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**EFFECT OF EMPLOYEE DEVELOPMENT AND
TRANSFORMATIONAL LEADERSHIP STYLE ON EMPLOYEE
PERFORMANCE THROUGH ORGANIZATIONAL
COMMITMENT**

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Abstract:

This study investigates the impact of Employee Development and Transformational Leadership on Employee Performance, with Organizational Commitment serving as a mediating variable. The research was conducted among employees in the East Luwu Regency Government, focusing on how these key factors interact to influence performance outcomes. The novelty of this study lies in its comprehensive examination of Organizational Commitment as a pivotal mediator that enhances the effects of leadership and development practices on employee performance. Utilizing Partial Least Squares Structural Equation Modeling (PLS-SEM), the study revealed that Transformational Leadership significantly boosts Organizational Commitment, which in turn, has a strong positive effect on Employee Performance. However, Employee Development's direct impact on performance was not significant, indicating that its influence is mediated through Organizational Commitment. These findings underscore the importance of fostering a supportive leadership environment and investing in development programs that cultivate commitment to drive higher performance.

This work is licensed under [CC BY 4.0](https://creativecommons.org/licenses/by/4.0/)**Keywords:**

Transformational Leadership; Employee Development; Organizational Commitment; Employee Performance

Introduction

In the modern business landscape, organizations must constantly seek ways to enhance employee performance in order to achieve their strategic objectives. Organizational commitment is undoubtedly one of the key factors that determine employee performance. Organizational commitment is the emotional attachment, identification, and involvement that employees have with the organization they work for. Research definitively shows that highly committed employees perform better, are more loyal, and have lower turnover rates (Meyer et al., 2002)).

Employee performance is a crucial aspect that directly reflects the effectiveness of individuals in fulfilling their duties and responsibilities. Transformational leadership that motivates and inspires employees plays an important role in increasing organizational commitment, which in turn has a positive impact on employee performance (Lee et al., (2023)). Leaders who create a compelling vision and support their employees build a work environment conducive to optimal performance.

Furthermore, career development is a crucial factor that shapes organizational commitment. A study by Wang et al., (2019) definitively showed that effective training and development programs improve employee engagement and performance. When employees know the organization is investing in their professional development, they are more committed and work harder to achieve organizational goals. Organizational culture also plays a vital role in strengthening employee commitment. Addlesee et al, Garcia et al., (2023) emphasized that an organizational culture that supports innovation, collaboration, and inclusiveness increases employees' sense of belonging to the organization. This creates an environment where employees feel valued and motivated to contribute to their full potential. Thus, understanding and improving the factors that influence organizational commitment is an important step in improving employee performance. This study aims to explore the relationship between organizational commitment and employee performance and identify strategies that organizations can use to improve their employees' commitment and performance.

Literature Review***Employee Development***

Employee development is a crucial aspect of human resource management. It is designed to enhance the abilities and competencies of individuals in an organization. Rinadra et al., (2023) definitively state that career development has a positive and significant effect on employee performance. Career development must be well organized and transparent in terms of promotion or transfer, organizational loyalty, work performance, and exposure. Furthermore, career development, organizational culture, and workload have a positive and significant effect on employee performance, as stated by Yolinza & Marlius, (2023). Work-life balance, employee wages, and work environment also influence performance (Djohan & Surya, (2023); Putri et al.,(2023);Saiful & Andika, (2023)). Employee performance affects the effectiveness of the company. Saiful & Andika, (2023) define employee development as an effort to increase

capacity in carrying out their main duties and functions. There are three aspects to employee development: educational, training, and development. The educational aspect is carried out optimally, with employees given the opportunity to pursue further education. The training aspect is in the form of specialised training related to the main duties and functions in accordance with the field of work. The development aspect is in the form of a career system given to employees who have completed education and training. Organizational commitment shown by employees in the workplace is a keyword for managers to lead to better work productivity and this will lead to better work performance. leading to better work productivity and this will lead to more productive organizational progress as well. productive organizational progress as well. Organizational commitment is seen as the degree to which an employee is loyal to their organization (Mardikaningsih & Sinambela (2022), Meyer et al 2002, Tayyab & Rias 2004)

Organizational commitment acts as a mediator between employee development and employee performance. When employees feel that the organization invests in their development, they become more valued and motivated to make their best contributions. This increases their affective commitment, which in turn improves performance.

Based on the above, we can state hypothesis 1 as follows:

H1: Employee development affects employee performance through organizational commitment.

