

TRANSFORMATIONAL LEADERSHIP AND TOTAL QUALITY MANAGEMENT: HOW DOES IT AFFECT EMPLOYEE PERFORMANCE WITH JOB SATISFACTION AS A MEDIATING VARIABLE?

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Abstract: This study aims to test whether Job Satisfaction can mediate the influence of Transformational Leadership and Total Quality Management (TQM) on Employee Performance. This study used a sample of 106 respondents. In this study, data analysis used the Partial Least Square (PLS) approach. PLS is a component-based Structural Equation Modeling (SEM). Based on the results of this study, several conclusions were found: Transformational Leadership (X1) has a positive and significant effect on Employee Performance (Y); Total Quality Management (X2) has a positive and significant effect on Employee Performance (Y); Transformational Leadership (X1) does not have significant effect on Job Satisfaction (Z); Total Quality Management (X2) has a positive and significant effect on Employee Performance (Y); Job Satisfaction (Z) has a positive and significant effect on Employee Performance (Y); Job Satisfaction (Z) could also mediate the relationship between Transformational Leadership (X1) and Total Quality Management (X2) on Employee Performance (Y).

Keywords: *Employee Performance, Transformational Leadership, Total Quality Management, Job Satisfaction.*

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1. Introduction

The development focus of manufacturing companies on product quality has undergone significant changes in the last few decades. In the era of globalization and intense competition, manufacturing companies need to prioritize product quality to survive and develop. Consumer awareness of the quality of products and services has increased significantly in recent years. Consumers are now more informed, have wider access to reviews and recommendations, and are smarter about the products or services they bought. This is supported by technological developments so that consumers can access information at any time without the limitations of space and time.

Overall, maintaining product and service quality is critical to long-term business success, especially for a manufacturing company. This helps build trust, enhance reputation, provide competitive advantage, reduce costs, encourage innovation, and increase customer satisfaction. By focusing on quality, manufacturing companies can build a strong foundation for sustainable business growth.

In maintaining the quality of products and services, companies must implement a good management system, which also indirectly affects the company's performance. Performance measurement aims to familiarize employees with being aware of important things that are the priority of the organization, what are indicators of success, and what still needs to be improved (Abukhader & Onbaşıoğlu, 2021). Performance is the ability of employees to work on a particular skill (Sinambela, 2011).

Several factors can affect employee performance. One of them is Leadership Style. Leadership Style can be interpreted as a pattern of behavior shown by a leader that can influence the behavior of other people, in this case, his subordinates (Ali & Agustian, 2018). In return, subordinates will respond to the leadership style carried out by a leader (Ali & Agustian, 2018). Transformational Leadership is one of the Leadership Styles owned by a leader. Taufik (2019) suggests that Transformational Leadership can motivate followers towards extra effort, increase job satisfaction, performance and exceeds expectations, and foster creativity and innovation within the organization which are some of the consequences of transformational leadership.

Several studies that have been conducted (Rivai, 2020; Novitasari et al., 2020; Nasution, 2018) found that Transformational Leadership has a positive and significant effect on Employee Performance. On the contrary, research belonging to Natsir (2005) and Cahyono, et al (2014) found that Transformational Leadership has a negative effect on Employee Performance. Setiawan (2015) also found that Transformational Leadership does not influence Employee Performance.

Transformational leadership has great potential to influence employee job satisfaction. Leaders who have a transformational leadership style will indirectly make company employees behave ideally and motivate employees by showing inspiring leadership (Jumiran et al., 2020).

Several studies that have been conducted (Lisabella & Hasmawaty, 2021; Jumiran et al., 2020; Nasution, 2018) found that Transformational Leadership has a positive and significant effect on Job Satisfaction. Meanwhile, Prayekti & Pangestu (2022) found that Transformational Leadership does not influence Job Satisfaction.

