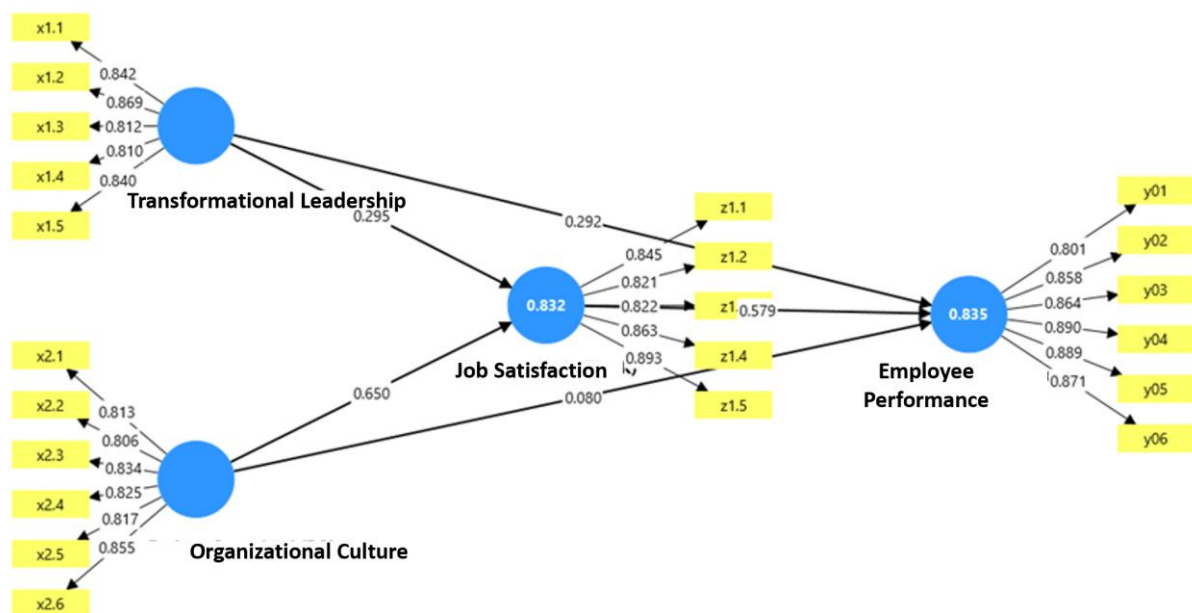


Figure 2. Partial Least Squares Output

Prior to hypothesis testing, the adequacy of the measurement model was examined to determine whether the observed indicators accurately reflected their underlying constructs. The results revealed that every indicator met the recommended loading criterion, with all outer loading values remaining above 0.70. This pattern suggests that the indicators possess sufficient explanatory power in representing their respective latent variables.

Evidence of convergent validity was also established. Each construct recorded AVE value greater than 0.50, indicating that the latent variables accounted for the majority of variance

contained in their indicators. Consequently, the constructs demonstrated an acceptable level of convergence.

The consistency of the measurement instrument was verified through Composite Reliability and Cronbach's Alpha statistics. All coefficient values exceeded the commonly accepted threshold of 0.70, reflecting satisfactory reliability across the measurement scales. These findings collectively confirm that the instrument possesses adequate psychometric properties and can therefore be utilized confidently in the subsequent assessment of structural relationships among the study variables.

Inner Model Evaluation

Table 2. R-Square Results

Variable	<i>R-square</i>	<i>R-square adjusted</i>
Job Satisfaction (JS)	0.832	0.830
Employee Performance (EP)	0.835	0.831

Source: Data processed by the researcher (2026)

The coefficient of determination analysis indicates that the endogenous constructs are explained to a substantial extent by the variables included in the model. For job satisfaction, the obtained R-square value of 0.832 demonstrates that transformational leadership and organizational culture contribute considerably to explaining employee perceptions of satisfaction at work. The unexplained proportion is relatively limited, suggesting that the proposed predictors capture a large share of the relevant variance. A similarly strong result is observed for employee performance, which achieved an R-square value of 0.835. This outcome reflects the considerable contribution of transformational leadership, organizational culture, and job satisfaction in accounting for differences in employee performance levels. Accordingly, the proposed structural model exhibits a high degree of explanatory capability. These findings imply that organizational and psychological factors operate jointly in influencing employee outcomes within PT UBS GOLD Surabaya. In an industry characterized by stringent quality standards and precision-oriented production processes, the integration of effective leadership, supportive cultural values, and positive employee attitudes appears to represent an important foundation for sustaining performance excellence.

