The Influence Of Transformational Leadership On Job Satisfaction Mediated Work Engagement Of Civil in The Cooperative, SMEs, Industry and Trade Office of Bungo Regency

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A R T I C L E   I N F O

ABSTRACT

The purpose of this research is to analyze the influence of Transformational Leadership on Job Satisfaction Mediated by Work Engagement of Civil Servants in the Cooperative, SMEs, Industry, and Trade Office of Bungo Regency. This research using Explanatory study method by conducting quantitative data analysis on 33 respondents and data processing using Partial Least Square (PLS) 4.0. Result of this study show that Transformational Leadership positively influences Job Satisfaction, and Transformational Leadership influences Employee Work Engagement. Meanwhile, indirectly, Transformational Leadership has a positive and significant effect on Job Satisfaction mediated by the Work Engagement of Civil Servants in the Cooperatives, SMEs, Industry, and Trade Office of Bungo Regency.

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1. INTRODUCTION

Currently, the development of human resource management is moving towards Human Capital. Human resources are no longer considered a supporting function, but rather a key source/asset for the success of an organization. The establishment of vision, mission, goals, and strategies, both short-term and long-term, is an effort made by the organization to be implemented. This is inseparable from the role of the leaders and human resources within the organization (Barokah & Pratama, 2023). The leader needed at this time is one who can be the driving force of change, possesses charisma in demonstrating principles, addresses difficult issues, emphasizes trust, shows the most important values, highlights the importance of goals, is committed and consistent with the ethics of a decision, and has a sense of mission (having targets), thereby able to foster optimism and enthusiasm and provide encouragement and meaning to what needs to be done by all human resources within the organization (Jacobs et al., 2020).

Transformational leadership is a trait of a leader that can make employees work harder and be willing to work more than what they are supposed to, in order to bring about change and achieve goals(Hernandez, 2018). According to (Strukan et al.,2017) The research has confirmed that transformational leadership has a statistically significant and positive impact on the financial performance of the companies that were included in this study. Generally, transformational leadership describes how manager leaders can encourage, develop and implement significant changes in the company, in a way to empower followers directing them to changes, likewise they achieve greater quality and efficiency of all business processes in their company.

Based on the pre-survey, at the Department of Cooperatives, SMEs, Industry, and Trade of Bungo Regency, the implementation of Transformational Leadership is summarized by several facts, including: *first,* The work discipline rules have not been implemented to the fullest, as evidenced by employees working casually and often not being in the office during working hours; *Second,* Some subordinates have reported that the leadership rarely provides guidance and oversight on the tasks being carried out; *Third,* The leadership has not yet offered Inspirational Motivation to improve subordinates' performance; Fourth, The leadership has not taken actions that encourage subordinates to solve problems from different perspectives.

The involvement and concern of members in their tasks. More commonly known as work engagement, it certainly results in Engage Employees, who are fully involved in organizational activities and have enthusiasm for their tasks or jobs (Kim et al., 2013). Work engagement has been theorized by (Schaufeli, 2002) to represent fairly stable, job-related well-being condition. Then according to (Bakker, 2017), the level of which is primarily determined by job-related factors but also by the resources available to the employee. (Mäkikangas, 2016) studies have identified a considerable stability overtime in its levels. However, these results, obtained under normal working conditions, reveal little about possible changes in work engagement in a decidedly different work situation. Based on the pre-survey, *First*, there are still employees who are unable to complete their own work on time, so the supervisor asks other employees to help finish the work; *Second*, the concentration on work is still limited due to other activities, resulting in frequent inability to complete work on time.