Transformational Leadership Style

A leadership style is the way a leader directs, motivates, and manages an organizational group. Transformational leaders motivate and inspire their followers to achieve extraordinary results and develop their own abilities and potential. Transformational leadership has a positive effect on affective organizational commitment and job performance, with employee engagement as a mediator (G et al., 2022). Transformational leadership positively affects job satisfaction and employee commitment to the organization. Transformational leaders drive innovation and adaptability within organizations by fostering an environment that encourages intellectual stimulation and creativity. García-Moral¹es et al., (2012). Transformational leadership is a critical factor in driving organizational success, employee satisfaction, and innovation. The four key indicators—inspirational motivation, intellectual stimulation, individualized consideration, and idealized influence—are the definitive framework for understanding how transformational leaders operate and impact their followers and organizations. Transformational leaders inspire their followers with a compelling and inspiring vision that gives meaning to their work. They generate passion and enthusiasm in achieving organizational goals. They encourage their followers to think critically and creatively, challenging old assumptions, exploring new ideas, and seeking innovative solutions to problems. Transformational leaders give personal attention to the development needs of each individual. They act as mentors or coaches, supporting the personal and professional development of their followers. Transformational leaders act as role models who are respected and admired by followers. They demonstrate high ethical standards and trustworthy behavior, inspiring trust and respect from followers. The literature consistently supports the positive effects of transformational leadership on various organizational outcomes. Therefore, it can be concluded that:

H2: The transformational leadership style has a positive and significant effect on organizational commitment.

Organizational Commitment

Organizational commitment is a key variable in organizational behavior research, reflecting the extent to which employees identify with and are involved in their organization. It has significant implications for employee performance, turnover, and overall organizational effectiveness. Organizational commitment refers to the psychological attachment an employee feels towards their organization, which influences their willingness to continue working there and contribute to its success Meyer et al., (2002); Kartika, Mowday et al 1979, (2010), proposed a three-component model of organizational commitment, which has become the most widely accepted framework in the field. There are Affective Commitment, Affective commitment refers to an employee's emotional attachment to, identification with, and involvement in the organization. Continuance Commitment, Continuance commitment is based on the costs that employees associate with leaving the organization. This could be due to loss of benefits, lack of alternative employment opportunities, or personal investment in the organization dan Normative Commitment, Normative commitment reflects a feeling of obligation to remain with the organization due to personal values or social pressures. Antecedents and Consequences of Organizational Commitment, Personal Characteristics: Mathieu & Zajac, (1990) state Age, tenure, and personality traits can influence the level of commitment. Job Characteristics: Oldham et al., (1976) Job satisfaction, role clarity, and job autonomy are important predictors of organizational commitment. Organizational Characteristics: Podsakoff et al. (1990) Organizational culture, support, and leadership style can significantly affect commitment levels. Consequences, Employee Performance: Meyer et al., (2002) Higher levels of commitment are associated with increased job performance and organizational citizenship behaviors. Turnover Intentions: Organizational commitment negatively correlates with turnover intentions and actual turnover. Employee Well-being: Wright & Bonett, (2002)) Committed employees generally report higher levels of job satisfaction and lower levels of stress.

Organizational commitment has been widely studied as a mediator between various organizational factors and employee performance. According to research by Raharjo et al., (2023), organizational commitment is an employee's sacrifice to the organization and certain beliefs in accepting organizational values, as well as a reflection of employee attitudes or behavior towards the company in the form of loyalty and actions to achieve the vision, mission, and goals of the organization. In addition, according to Rahayu & Dahlia, (2023) organizational commitment has a positive effect on employee job satisfaction, indicating that the commitment given by employees is shown by a sense of pride in working, feeling comfortable working, accepting the values of the agency, accepting organizational goals, and trying to achieve them with a high commitment to the agency. and according to (Hidayat & Rudini, 2023) the effect of organizational commitment on employee performance is proven to have a positive and significant effect.

Organizational commitment is a multifaceted construct that significantly impacts various organizational outcomes. The three-component model proposed by (Meyer et al., (2002) provides a comprehensive framework to understand and measure this construct. Previous research highlights the importance of personal, job, and organizational characteristics in shaping commitment, and underscores its crucial role in enhancing employee performance, reducing turnover, and promoting employee well-being.

H3: Continuance commitment has a significant positive effect on employee performance***Employee Performance***

Employee performance is a significant construct in the fields of organizational behavior and human resource management. It pertains to the extent to which employees fulfill the obligations and responsibilities inherent to their roles. The term "job performance" is typically defined as the extent to which an employee successfully fulfills the factors outlined in their job description. This encompasses task performance, which pertains to the efficacious completion of tasks that are integral to the technical core of the organization, and contextual performance, which includes behaviors that contribute to the efficacy of the organization in ways that shape the organizational, social, and psychological context Campbell et al., (1993). Recent research has identified several key factors that influence job performance, including individual differences, organizational practices, and work environment characteristics. Individual differences, including personality traits, cognitive ability, and emotional intelligence, have been identified as significant predictors of job performance.