Hypothesis Testing

Table 3. Summary of Hypothesis Testing Results

Hypothesis	Relationship	Effect Type	path Coefficient (β)	P-value	Result	Description
H1	Transformational Leadership → Employee Performance	Direct effect	0.292	0.002	Accepted	Significant
H2	Organizational Culture → Employee Performance	Direct effect	0.080	0.616	Rejected	Not significant
H3	Job Satisfaction → Employee Performance	Direct effect	0.579	< 0.001	Accepted	Significant
H4	Transformational Leadership → Job	Direct effect	0.295	0.012	Accepted	Significant

H5	Satisfaction Organizational Culture → Job Satisfaction	Direct effect	0.650	< 0.001	Accepted	Significant
H6	Transformational Leadership → Job Satisfaction → Employee Performance	Indirect effect	0.171	0.051	Rejected	Not significant
H7	Organizational Culture → Job Satisfaction → Employee Performance	Indirect effect	0.376	< 0.001	Accepted	Significant

Source: Data processed by the researcher (2026)

The statistical results reveal that transformational leadership exerts a meaningful influence on employee performance ($\beta = 0.292$; $p = 0.002$), providing empirical support for H1. This result indicates that employees tend to achieve better performance outcomes when leaders are able to articulate a clear vision, stimulate new ways of thinking, and provide individualized support. Such leadership behaviors appear to encourage employees to contribute more effectively to organizational objectives. A different pattern emerges for organizational culture. Although the estimated coefficient is positive ($\beta = 0.080$), the relationship does not reach statistical significance ($p = 0.616$). Consequently, H2 is not supported. This finding implies that cultural values alone may be insufficient to generate measurable improvements in performance. Instead, their influence may operate through other organizational or psychological processes.

Job satisfaction demonstrates a substantial positive association with employee performance ($\beta = 0.579$; $p < 0.001$), supporting H3. Among the relationships examined in this study, job satisfaction exhibits the strongest direct contribution to performance outcomes. Employees who hold favorable perceptions of their jobs are more likely to display higher levels of effectiveness and work accomplishment. The analysis further indicates that transformational leadership contributes positively to job satisfaction ($\beta = 0.295$; $p = 0.012$), thereby supporting H4. This outcome suggests that employees experience greater satisfaction when leadership practices emphasize encouragement, personal development, and constructive guidance.

Likewise, organizational culture displays a strong positive relationship with job satisfaction ($\beta = 0.650$; $p < 0.001$), providing support for H5. The magnitude of this coefficient suggests that cultural attributes play a particularly important role in shaping employees' workplace experiences and satisfaction levels. The mediation analysis produces mixed results. The indirect pathway linking transformational leadership to employee performance through job satisfaction does not achieve the required significance level ($\beta = 0.171$; $p = 0.051$). Accordingly, H6 is not supported. This outcome indicates that the contribution of transformational leadership to performance is predominantly realized through direct rather than indirect mechanisms.

Conversely, the indirect relationship between organizational culture and employee performance through job satisfaction is statistically significant ($\beta = 0.376$; $p < 0.001$), confirming H7. Given that the direct effect of organizational culture on performance is insignificant whereas the indirect pathway remains significant, the results suggest the presence of full mediation. In other words, cultural influences appear to enhance employee performance only after being translated into higher levels of job satisfaction.

Taken together, the findings highlight the central role of job satisfaction within the proposed framework. Employee performance is directly associated with transformational

leadership and job satisfaction, whereas the contribution of organizational culture becomes meaningful through its ability to foster employee satisfaction. These results emphasize the importance of both organizational and psychological factors in explaining employee performance at PT UBS GOLD Surabaya.

4.2 Discussion

The Effect of Transformational Leadership (TL) on Job Satisfaction (JS)

Empirical evidence from this study confirms that TL contributes positively to JS. Employees tend to report higher levels of satisfaction when leaders provide clear direction, recognize individual contributions, and foster an environment that supports personal development. Such leadership behaviors create favorable workplace experiences that strengthen employees' emotional attachment to their jobs. This relationship may be understood through the capacity of transformational leaders to cultivate trust, encouragement, and meaningful communication within the workplace. In manufacturing environments characterized by demanding production targets and strict quality requirements, supportive leadership practices can help employees manage work-related pressures while maintaining positive attitudes toward their roles. Consequently, employees are more likely to perceive their work experiences positively, which is reflected in higher levels of JS.

The result is consistent with the assumptions of Social Exchange Theory, which proposes that employees tend to reciprocate favorable organizational treatment with positive attitudes and behaviors. When leadership practices are perceived as supportive and beneficial, employees are more inclined to develop positive evaluations of their work. This finding also aligns with previous empirical evidence reported a positive association between TL and JS. These studies suggest that leaders who inspire employees, provide individualized consideration, and communicate a compelling organizational vision tend to create more favorable work experiences. The consistency of the present findings with prior research indicates that TL remains an important managerial approach for enhancing employee satisfaction across different organizational settings, including manufacturing environments characterized by demanding operational targets and performance pressures (Ariyani & Widodo, 2021; Kharisma et al., 2019; Nawaz et al., 2016).