Maintaining the quality of products and services is one of the main focuses of a company. Total Quality Management (TQM) is a method related to product and service quality management. The main objective of implementing TQM is to achieve business excellence, which indirectly also requires companies to improve their performance (Abukhader & Onbaşıoğlu, 2021). In this case, it refers to the performance of the company's employees themselves. Abukhader & Onbaşıoğlu (2021) also stated that the implementation of TQM influences employee performance.

Several studies that have been conducted (Saptono, 2020; Hakim & Ayunti, 2021; Saffar & Obeidat, 2020) found that the implementation of TQM has a positive and significant impact on employee performance. But on the contrary, research belonging to Kumentas (2013), found that the implementation of TQM has a negative effect on employee performance.

Besides aiming to improve organizational performance through the performance of its employees, the effectiveness of TQM implementation can also encourage someone's affective feelings in their work (Sari et al., 2018). TQM as a quality management system that is oriented to the quality of products and services, has the ultimate goal of achieving customer satisfaction (Samsir, 2014). This is reinforced by the findings of Akdere (2009), who found that there is a strong positive relationship between customer satisfaction and employee job satisfaction. This implies that customer satisfaction, as the goal of quality management, can be achieved through employee job satisfaction (Schroeder, et al. 2005).

Several studies (Sari et al., 2018; Sitio, 2020; Ooi et al., 2011) found that the implementation of TQM has a positive and significant effect on job satisfaction. Conversely, Vidal (2007) found a negative effect between TQM practices and job satisfaction, and Menezes (2013) found no significant relationship between company quality management (TQM) and job satisfaction.

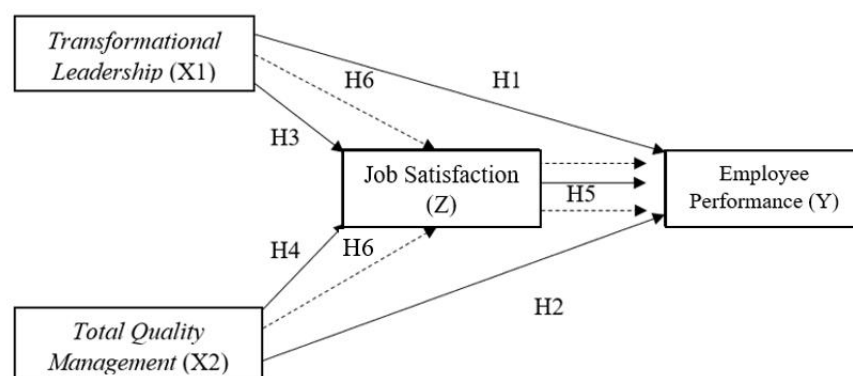
Job satisfaction is an important indicator related to employee performance. Employees who feel satisfied at work will try hard in carrying out their work so that their performance indirectly also increases optimally (Putra et al., 2021).

Several studies conducted previously found that job satisfaction has a positive and significant influence on employee performance (Harahap & Tirtayasa, 2020; Prasetyo & Marlina, 2019; Aryoko et al., 2022). Conversely, Fitri & Endratno (2021) found a negative effect between job satisfaction and employee performance. And Bagis et al. (2021) found that job satisfaction did not affect employee performance.

The application of Total Quality Management and Transformational Leadership is common in manufacturing companies. This research took the subject at PT. Royal Korindah Purbalingga. PT. Royal Korindah is a manufacturing company that is the largest producer of artificial eyelashes in Purbalingga Regency. The company has an export market to countries in Asia and Europe. So far, it is known to export quality products and has a large number of workers.

This research is a development of research belonging to Sari et al. (2018) who examined the effect of TQM on employee performance mediated by job satisfaction. The researcher added the transformational leadership variable, because this variable also influences employee performance, especially at PT. Royal Korinda where the leadership in the company has implemented it. Besides that, the specific purpose of why the researcher added this variable was to test the effect of whether job satisfaction can be a mediating variable between transformational leadership on employee performance. With the existing research gap in the variables used in this study, it is necessary to test whether it is true that job satisfaction can mediate the effect of TQM and transformational leadership on employee performance.