In addition to Transformational Leadership, job satisfaction can also occur as a result of the emergence of employee engagement, which is closely related to the leadership style of a manager or supervisor, as leaders are the drivers of work engagement in the workplace. According to (Novriansyah et al., 2024) A suitable and acceptable leadership style will positively influence employee engagement. (Wessels, 2019) argued that the three constructs of an evaluative judgment regarding jobs, affective experiences at work, and beliefs about jobs need to be distinguished. To Weiss, job satisfaction is not an affective reaction, but rather an attitude that is an evaluative judgment involving objects. Ilies and Judge joined these definitions and defined job satisfaction as "an attitudinal concept reflecting one's evaluation about one's job, as well as an emotional reaction to it". In order to achieve the above-mentioned goals, it is essential to have functional civil servant (PNS) personnel who can work well according to their respective main duties and functions while also having job satisfaction, the facts from observations and pre-research interviews including: *First,* employees receive salaries according to their rank, but the Income Improvement Allowance is still often disbursed late; *Second,* the opportunity for promotion to higher positions is very limited; *Third,* the direct supervisor's oversight ability is not yet optimal, resulting in subordinates being dissatisfied with the evaluation of their work performance; *Fourth*, there is still a lack of recognition for outstanding employees.

The objectives of the research are: (1)To determine the influence of transformational leadership on the job satisfaction of civil servants; (2) To Determine the Influence of Transformational Leadership on the Work Engagement of Civil Servants; (3)To Determine the Influence of Work Engagement on Job Satisfaction of Civil Servants; (4)To Determine the Influence of Transformational Leadership on Job Satisfaction Mediated by Work Engagement of Civil Servants in the Cooperative, MSME, Industry, and Trade Office of Bungo Regency.

2. RESEARCH METHOD

This study uses a descriptive method. The Explanatory is related to explaining, whether explaining current events or future conditions (prediction). Explaining means describing why something exists or happens, or what will exist or happen. This type of research method is also called causality research and is often referred to as verificative research (Biecek & Burzykowski, 2021). The research population consists of all Civil Servants (PNS) at the Cooperative, SMEs, Industry, and Trade Office of Bungo Regency, with a sample size of 33 people. The sampling technique used is Purposive Sampling, which is a method of collecting samples not based on random selection, region, or strata, but rather based on the existence of a perspective focused on a specific purpose (Kumar et al., 2023) Data is collected through several methods such as questionnaires, interviews,

observations, and literature reviews. Data is studied using statistical methods, starting with instrument examination to affirm validity and reliability. In the research, the analysis uses Structural Equation Model (SEM), with the help of PLS (Partial Least Square) software. In PLS Analysis, two sub-models are usually used: the measurement model (outer model) is used for validity and reliability tests, while the structural model (inner model) is used for causality tests and hypothesis testing for the mediation effect prediction model.

3. RESULTS AND DISCUSSIONS
Evaluation of the Measurement Model (Outer Model)
Convergent Validity

The measurement model above shows how the manifest variable or observed variable represents the latent variable to be measured. In this test, it is measured using the outer loading parameter. A loading factor value > 0.7 is considered ideal, indicating that the indicator is valid in measuring the constructed variable. Below is the table of the Loading Factor Convergent Validity assessment results for each construct: the exogenous variable of organizational culture (X), the mediating variable of leadership (Y1), and the endogenous variable of employee performance (Y2).

Table 1. Convergent Validity Loading Factor Value

Kode	Parameter Loading Factor	Nilai Loading Factor	Kriteria
X.1	0,7	0.930	Valid
X.2	0,7	0.949	Valid
X.3	0,7	0.934	Valid
X.4	0,7	0.808	Valid
X.5	0,7	0.813	Valid
X.6	0,7	0.914	Valid
X.7	0,7	0.881	Valid
X.8	0,7	0.874	Valid
X.9	0,7	0.808	Valid
X.10	0,7	0,820	Valid
Y.1	0,7	0.940	Valid
Y.2	0,7	0.948	Valid
Y.3	0,7	0.822	Valid
Y.4	0,7	0.951	Valid
Y.5	0,7	0.883	Valid
Y.6	0,7	0.956	Valid
Y.7	0,7	0.837	Valid
Y.8	0,7	0.966	Valid
Y.9	0,7	0.978	Valid
Y.10	0,7	0.876	Valid
Z.1	0,7	0.832	Valid
Z.2	0,7	0.809	Valid
Z.3	0,7	0.819	Valid
Z.4	0,7	0.921	Valid
Z.5	0,7	0.888	Valid
Z.6	0,7	0.805	Valid
Z.7	0,7	0.907	Valid
Z,8	0,7	0.900	Valid