The Effect of Organizational Culture (OC) on Job Satisfaction (JS)

The analysis indicates that OC exerts a substantial influence on JS and emerges as the strongest predictor among the variables incorporated in the research model. This outcome highlights the importance of shared organizational values and workplace norms in shaping employees' overall evaluation of their work experiences. A well-established cultural environment can foster a sense of belonging, strengthen interpersonal trust, and encourage employees to identify more closely with organizational objectives. Cultural characteristics such as teamwork, discipline, quality awareness, and effective communication contribute to a workplace atmosphere that employees perceive positively, thereby enhancing their satisfaction levels.

From a theoretical standpoint, OC serves as a mechanism that guides collective behavior and promotes organizational cohesion. Such a role becomes particularly relevant in the precious metal manufacturing sector, where production activities depend heavily on precision, coordination, and adherence to rigorous quality requirements. Under these conditions, consistent cultural values help create a stable working environment that supports positive employee attitudes. The present finding is consistent with prior empirical evidence reported which similarly emphasized the important contribution of OC to the development of higher levels of JS. These studies argue that employees are more likely to experience positive work attitudes when organizational values promote collaboration, mutual trust, and effective communication

(Denison & Mishra, 1995; Tsai, 2011; Sirrullah et al., 2020). The current study reinforces this perspective by demonstrating that a supportive cultural environment within PT UBS GOLD Surabaya plays a crucial role in shaping employees' perceptions of their work and strengthening their overall satisfaction.

The Effect of Transformational Leadership (TL) on Employee Performance (EP)

The findings provide evidence that TL contributes positively to EP. Employees working under leaders who communicate a compelling vision, encourage innovation, and provide individual support tend to demonstrate higher levels of effectiveness in carrying out their responsibilities. Such leadership practices not only strengthen employee motivation but also promote greater discipline, productivity, and work quality. This relationship can be interpreted through the ability of transformational leaders to foster commitment and engagement among employees. By encouraging participation, recognizing individual contributions, and stimulating new ways of thinking, leaders create conditions that motivate employees to invest greater effort in achieving organizational objectives. As a result, employees become more committed to performance expectations and are more likely to achieve superior work outcomes.

Within PT UBS GOLD Surabaya, where production activities require accuracy and consistency, leadership support becomes particularly important. Effective leadership can help employees maintain concentration, minimize operational mistakes, and sustain quality standards throughout the production process. These findings are in line with the evidence reported highlighted the positive contribution of TL to EP. Previous studies have demonstrated that transformational leaders enhance employee effectiveness by stimulating motivation, fostering commitment, and encouraging employees to exceed standard performance expectations (Judge & Piccolo, 2004; Sulistyono & Suhatini, 2018; Rahmawati, 2020). The consistency between the present and previous findings indicates that TL serves as a critical driver of EP regardless of organizational context, particularly in industries where operational precision and productivity are essential.

The Effect of Organizational Culture (OC) on Employee Performance (EP)

The empirical evidence suggests that OC is not directly associated with improvements in EP. Although organizational values and norms contribute to shaping the work environment, their influence does not appear to translate immediately into higher levels of individual performance. Instead, the effect of OC seems to operate through employees' psychological responses to the workplace. One possible explanation is that cultural values function as a collective organizational characteristic, whereas EP reflects individual behavioral outcomes. As a result, the presence of a strong culture alone may not be sufficient to generate performance improvements unless employees perceive and experience those values in a positive manner. When organizational values are internalized and reflected in employees' work experiences, they are more likely to influence attitudes that subsequently contribute to stronger performance outcomes.

Although the present finding differs from other results, it provides support for the argument proposed that OC may not directly affect EP (Rosvita et al., 2017; Kharisma et al., 2019). Instead, its influence is likely to occur through employees' psychological and attitudinal responses. This discrepancy may be attributed to differences in organizational characteristics, workforce composition, and industrial contexts. Therefore, the current study contributes additional evidence suggesting that organizational culture alone is insufficient to improve performance unless employees first internalize organizational values and translate them into positive workplace attitudes.

The Effect of Job Satisfaction (JS) on Employee Performance (EP)

The findings reveal that JS represents the strongest determinant of EP among all relationships examined in the proposed model. Employees who hold favorable perceptions of their jobs and workplace experiences tend to exhibit higher levels of effectiveness in carrying out their responsibilities. Positive evaluations of the work environment, interpersonal relationships, and organizational practices appear to encourage greater engagement and productive work behavior. The relationship between JS and EP can be understood through the influence of employee attitudes on behavioral outcomes. Individuals who experience positive feelings toward their work are generally more willing to invest effort, maintain concentration, and persist in completing assigned tasks. Such conditions contribute to improved work quality, stronger organizational commitment, and a lower tendency to engage in counterproductive workplace behaviors.