Based on the conclusions from the background of the problem, the following is the research framework that will be used in this study:



Description:

—————> : Partial Effect
 - - - - -> : Mediation Effect

Research Hypothesis

- H1: Transformational Leadership (X1) has a positive and significant effect on Employee Performance (Y).
- H2: Total Quality Management (X2) has a positive and significant effect on Employee Performance (Y).
- H3: Transformational Leadership (X1) has a positive and significant effect on Job Satisfaction (Z).
- H4: Total Quality Management (X2) has a positive and significant effect on Job Satisfaction (Z).
- H5: Job Satisfaction (Z) has a positive and significant effect on Employee Performance (Y).
- H6: Job Satisfaction (Z) could mediate the relationship between Transformational Leadership (X1) and Total Quality Management (X2) on Employee Performance (Y).

2. Literature Review

2.1. Employee Performance

Sinambela (2021) suggests that performance can be interpreted as an employee's ability to do certain skills. Meanwhile, according to Setyawan & Bagis (2021), performance is a multidimensional concept covering three aspects, namely attitude, ability, and achievement. The Employee Performance indicators in this study are (1) Quality; (2) Quantity; (3) Timeliness; (4) Effectiveness and (5) Independence (Robbins & Judge, 2021)

2.2. Transformational Leadership

Every leader, wherever he leads, has a different Leadership Style. Leadership Style is generally shown by a leader to influence others, in this case, his subordinates. If a leader can apply the Leadership Style properly and correctly, then of course it will also affect his subordinates (Saputra & Mahaputra, 2022). Transformational Leadership is one of the Leadership Style classifications used in Bass's (1997) research.

Transformational Leadership is a process that involves leaders and subordinates who can produce a relationship that motivates each other and increases the morality of the leader and his subordinates. In this Leadership Style, it is assumed that a leader must be able to defeat his intent for the good of his subordinates (Northouse, 2016). Meanwhile, according to Wibowo (2017: 327), Transformational Leadership is a leadership perspective on how a leader changes the team or organization where he takes shelter by creating, communicating, and modeling a vision for the organization or work unit and inspiring his subordinates to try to achieve that vision. The Transformational Leadership indicators used in this study are (1) Supervisory position; (2) Need for Achievement; (3) Intelligence; (4) Firmness; (5) Confidence; (6) Initiative and (7) Relations with Subordinates (Kartono, 2017).

2.3. Total Quality Management (TQM)

Total Quality Management (TQM) is a method that is often used by a company in maintaining product and service quality. TQM is defined as continuous performance improvement at every level of operation or process, in every functional area of an organization, by using all available human and capital resources (Putra et al., 2021). Total Quality Management (TQM) is a system related to quality management that is carried out in the long term regarding customer satisfaction and product quality improvement (Shenaway et al., 2007).

In conclusion, Total Quality Management (TQM) is a method used to maintain the quality of goods and services, which is carried out continuously in the long term, to improve performance that focuses on customer satisfaction and product quality. Putra et al. (2021), found that TQM affects employee performance. TQM in this study has several indicators: (1) Customer Focus; (2) Continuous Improvement and (3) Employee Engagement and Empowerment (Lamato & Karuntu, 2017).

2.4. Job Satisfaction

Sinambela (2021) suggests that job satisfaction is a feeling that is felt by someone based on work that has been done based on their efforts and is supported by several things that come from outside themselves. Meanwhile, according to Wicaksono & Kharismasyah (2021), job satisfaction shows the compatibility between one's expectations that arise and the rewards provided by the job. Indicators of Job Satisfaction in this study are (1) Appropriate salary; (2) Opportunities for career advancement; (3) Supervision; (4) Conformity of work with desires; (5) Appreciation that is felt (Larastrini & Adnyani, 2019).