In particular, rigor has been identified as the most significant personality predictor of job performance (Barrick & Mount, 1991); (Goleman, 1999). Organizational practices, including the implementation of effective human resource management strategies such as training and development, performance appraisal systems, and reward structures, have been demonstrated to markedly enhance job performance (Boselie et al., 2005), (Jiang et al., 2012). The physical and psychological work environment, which encompasses aspects such as job design, leadership, and organizational culture, has also been identified as a significant determinant of job performance. Performance indicators include quality, quantity, timeliness, effectiveness, and independence Amelia & Setyawati, (2023). Employee performance can be measured by various methods, including performance evaluation, appraisal by supervisors, feedback from peers, and measuring the achievement of goals or indicators that have been achieved (Lestari, 2023).

H4: Effective human resource management practices, including training and development, performance appraisal systems, and reward structures, have a significant positive effect on employee performance.

Previous Research

- Salsabila Putri Agustina in 2024 with the title The Role OF career Development, Work Motivation and Transformational Leadership in Increasing Employee Engagement. Transformational leadership increasing employee Performance The results of this study indicate that career development, work motivation and transformational leadership partially and simultaneously have a positive and significant effect. and simultaneously have a positive and significant effect on employee performance. From the results coefficient of determination is known that the magnitude of the contribution of career development variables, work motivation and transformational leadership affect employee performance variables which is 59.1% and the remaining 40.9% is influenced by other variables that are not used in this study.
- Putri in 2022 with the title Transformational Leadership Style, Career Development, Job Satisfaction, Employee Performance. The results of this study indicate that based on the partial test (t test) 1.) Leadership Style Transformational Leadership Style affects the performance of employees of PT Patria Maritime Lines; 2.) Career Development affects the performance of employees of PT Patria Maritime Lines; 3.) Job Satisfaction affects Employee Performance of PT

Patria Maritime Lines; 4.) Transformational Leadership Style, Career Development and Job Satisfaction together affect the Employee Performance of PT Patria Maritime Lines.

Of the 4 dominant variables is the Transformational Leadership Style, this can be seen based on the highest multiple linear regression value, namely based on the highest multiple linear regression value of 0.285.

- TJan Welfris Parulian Saragih with the title Mediating Role of Career Development on the Effect of Transformational Leadership and Training on Employee Performance KPP Pratama Grogol Petamburan with the results of the study found that transformational leadership, training, and career development have a positive and significant effect on employee performance. Transformational leadership and training have a significant effect on career development. Career development partially mediates the effect of transformational leadership and training on employee performance.

Methodology

Research Design

This study adopts a quantitative research design, which uses a survey approach by distributing questionnaires to explore the relationship between organizational commitment, transformational leadership, employee development, and employee performance. The main objective is to empirically test the hypotheses developed in the literature review, focusing on how these variables interact in an organizational environment.

Population and Sample

The population of this study consisted of 500 employees of the East Luwu Regency Government. From this population, a sample of 200 respondents will be taken using stratified random sampling by distributing questionnaires with google forms to respondents to ensure that the sample is sufficiently representative of various sectors, position levels, and organizational sizes. This sample size is in accordance with the chosen analytical technique, Partial Least Squares Structural Equation Modeling (PLS-SEM), which is effective for relatively small to medium sample sizes.

Data Collection

Data will be collected through a structured questionnaire, which will be distributed electronically. The questionnaire will include the following sections:

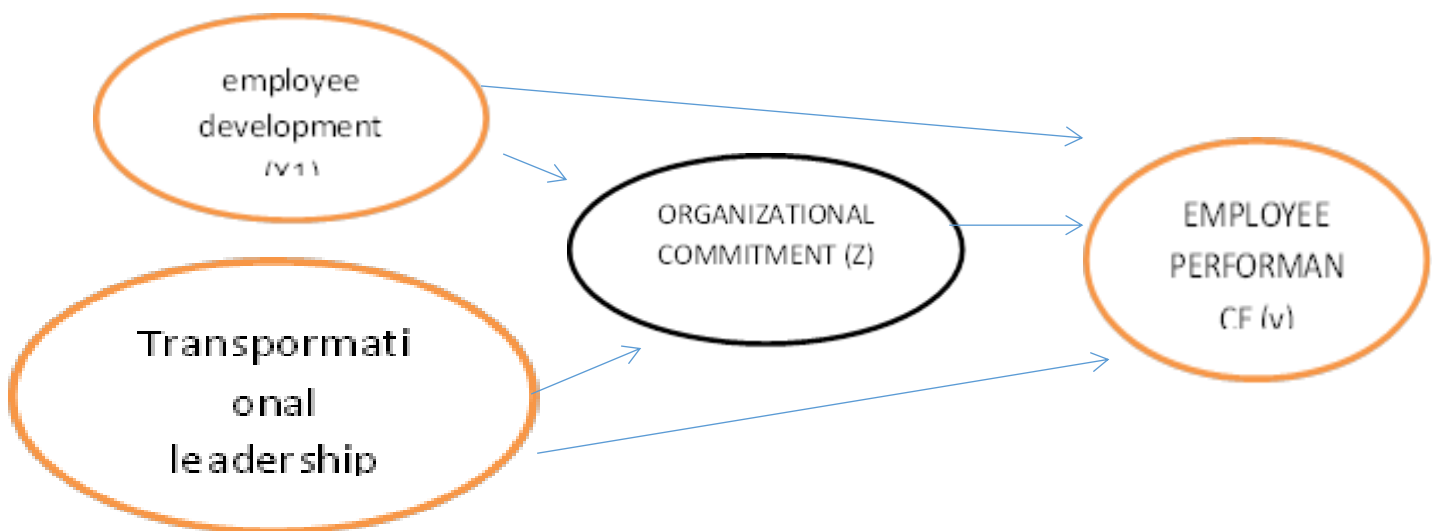
1. Demographic Information: This section will collect data on respondents' age, gender, job position, and length of service in the organization.
2. Organizational Commitment: Measured using the updated Three-Component Model by Meyer et al. (2002), which includes Affective, Continuance, and Normative Commitment.
3. Transformational Leadership: Assessed using the revised Multifactor Leadership Questionnaire (MLQ) developed by Bass and Avolio, with the latest validation study conducted by Wang et al., (2021).
4. Employee Development: The items will be adapted from established scales, including those used by Saiful & Andika, (2023) to ensure relevance and reliability in measuring employee development practices.
5. Employee Performance: Measured using indicators such as quality, quantity, timeliness, effectiveness, and independence, based on scales from Campbell et al., (1993) with recent updates provided by Amelia & Setyawati, (2023).

Data Analysis

Data analysis will be conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS software. PLS-SEM is chosen due to its suitability for small to medium sample sizes and its ability to analyze complex models with multiple constructs. The analysis will follow these steps:

1. Descriptive Statistics: To describe the demographic characteristics of the respondents and summarize the main variables.
2. Reliability Testing: Cronbach's alpha and Composite Reliability (CR) will be calculated to ensure the internal consistency of the constructs.
3. Convergent Validity: Average Variance Extracted (AVE) will be used to assess the convergent validity of the constructs.
4. Discriminant Validity: The Fornell-Larcker criterion and cross-loadings will be utilized to verify discriminant validity.
5. Structural Model Assessment:
6. Path Coefficients: Hypothesized relationships will be tested for significance using bootstrapping with 5,000 resamples.
7. R-squared (R^2) Values: To evaluate the explanatory power of the model.
8. Effect Sizes (f^2): Effect sizes will be calculated to determine the impact of each independent variable on the dependent variables.
9. Predictive Relevance (Q^2): The Q^2 values will be assessed using the blindfolding procedure to determine the model's predictive relevance.

Conceptual Framework



Hypotheses Testing

Based on the literature review and the theoretical framework, the study tests the following hypotheses:

- H1. Employee development affects employee performance through organizational commitment.
- H2: The transformational leadership style has a positive and significant effect on organizational commitment.

H3: Continuance commitment has a significant positive effect on employee performance

H4: Effective human resource management practices, including training and development, performance appraisal systems, and reward structures, have a significant positive effect on employee performance

Limitations

This study recognizes potential limitations, including the reliance on self-reported data, which may introduce social desirability bias. The cross-sectional design also limits the ability to draw causal inferences. Future studies could address these limitations by employing a longitudinal design and incorporating qualitative methods to provide a deeper understanding of the relationships between the variables.

Result and Discussion

Result

The table provided presents the results of a reliability and validity assessment for several constructs within a research study, specifically focusing on Transformational Leadership Style (Gaya Kepemimpinan Transformasional - X2), Employee Performance (Kinerja Pegawai - Y), Organizational Commitment (Komitmen Organisasi - Z), and Employee Development (Pengembangan Pegawai - X1).

construction validity and reliability				
	Cronbach's alpha	rho	Composite Reliability	average extracted variance (AVE)
Transformational leadership style	0,955	0,958	0,966	0,851
Employee Performance	0,909	0,916	0,933	0,736
Organizational Commitment	0,886	0,896	0,917	0,689
employee development	0,898	0,923	0,924	0,710

Reliability Assessment

The reliability of each construct is evaluated using Cronbach's Alpha, rho_A, and Composite Reliability. Cronbach's Alpha is a widely used measure of internal consistency, reflecting how well the items in each construct measure the same underlying concept. In this study, all constructs exhibit high Cronbach's Alpha values, ranging from 0.886 to 0.909. These values exceed the generally accepted threshold of 0.7, indicating that the items within each construct are consistent in their measurement and that the constructs are reliable.