Kode	Parameter Loading Factor	Nilai Loading Factor	Kriteria
Z.9	0,7	0.786	Valid
Z.10	0,7	0.818	Valid

Source: Data processed by SmartPLS 4.0, 2025

Based on data processing, it shows that all statements received a score of >0.7. Therefore, no statements need to be removed from the table.

Composite Reliability
Reliability testing is conducted to prove the accuracy, consistency, and precision of the instrument in measuring a construct. The interpretation of Composite Reliability is the same as Cronbach's Alpha, with a threshold value of > 0.7 being acceptable. The results of the analysis using smartPLS can be seen in the table below:

Table 2. Composite Reliability and Cronbach's Alpha Value

Variable	Cronbach's Alpha	Composite Reliability	Criteria
Transformational Leadership (X)	0,965	0,969	Accepted
Job Satisfaction (Y)	0,979	0,980	Accepted
Work Engagement (Z)	0,957	0,962	Accepted

Source: Data processed by SmartPLS 4.0, 2025

Composite Reliability and Cronbach Alpha for each construct or latent variable obtained results > 0.7. This indicates that the constructs have met the measurement criteria for Composite Reliability and Cronbach Alpha, demonstrating good reliability.

Structural Model Evaluation (Inner Model)
The Inner Model describes the relationships between latent variables based on Substantive Theory. The R-square value for the construct, the path coefficient values, or the t-values for each path to test the significance of the construct in the structural model.

R Square Value (R^2)
Changes in R-squared values can be used to explain the influence of certain exogenous latent variables on endogenous latent variables that have a substantial impact.

Table 3. R-Square value (Goodness of Fit Test Results)

No	Variable	R Square	Level of influence
1	Job Satisfaction (Y)	0,958	Strong
2	Work Engagement (Z)	0,948	Strong

Source: Data processed by SmartPLS 4.0, 2025

Tables show the Goodness Of Fit R-Square analysis are: R-Square Path 1: 0.958. This means that the ability of the Transformational Leadership variable (X) to explain Job Satisfaction (Y) is 95.8% (large/strong), while the remaining 4.2% is influenced by other variables not included in the study.

R-Square Path 2: 0.948. This means that the ability of the Transformational Leadership variable (X) to explain Work Engagement (Z) is 94.8% (large/strong), while the remaining 5.2% is influenced by other variables not included in the study.

F Square Value
The F-Square test is conducted to determine the goodness of the model. The F-Square value if <0.02 means there is no influence at all. Then if ≥ 0.02 the influence is (Small), the value ≥ 0.15 the influence is (Medium), and ≥ 0.35 the influence is (Besar). It can be interpreted whether the

predictor of the latent variable has a small, medium, or large influence at the structural level. The F Square value can be seen in the table below:

Table 4. F Square Value

| Variable	Transformational Leadership (X)	Job Satisfaction (Y)	Work Engagement (Z)
Transformational Leadership (X)		0.246	18,238
Job Satisfaction (Y)			
Work Engagement (Z)		0,364	

Source: Data processed by SmartPLS 4.0, 2025

From the results above, the F-Square value can be seen as follows:
1. The Transformational Leadership variable (X) on Job Satisfaction (Y) is: 0.246 < 0.35 influence (Medium).
2. The Transformational Leadership variable (X) on Work Engagement (Z) is: 18.238 > 0.35 influence (Large)
3. The Engagement Variable (Z) on Job Satisfaction (Y) is: 0.364 > 0.35 influence (Large).

Hypothesis Test Result (SEM Analysis with mediating effects)
Hypothesis testing using bootstrap in PLS allows us to obtain path coefficients and t-Value results. Here is the image of the structural model testing.