3. Research Method

This research is included in survey research with primary data by distributing questionnaires. Data distribution is carried out to determine the response of respondents to the variables of Employee Performance (Y), Transformational Leadership (X1), Total Quality Management (X2), and Job Satisfaction (Z).

Population and Sample

The population of this research is employees of PT. Royal Korinda Purbalingga within the production unit. The sample of this research is the employees of PT. Royal Korinda Purbalingga has the status of a permanent employee and which have worked for more than 1 year. The sampling technique in this study is using non-probability sampling techniques. To calculate the determination of the minimum sample size, in this case, researchers use the Slovin formula with a sampling error tolerance degree of 10% (Suliyanto, 2018).

Based on this calculation, the minimum number of respondents was 91.34 (rounded to 91). And to anticipate the damage to incomplete questionnaires, questionnaires that do not return, and questionnaires that are missing, therefore researchers increase the sample by 15% so that the sample becomes 106.

Variable Measurement

Employee Performance (Y) is measured by indicators developed by Robbins & Judge (2021), which were (1) Quality; (2) Quantity; (3) Timeliness; (4) Effectiveness (5) Independence and developed into six different statements.

Transformational Leadership (X1) is measured by indicators developed by Kartono (2017), which were (1) Supervisory position; (2) Need for Achievement; (3) Intelligence; (4) Firmness; (5) Confidence; (6) Initiative (7) Relations with Subordinates and developed into six different statements.

Total Quality Management (X2) is measured by indicators developed by Lamato & Karuntu, (2017), which were (1) Customer Focus; (2) Continuous Improvement (3) Employee Engagement & Empowerment and developed into six different statements.

Job Satisfaction (Z) is measured by indicators developed by Larastrini & Adnyani (2019), which were (1) Appropriate salary; (2) Opportunities for career advancement; (3) Supervision;

(4) Conformity of work with desires; (5) Appreciation that is felt and developed into five different statements.

Analysis Method

Partial Least Square Analysis

This research use Partial Least Square (PLS) approach as an analysis technique and used Smart-PLS software to process the data. PLS (Partial Least Square) is a model of SEM structural equations based on components or variants. PLS is an alternative approach that shifts from a covariance-based SEM approach to a variant-based one.

4. Results & Discussion

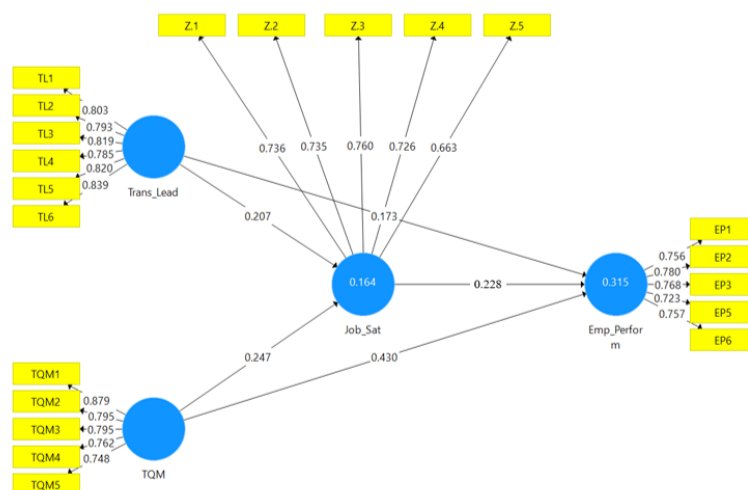
4.1. Results

Result of Outer Model Test

Validity tests are carried out first before conducting assumption tests to show how positive an instrument method is or how to measure a design. In this research, the validity test was done through convergent validity and discriminant validity test.

a) Convergent Validity Test

Figure 2. Results of Full SEM Model Analysis



Source: SMART-PLS Outer Loading Analysis Results (Processed)