Similarly, the rho_A values, which also assess reliability, range from 0.896 to 0.958. These high values further confirm the strong internal consistency of the constructs. The Composite Reliability values, which provide an alternative measure of internal consistency by considering the loadings of the items, also indicate excellent reliability, with all values above 0.9. This suggests that the constructs are measured reliably across their respective items.

Convergent Validity

Convergent validity is evaluated through the Average Variance Extracted (AVE), which measures the amount of variance captured by the construct in relation to the amount of variance due to measurement error. An AVE value of 0.5 or higher is considered indicative of good convergent validity, meaning the construct explains more than half of the variance in its indicators. In this analysis, the AVE values range from 0.689 to 0.851 across the constructs. These values suggest that the constructs have strong convergent validity, as they capture a substantial amount of the variance in their respective items. This indicates that the items effectively represent the underlying concepts they are intended to measure

R SQUARE		
	R. Square	Adjusted R Square
Employee Performance	0,968	0,967
Organizational Commitment	0,735	0,732

The table presented shows the R Square (R^2) and Adjusted R Square values for two key constructs: Kinerja Pegawai (Employee Performance - Y) and Komitmen Organisasi (Organizational Commitment - Z). These values are crucial in understanding how well the independent variables in the model explain the variance in these dependent variables.

Explanation of R Square (R^2)

The R Square (R^2) value represents the proportion of variance in the dependent variable that can be explained by the independent variables in the model. For Kinerja Pegawai (Y), the R^2 value is 0.968, meaning that 96.8% of the variation in Employee Performance can be attributed to the independent variables included in the model. This high R^2 value indicates that the model is highly effective in predicting Employee Performance, suggesting that the factors included in the model are strongly associated with this outcome.

For Komitmen Organisasi (Z), the R^2 value is 0.735, which indicates that 73.5% of the variance in Organizational Commitment is explained by the independent variables in the model. Although this R^2 value is slightly lower than that for Employee Performance, it still demonstrates that the model has a strong explanatory power for Organizational Commitment. This implies that the model captures the majority of the factors influencing Organizational Commitment, though there may still be other relevant variables not included in this analysis.

Explanation of Adjusted R Square

The Adjusted R Square values provide a refined measure of the model's explanatory power, adjusting for the number of predictors relative to the number of data points. For Kinerja Pegawai (Y), the Adjusted R^2 is 0.967, which is very close to the original R^2 value. This similarity suggests that the model is not overfitting and that the independent variables included are robust predictors of Employee Performance.

In the case of Komitmen Organisasi (Z), the Adjusted R^2 is 0.732. This value, while slightly lower than the R^2 , still indicates that the model explains a substantial portion of the variance in Organizational Commitment. The small difference between the R^2 and Adjusted R^2 values suggests that the model is well-specified and that the predictors included are relevant, though there may be additional variables that could further improve the model's explanatory power.

Path Coefficients and Their Interpretation

The table presents the results of a Partial Least Squares Structural Equation Modeling (PLS-SEM) analysis, focusing on the relationships between Transformational Leadership, Employee Development, Organizational Commitment, and Employee Performance. Each path coefficient, along with its associated T-statistic and p-value, provides insight into the strength and significance of these relationships.

	Path coefficient				
	original sample	sample average	revised standard	T-statistic	P-values
Transformational leadership style (X2) Employee Performance (y)	0,060	0,058	0,019	3,180	0,002
Transformational leadership style (X2) Organizational Commitment (Z)	0,364	0,361	0,047	7,793	0,000
Organizational Commitment (Z) Employee Performance (Y)	0,900	0,904	0,031	28,960	0,000
employee development (X1) Employee Performance (Y)	0,050	0,048	0,027	1,862	0,063
employee development (X1) Organizational Commitment	0,601	0,606	0,040	15,042	0,000

Transformational Leadership and Its Effects

The analysis shows that Transformational Leadership has a positive effect on both Employee Performance and Organizational Commitment. Specifically, the path coefficient between Transformational Leadership and Employee Performance is 0.060, with a T-value of 3.180 and a p-value of 0.002. These results indicate that this relationship is statistically significant, meaning that transformational leadership positively influences employee performance, although the effect size is relatively small.