The present findings are also consistent with numerous empirical studies indicating that satisfied employees tend to demonstrate greater productivity, stronger organizational commitment, and improved work outcomes. Previous research found that JS is closely associated with EP across various organizational contexts (Judge & Piccolo, 2004). Similarly, positive evaluations of work experiences generate favorable behavioral responses that ultimately contribute to performance improvement (Locke, 1976). The current findings therefore provide further evidence that employee satisfaction constitutes a strategic organizational resource capable of enhancing both individual and organizational effectiveness.

The Mediating Role of Job Satisfaction (JS)

The mediation analysis reveals two distinct patterns. First, JS does not serve as a significant intermediary in the relationship between TL and EP. Second, JS operates as a full mediator in the relationship between OC and EP. These results suggest that the mechanisms through which leadership and organizational culture influence employee outcomes are fundamentally different. The absence of a significant indirect effect between TL and EP implies that leadership practices exert their influence primarily through direct channels. Employees may respond immediately to leadership behaviors such as guidance, motivation, recognition, and intellectual stimulation without requiring additional attitudinal processes. Consequently, the contribution of TL to EP appears to be realized more directly through employee actions and work engagement.

A different pattern is observed in the relationship between OC and EP. The findings indicate that cultural values alone are insufficient to generate higher levels of performance unless they first shape employees' workplace experiences and satisfaction levels. In this regard, JS functions as the mechanism through which organizational values are translated into observable behavioral outcomes. Employees who perceive cultural norms positively are more likely to develop favorable attitudes toward their work, which subsequently contributes to stronger performance. These results provide additional support for Social Exchange Theory, which emphasizes reciprocity between employees and organizations. Positive organizational conditions, including supportive cultural environments, encourage employees to develop favorable work attitudes that are later reflected in their behavioral contributions. The findings therefore highlight the importance of JS as a key explanatory pathway linking organizational conditions to performance outcomes.

Within the context of PT UBS GOLD Surabaya, the evidence suggests that enhancing employee satisfaction represents an important strategy for improving organizational effectiveness. While TL is capable of influencing performance directly, the impact of OC becomes meaningful only when organizational values are successfully internalized and experienced positively by employees. Accordingly, JS occupies a central position in transforming organizational conditions into sustained performance improvement.

5. CONCLUSION

Drawing upon the empirical examination of transformational leadership and organizational culture in relation to employee performance, with job satisfaction functioning as an intervening construct at PT Untung Bersama Sejahtera (UBS GOLD) Surabaya, several synthesized conclusions can be articulated. Transformational leadership demonstrates a substantive and statistically meaningful contribution to the enhancement of employee job satisfaction. Leadership behaviors characterized by inspirational articulation, individualized consideration, and directive clarity appear to cultivate a more psychologically secure and affectively supportive work environment, thereby elevating employee satisfaction levels. In a similar vein, organizational culture exerts a favorable influence on job satisfaction. A cohesive cultural framework marked by collaboration, shared norms, and relational support fosters a heightened sense of belonging, emotional stability, and workplace comfort among employees. With regard to performance outcomes, transformational leadership exhibits a direct and significant effect on employee performance. This suggests that transformative leadership practices are capable of intensifying work engagement, reinforcing accountability, and stimulating higher levels of productivity without necessitating intermediary constructs.

Conversely, organizational culture does not manifest a statistically significant direct impact on employee performance. This implies that cultural configurations alone are insufficient to generate performance improvements unless they are translated through internal psychological states, particularly job satisfaction. Job satisfaction itself emerges as a pivotal determinant of employee performance, representing the most influential construct within the analytical model. Elevated satisfaction levels correspond with stronger work commitment, enhanced intrinsic motivation, and more consistent performance realization. Furthermore, job satisfaction does not function as a significant mediating mechanism between transformational leadership and employee performance, indicating that the influence of leadership is predominantly direct rather than indirectly transmitted through satisfaction. In contrast, job satisfaction fully mediates the relationship between organizational culture and employee performance. This denotes that cultural systems within the organization affect performance outcomes only insofar as they are capable of generating favorable satisfaction among employees.

From a theoretical standpoint, these findings reinforce the propositions of Social Exchange Theory, which emphasizes that reciprocal and beneficial relationships between organizations and employees engender positive attitudinal and behavioral work responses. Practically, the results underscore the strategic importance of strengthening transformational leadership practices and cultivating a robust organizational culture as mechanisms for elevating job satisfaction and sustaining employee performance within the precious metal manufacturing sector.

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