Table 1. Convergent Validity Value

Transformational Leadership (X1)		Total Quality Management (X2)		Employee Performance (Y)		Job Satisfaction (Z)	
TL1	0.803	TQM1	0.879	EP1	0.756	JS.1	0.736
TL2	0.793	TQM2	0.795	EP2	0.780	JS.2	0.735
TL3	0.819	TQM3	0.795	EP3	0.768	JS.3	0.760
TL4	0.785	TQM4	0.762	EP4	0.723	JS.4	0.726
TL5	0.820	TQM5	0.748	EP5	0.757	JS.5	0.663
TL6	0.839						

Source: SMART-PLS Outer Loading Analysis Results (Processed)

From the table and figure above, it can be seen that the correlation value of all indicators have > 0.5 even though they are still < 0.7 . The value limitation of > 0.5 is still

acceptable as long as the construct validity and reliability meet the requirements and the model is still newly developed (Gozhali & Latan, 2015). Each variable described by each indicator has been qualified and could be declared valid.

b) Composite Reliability, Cronbach's Alpha & Average Variance Extracted (AVE)

Table 2. Composite Reliability, Cronbach's Alpha & Average Variance Extracted (AVE) value

Variable	Composite Reliability	Cronbach's Alpha	Average Variance Extracted (AVE)
Transformational Leadership (X1)	0.920	0.895	0.656
Total Quality Management (X2)	0.897	0.856	0.636
Employee Performance (Y)	0.870	0.815	0.573
Job Satisfaction (Z)	0.847	0.774	0.525

Source: SMART-PLS Construct Reliability & Validity Results (Processed)

Based on Table 2, the value of Cronbach's Alpha and Composite Reliability of all variables has a value of > 0.70 . Thus, it can be concluded that all variables are reliable. The Average Variance Extracted (AVE) value which is > 0.50 also reinforces the result that all indicators on the variable are declared valid.

c) Discriminant Validity Test

Table 3. Discriminant Validity Test Result

	Employee Performance (Y)	Job Satisfaction (Z)	Total Quality Management (X2)	Transformational Leadership (X1)	Average Variance Extracted (AVE)
Employee Performance (Y)	0.757				0.573
Job Satisfaction (Z)	0.247	0.725			0.525
Total Quality Management (X2)	0.542	0.369	0.797		0.636
Transformational Leadership (X1)	0.435	0.353	0.588	0.810	0.656

Source: SMART-PLS Discriminant Validity Test Results (Processed)

Based on the table above, all roots of the AVE (Fornell-Larcker Criterion) of each construct are greater than their correlation with other variables. The variable Employee Performance (Y) has an AVE value of 0.573 with its AVE Root is 0.757, where the AVE root value has greater than its correlation with other constructs, such as with Z of 0.247, with X2 of 0.542 and with X1 of 0.435.

The variable Job Satisfaction (Z) has an AVE value of 0.525 with its AVE Root is 0.725, where the AVE root value has greater than its correlation with other constructs, such as with Y of 0.247, with X2 of 0.369 and with X1 of 0.353.

The variable Transformational Leadership (X1) has an AVE value of 0.656 with its AVE Root is 0.797, where the AVE root value has greater than its correlation with other constructs, such as with Y of 0.247, with X2 of 0.369 and with X1 of 0.353.

The variable Job Satisfaction (Z) has an AVE value of 0.636 with its AVE Root is 0.810, where the AVE root value has greater than its correlation with other constructs, such as with Y of 0.247, with X2 of 0.369 and with X1 of 0.353. Therefore, the discriminant validity requirements in this model have been met, as listed in Table 3 above.

Result of Inner Model Test (Structural Model)

All of the variables have met the criteria of the Outer Model. Then, all of the variables could be assumed to be feasible to follow structural model testing (Inner model). Here is the R-Square value on the construct:

Table 4. R-Square Test Result

	R Square	R Square Adjusted
Employee Performance	0.633	0.625
Job Satisfaction	0.491	0.474

Source: SMART-PLS R-Square Test Results (Processed)

The R-Square value in Table 4 describes the model of the effect of Transformational Leadership (X1) and Total Quality Management (X2) on Employee Performance (Y) resulting in a value of 0.336. This means that Employee Performance can be explained by the variables Transformational Leadership (X1) and Total Quality Management (X2) of 63.3%, while the remaining of 36.7% is explained by other variables outside this study.