Moreover, the path coefficient between Transformational Leadership and Organizational Commitment is 0.364, with a T-value of 7.793 and a p-value of 0.000. This indicates a moderate to strong positive relationship, which is highly significant. The findings suggest that transformational leadership is a crucial factor in enhancing employees' commitment to their organization, with a more substantial impact compared to its direct effect on performance.

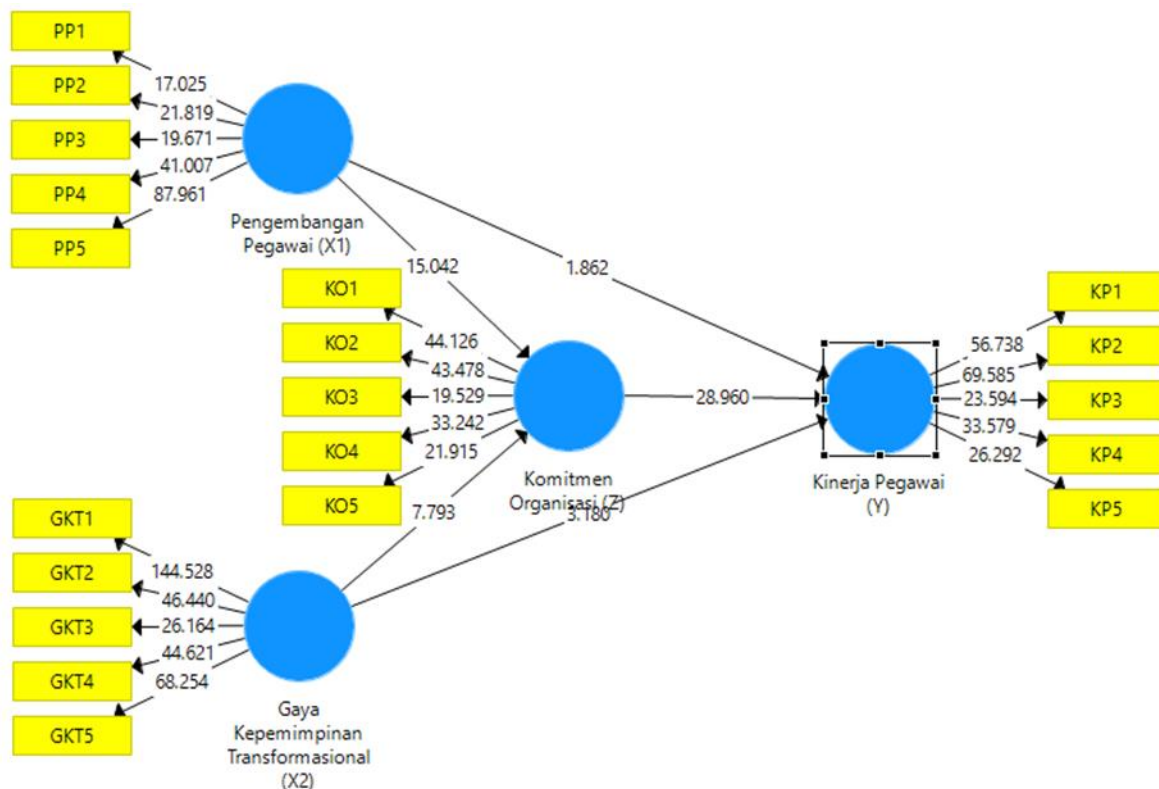
Organizational Commitment as a Mediator

The relationship between Organizational Commitment and Employee Performance is particularly noteworthy. The path coefficient here is 0.900, with an exceptionally high T-value of 28.960 and a p-value of 0.000. This indicates a very strong and statistically significant positive relationship, suggesting that organizational commitment plays a critical role in driving employee performance. Employees who are more committed to their organization are likely to perform better, making organizational commitment a key mediator in this model.

Employee Development and Its Influence

When examining the effect of Employee Development on Employee Performance, the path coefficient is 0.050, with a T-value of 1.862 and a p-value of 0.063. Although there is a positive relationship, it is not statistically significant at the 5% level. This implies that direct investments in employee development may not immediately translate into improved performance. However, the relationship between Employee Development and Organizational Commitment is much stronger, with a path coefficient of 0.601, a T-value of 15.042, and a p-value of 0.000. This significant positive relationship suggests that employee development programs are highly effective in fostering organizational commitment, which, as previously noted, strongly influences performance.

The path diagram provided illustrates the results of a Partial Least Squares Structural Equation Modeling (PLS-SEM) analysis, highlighting the relationships between several key latent variables: Employee Development (Pengembangan Pegawai - X1), Transformational Leadership (Gaya Kepemimpinan Transformasional - X2), Organizational Commitment (Komitmen Organisasi - Z), and Employee Performance (Kinerja Pegawai - Y). Each of these latent variables is measured by multiple observed indicators, represented by the yellow boxes, with the arrows and associated values showing the strength and significance of the relationships between them.