Picture 1. Structural Model Testing
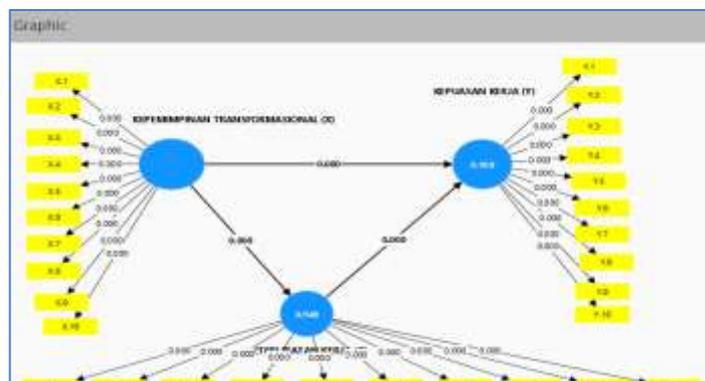
Direct Effect (Path Cooficient)
Direct effect analysis is useful for hypotheses regarding the direct influence of an exogenous variable on the affected variable (Endogen).

Table 5. Significance Test Results (Direct)

Construct	Original Sample(O)	Sample Average (M)	Standard Deviation (STDEV)	T-Statistic (O/STDEV)	P-Values
Transformational Leadership(X)--Job Satisfaction (Y)	0,971	0,972	0,006	162,090	0,000
Transformational Leadership(X)---Work Engagement (Z)	0,974	0,974	0,005	198,452	0.000
Work Engagement (Z) --- Job Satisfaction (Y)	0,541	0,531	0,113	4,786	0.000

Source: Data processed by SmartPLS 4.0, 2025

a) P-Values (0.000 < 0.05), this indicates a significant influence between Transformational Leadership (X) and Job Satisfaction (Y). Then, based on the analysis results of the T-Statistic value (162.090 > 1.96), it can be stated that **Hypothesis 1 (H1) is accepted**.

b) P-Values (0.000 < 0.05), this indicates a significant influence between Transformational Leadership (X) and Work Engagement (Z). Then, based on the analysis results of the T-Statistic value (198.452 > 1.96), it can be stated that **Hypothesis 2 (H2) is accepted**.

c) P-Values (0.000 ≤ 0.05), this indicates a significant influence between Work Engagement (Z) and Job Satisfaction (Y). Then, based on the analysis of the T-Statistic value (4.786 > 1.96), it can be stated that **Hypothesis 3 (H3) is accepted**.

Indirect Effect

Indirect Effect Analysis is useful for testing the hypothesis of the indirect influence of an exogenous variable on an endogenous variable, mediated by an intervening variable (mediator).

Table 6. Significance Test Results(Indirect)

Construct	Original Sample(O)	Sample Average (M)	Standard Deviation (STDEV)	T-Statistic (O/STDEV)	P-Values
Transformational Leadership (X) - Work Engagement (Z) --- Job Satisfaction (Y)	0,526	0,517	0,110	4,806	0,000

Source: Data processed by SmartPLS 4.0, 2025

P-Values (0.000 < 0.05), this indicates a significant influence between Transformational Leadership (X) on Job Satisfaction (Y) mediated by Work Engagement (Z). Then, based on the analysis results of the T-Statistic value (4.806 > 1.96), it can be stated that **Hypothesis 4 (H4) is accepted**.

DISCUSSION

The Influence of Transformational Leadership on Job Satisfaction.

The results of the significance analysis of the P-Values (0.000<0.05) indicate that Transformational Leadership (X) has a significant influence on Job Satisfaction (Y) in the Cooperatives, SMEs, Industry, and Trade Office of Bungo Regency. Then, the analysis of the T-Statistic value (162.090 > 1.96) indicates that Hypothesis 1 (H1) in this research can be accepted. he result is supported by research according to (Goestjahjanti et al., 2020)which concludes that leadership influences job satisfaction. This also supports the findings of empirical research by (Christian & Gede, 2024) which states that transformational leadership style significantly affects job satisfaction. From the above explanation, it can be concluded that transformational leadership has a positive influence on employee job satisfaction, as seen through the leader's role in motivating their subordinates to complete assigned tasks. This is to foster employee satisfaction in their work, which will enhance the quality of work within the organization.