The model of the influence of Transformational Leadership (X1) and Total Quality Management (X2) on Job Satisfaction (Z) yields a value of 0.119. That is, the Job Satisfaction construct variable can be explained by the variables Transformational Leadership (X1) and Total Quality Management (X2) of 49.1%, and the value of 50.9% is explained by other variables that are not included in this study.

a) Causality Test

Direct Effect Bootstrapping Test

The result of the hypothesis is declared accepted if the T-value of the Statistic > T-table (1,960) or P-values < 0.05. The results can be seen in the table below:

Table 5. Direct Effect Bootstrapping Test Results

Hypothesis	Variable and Effect	Original Sample (O)	T Statistics	P Values
H1	Transformational Leadership -> Employee Performance	0.173	1.662	0.031
H2	TQM -> Employee Performance	0.430	4.013	0.000
H3	Transformational Leadership -> Job Satisfaction	0.207	1.638	0.045
H4	TQM -> Job Satisfaction	0.247	2.231	0.014
H5	Job Satisfaction -> Employee Performance	0.228	1.678	0.039

Source: SMART-PLS R-Square Test Results (Processed)

Table 6. Indirect Effect Bootstrapping Result

Hypothesis	Variable and Effect	Original Sample (O)	T Statistics	P Values
H6	Transformational Leadership > Job Satisfaction > Employee Performance	0.456	1.378	0.060
H7	TQM > Job Satisfaction > Employee Performance	0.337	2.218	0.004

Source: SMART-PLS R-Square Test Results (Processed)

4.2. Discussion

Hypothesis 1: Transformational Leadership (X1) has a positive and significant effect on Employee Performance (Y).

Based on Table 5 above, the result of the hypothesis test shows that transformational leadership has a significant effect on employee performance. With obtained coefficient intervals original sample 0.173 and T-Statistic value 1.662 > T-table (1.659) and P-value 0.031 < sig (0.05). Therefore, **H_a is accepted**. These results explain that the more effective the leader who has transformational leadership, the more employee performance increases.

These results are in line with several studies that have been carried out previously (Rivai, 2020; Novitasari et al., 2020; Nasution, 2018). The transformational leadership style is based on the concept that effective leaders can inspire and motivate employees to achieve outstanding performance and exceed expectations. A transformational leader tends to create a positive work climate, where employees feel valued and cared for. In such an atmosphere, employees tend to feel more motivated and engaged in their work, which in turn improves their performance.

Generally, PT. Royal Korindah Purbalingga already has several qualified leaders, who indirectly through their leadership style can influence the performance of their subordinates. This is evidenced by the results of research that proves that leaders with a transformational leadership style can influence the performance of employees (subordinates) positively and significantly.

Hypothesis 2: Total Quality Management (X2) has a positive and significant effect on Employee Performance (Y).

Based on Table 5 above, the result of the hypothesis test shows that total quality management has a significant effect on employee performance. With obtained coefficient intervals original sample 0.430 and T-Statistic value 4.013 > T-table (1.659) and P-value 0.000 < sig (0.05). Therefore, **H_a is accepted**. These results explain that the more effective of the implementation of total quality management, the more employee performance would increase.

These results are in line with several studies that have been carried out previously (Saptono, 2020; Hakim & Ayunti, 2021; Saffar & Obeidat, 2020). The implementation of production-oriented Total Quality Management (TQM) encourages employees to have an orientation to high quality in every aspect of their work. Employees are empowered to focus on continuous improvement, preventing defects, and meeting or exceeding customer expectations. By applying the principles of TQM, employees understand the importance of quality in achieving competitive advantage, which directly affects their performance. The implementation of TQM is also able to encourage the adoption of a culture of continuous improvement throughout the organization. Employees are encouraged to identify problems,

analyze root causes, and propose innovative solutions. They are also taught to work as a team, share knowledge, and learn from failure. In this culture, employees see mistakes as opportunities to learn and improve processes. By promoting a proactive attitude and improvement skills, TQM can improve employee performance by increasing efficiency, productivity, and innovation.