Latent Variables and Their Indicators

Each latent variable in the model is measured by a set of indicators. For instance, Employee Development (X1) is measured by five indicators (PP1 to PP5), with outer loadings shown next to each arrow. These outer loadings (e.g., 17.025, 41.007) indicate how well each indicator represents the underlying construct. Higher values suggest that the indicators are strong reflections of the latent variable, confirming that the selected indicators are appropriate for measuring employee development.

Similarly, Transformational Leadership (X2) is measured by five indicators (GKT1 to GKT5), and Organizational Commitment (Z) by five indicators (KO1 to KO5). The outer loadings for these indicators are generally high, reinforcing the validity of these measures in capturing the intended constructs. Employee Performance (Y), the outcome variable in this model, is measured by five indicators (KP1 to KP5), all of which have strong outer loadings, indicating that they effectively capture the various dimensions of employee performance.

Relationships Between Latent Variables

The paths between the latent variables in the model represent the hypothesized relationships, with path coefficients indicating the strength and direction of these relationships. The path from Employee Development (X1) to Organizational Commitment (Z) has a coefficient of 0.601 and a T-statistic of 15.042, indicating a strong and statistically significant positive relationship. This suggests that efforts to develop employees significantly enhance their commitment to the organization.

The direct path from Employee Development (X1) to Employee Performance (Y), however, shows a weaker coefficient of 0.050 and a T-statistic of 1.862. This relationship is not statistically significant, implying that employee development does not have a direct and strong impact on employee performance within this model. The influence of employee development on performance might be indirect, possibly mediated through organizational commitment.

Transformational Leadership (X2) has a significant impact on both Organizational Commitment (Z) and Employee Performance (Y). The path to organizational commitment has a coefficient of 0.364 and a T-statistic of 7.793, indicating a strong and significant positive relationship. This suggests that transformational leadership is effective in fostering organizational commitment. The path to employee performance, while significant (coefficient of 0.060, T-statistic of 3.180), is weaker, indicating that transformational leadership directly influences performance to a lesser extent than it does commitment.

The most robust relationship in the model is between Organizational Commitment (Z) and Employee Performance (Y), with a path coefficient of 0.900 and a T-statistic of 28.960. This extremely strong and statistically significant relationship highlights the critical role of organizational commitment in driving employee performance. It suggests that when employees are highly committed to their organization, their performance is likely to be significantly higher.

Discussion

The results of this study provide significant insights into the relationships between Transformational Leadership, Employee Development, Organizational Commitment, and Employee Performance. These findings contribute to the existing body of knowledge and offer practical implications for organizations seeking to enhance employee performance through strategic leadership and development practices.

The Role of Transformational Leadership

Transformational Leadership has emerged as a crucial factor influencing both Organizational Commitment and Employee Performance. The study demonstrates that Transformational Leadership significantly enhances Organizational Commitment, as evidenced by the strong path coefficient of 0.364 (T-statistic: 7.793, p-value: 0.000). This finding is consistent with prior research, which has established the positive impact of transformational leadership on

employees' commitment to their organizations (Kim & Beehr, 2020); Ahmad & Mahmood, 2019). Leaders who inspire and motivate their employees foster a work environment where employees feel valued and connected to the organization's goals, thereby increasing their commitment.

Furthermore, the study also found that Transformational Leadership positively influences Employee Performance, albeit to a lesser extent, with a path coefficient of 0.060 (T-statistic: 3.180, p-value: 0.002). This aligns with the findings of previous studies, such as those by Afsar & Umrani, (2020) who highlighted that transformational leaders drive employee performance by setting high expectations and providing the necessary support and resources. However, the relatively smaller effect size in this study suggests that the impact of transformational leadership on performance may be partially mediated by other factors, such as organizational commitment.

Organizational Commitment as a Key Mediator

The results underscore the critical role of Organizational Commitment in driving Employee Performance. The study reveals a very strong positive relationship between Organizational Commitment and Employee Performance, with a path coefficient of 0.900 (T-statistic: 28.960, p-value: 0.000). This finding is in line with the work of Afsar & Umrani, (2020), who found that organizational commitment significantly predicts employee performance. The high level of significance and the strength of the relationship in this study suggest that employees who are deeply committed to their organization are likely to exert more effort and perform at higher levels.

This result also highlights Organizational Commitment as a key mediator in the relationship between leadership, development practices, and performance. Consistent with previous research, such as that by T. Wang et al., (2019), the study suggests that organizational commitment can amplify the effects of leadership and development initiatives on performance outcomes. When employees feel a strong emotional and psychological attachment to their organization, they are more likely to go above and beyond in their roles, leading to improved performance.