Transformational Leadership on the Work Engagement.

The results of the significance analysis of the P-Values (0.000 < 0.05) indicate that Transformational Leadership (X) has a significant influence on Work Engagement (Z). Then, the analysis of the T-Statistic value (198.452 > 1.96) indicates that Hypothesis 2 (H2) in this study can be accepted. According to (Sulaeman et al., 2024) transformational leadership can enhance employee commitment, engagement, loyalty, and performance. Similarly, other research, such as (Ayep et al., 2024) proves that there is a relationship between transformational leadership and employee work engagement. According to in his research, he stated that transformational leadership positively influences employee work engagement. From the explanation above, it can be explained that transformational leadership has a positive influence on employee work engagement, as seen through the leader's role in involving employees in completing tasks.

The Influence of Work Engagement on Job Satisfaction.

The results of the significance analysis of the P-Values (0.000 < 0.05) indicate that Work Engagement (Z) has a positive influence on Job Satisfaction (Y). Then, the analysis of the T-Statistic value (4.786 > 1.96) indicates that Hypothesis 3 (H3) in this study can be accepted. Based on the research results (Ibrahim & Hussein, 2024), it is known that work engagement has a positive effect on job satisfaction. The relationship between work engagement and job satisfaction has also been proven in research conducted by (Setiawan & Widjaja, 2018), which explains that work engagement can lead to job satisfaction. Someone who feels involved in their work will make the employee feel satisfied with their job.

The Influence of Transformational Leadership on Job Satisfaction Mediated by Work Engagement of Civil Servants in the Cooperative, SMEs, Industry, and Trade Office of Bungo Regency.

The results of the significance analysis of the P-Values (0.000 < 0.05) indicate that Transformational Leadership has a significant influence on Job Satisfaction, with Work Engagement (Z) mediating the significant influence on Job Satisfaction (Y). Then, the analysis of the T-Statistic value (4.806 > 1.96) indicates that Hypothesis 4 (H4) in this study can be accepted. According to (Voegtlin et al., 2012)such leadership will generate high awareness and commitment from the group towards the company's goals and mission, and will inspire workers' commitment to view the work environment beyond the confines of personal interests. Factually, (Setiawan, 2018) state that the relationship between an individual and their direct supervisor is a factor that plays a role in increasing the level of employee engagement. In the study (Setiawan & Widjaja, 2018), work engagement also affects job satisfaction. A simple explanation related to job satisfaction can be explained with the question of what makes someone want to come to work, what makes employees happy with their jobs, and what makes them not want to leave their current jobs.

4. CONCLUTION

Based on the results of the analysis and discussion, the following conclusions can be drawn: (a) Transformational Leadership (X) has a Positive and Significant effect on Job Satisfaction (Y) at the Cooperative, MSME, Industry, and Trade Office of Bungo Regency; (b) Transformational Leadership (X) has a Positive and Significant effect on Work Engagement (Z) at the Cooperative, SMEs, Industry, and Trade Office of Bungo Regency; (c) Work Engagement (Z) has a Positive and Significant effect on Job Satisfaction (Y) at the Cooperative, MSME, Industry, and Trade Office of Bungo Regency; (d) Transformational Leadership (X) has a Positive and Significant effect on Job Satisfaction (Y) mediated by Work Engagement (Z) at the Cooperative, MSME, Industry, and Trade Office of Bungo Regency. the Head of the Cooperative, SMEs, Industry, and Trade Office of Bungo Regency should maintain communication with subordinates and encourage their work spirit, as well as enhance the socialization of office policies and provide a comfortable service area for the community dealing with the office. For future research, it is recommended to examine variables beyond those studied in this research.

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