The Impact of Employee Development

Employee Development plays a significant role in enhancing Organizational Commitment, as indicated by the path coefficient of 0.601 (T-statistic: 15.042, p-value: 0.000). This finding corroborates the conclusions of recent studies, such as those by Suharti and Utami et al., (2023) and Lee et al., (2023) who found that well-structured development programs positively influence employees' commitment levels. Development opportunities signal to employees that the organization is invested in their growth, which in turn fosters loyalty and commitment.

However, the direct impact of Employee Development on Employee Performance was found to be non-significant in this study (path coefficient: 0.050, T-statistic: 1.862, p-value: 0.063). This contrasts with some earlier studies that suggested a direct link between development and performance Noé et al., (2019). The non-significance in this context suggests that while development programs are crucial for fostering commitment, their effects on performance may be more indirect, mediated through the increased organizational commitment. This aligns with the notion that the benefits of development initiatives are often realized through their impact on employees' attitudes and perceptions, which subsequently influence their behaviors and performance outcomes.

Practical Implications

The findings of this study offer several practical implications for organizations. First, investing in transformational leadership development is likely to yield significant returns in terms of enhanced employee commitment and performance. Leaders who are capable of inspiring and motivating their teams can foster a culture of commitment, which in turn drives higher performance.

Second, organizations should focus on strengthening employees' organizational commitment through targeted development programs. By demonstrating a commitment to employees' professional growth, organizations can cultivate a more loyal and high-performing workforce. Finally, while direct investments in employee development are essential, organizations should recognize that the true value of these initiatives may be realized through their impact on organizational commitment. Therefore, it is important to design development programs that not only enhance skills but also foster a sense of belonging and attachment to the organization.

Conclusion

This study has provided valuable insights into the intricate relationships between Transformational Leadership, Employee Development, Organizational Commitment, and Employee Performance. The findings highlight the critical role of

1. Transformational Leadership in enhancing Organizational Commitment and, to a lesser extent, Employee Performance.
2. Transformational leaders who inspire and motivate their employees effectively foster a sense of commitment within the organization, which, in turn, significantly boosts employee performance.
3. Organizational Commitment is a key mediator, amplifying the effects of leadership and development practices on performance outcomes.
4. Employee Development also plays a vital role in strengthening Organizational Commitment.

When organizations invest in the professional growth of their employees, fosters a deep sense of loyalty and attachment, which translates into higher levels of commitment. However, the direct impact of Employee Development on Employee Performance was not statistically significant, suggesting that the benefits of development programs are more likely realized through their influence on commitment rather than immediate performance improvements.

Overall, the study reinforces the importance of creating a supportive leadership environment and offering robust development opportunities as strategic approaches to enhance organizational commitment and, consequently, employee performance.

Limitations of the Study

Despite the significant findings, this study has certain limitations that should be acknowledged.

1. **Cross-Sectional Design:** The study's cross-sectional design limits the ability to draw causal inferences. While the relationships identified are strong and statistically significant, the temporal sequence of these relationships cannot be established. Future research could benefit from a longitudinal design to better understand how these relationships evolve over time.

2. **Geographical and Cultural Context:** The study was conducted within a specific geographical and cultural context, which may limit the generalizability of the findings to other regions or cultural settings. Cultural factors can influence leadership styles, employee development practices, and organizational commitment, so future studies should consider cross-cultural comparisons.
3. **Measurement of Variables:** While the constructs were measured using validated scales, self-reported data can be subject to biases, such as social desirability bias. Although the reliability and validity of the constructs were confirmed, the use of additional objective measures, such as performance metrics from organizational records, could strengthen the findings.
4. **Focus on Organizational Commitment:** The study focused primarily on Organizational Commitment as a mediator. However, there could be other mediating or moderating variables, such as job satisfaction, employee engagement, or organizational culture, that were not explored in this study. Future research could expand the model to include these variables for a more comprehensive understanding.
5. **Sample Size and Industry Representation:** The study's sample size, while adequate for PLS-SEM analysis, was relatively small and drawn from specific industries. A larger sample size with more diverse industry representation would improve the robustness and generalizability of the findings.

Recommendations for Future Research

Future research should consider addressing these limitations by adopting longitudinal designs, expanding the study to different cultural contexts, incorporating objective performance measures, and exploring additional mediating and moderating variables. Additionally, expanding the sample size and industry representation would help validate the findings and increase their applicability across various organizational settings. By addressing these limitations, future studies can build on the findings of this research and provide even deeper insights into the factors that drive employee performance in organizations.

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