PT. Royal Korindah Purbalingga has been able to effectively implement the TQM. Companies engaged in manufacturing must pay attention to the quality of their production goods to survive amidst the competition with other companies engaged in the same field. This is evidenced by the results of research that proves effective implementation of TQM can influence the performance of employees positively and significantly.

Hypothesis 3: Transformational Leadership (X1) has a positive and significant effect on Job Satisfaction (Z).

Based on Table 5 above, the result of the hypothesis test shows that transformational leadership does not have a significant effect on job satisfaction. With obtained coefficient intervals original sample 0.207 and T-Statistic value $1.638 < T\text{-table} (1.659)$ and $P\text{-value } 0.045 < \text{sig} (0.05)$. Therefore, **H0 is accepted**, and the result of this test concluded that transformational leadership does not have a significant effect on job satisfaction.

These results are in line with research that has been carried out previously by Prayekti & Pangestu (2022). Transformational leadership is generally recognized as having great potential to influence employee job satisfaction. However, several factors can influence the implementation and impact of transformational leadership on job satisfaction. Effective implementation of transformational leadership requires consistency in applying transformational principles throughout the organization. If only a few leaders or certain levels of management adopt this leadership style, the impact on job satisfaction may be limited. It is important to have consistency in applying and practicing the principles of transformational leadership throughout the organization. The implementation of transformational leadership also requires the full support of the organization. If there is no strong support from the executive or senior management levels, leaders who seek to implement a transformational leadership style may face obstacles and challenges in implementing those principles. Without strong support, the implementation of transformational leadership can become impeded, which can affect its impact on job satisfaction.

PT. Royal Korindah must also pay attention to leaders in companies who have a Transformational Leadership style. Because in certain cases or if studied in general, leaders who can motivate their subordinates will certainly greatly affect the Job Satisfaction they have.

Hypothesis 4: Total Quality Management (X2) has a positive and significant effect on Employee Performance (Y).

Based on Table 5 above, the result of the hypothesis test shows that job satisfaction has a significant effect on employee performance. With obtained coefficient intervals original sample 0.247 and T-Statistic value $2.231 > T\text{-table} (1.659)$ and $P\text{-value } 0.014 < \text{sig} (0.05)$. Therefore, **Ha is accepted**. These results explain that the more effective the implementation of total quality management, the higher the job satisfaction that employees have.

These results are in line with several studies that have been carried out previously (Sari et al., 2018; Sitio, 2020; Ooi et al., 2011). Total Quality Management (TQM) encourages the determination of clear roles for each employee in achieving the quality goals of the organization. With a clear understanding of their responsibilities and expectations, employees

feel more confident in carrying out their duties. This can increase job satisfaction because they have a clear understanding of how their contribution plays a role in achieving the quality goals set. TQM also puts the customer as the main focus in the entire work process. By improving the quality of products and services delivered to customers, employees feel proud and satisfied with their contribution to customer satisfaction. Seeing the positive results of their efforts in increasing customer satisfaction can increase job satisfaction and provide a satisfying sense of accomplishment.

PT. Royal Korindah can prove that implementing employee empowerment, which is one of the focuses of TQM, can affect job satisfaction owned by employees.

Hypothesis 5: Job Satisfaction (Z) has a positive and significant effect on Employee Performance (Y).

Based on Table 5 above, the result of the hypothesis test shows that job satisfaction has a significant effect on employee performance. With obtained coefficient intervals original sample was 0.228 and the T-Statistic value was $1.678 > T\text{-table} (1.659)$ and the P-value was $0.039 < \text{sig} (0.05)$. Therefore, **H_a is accepted**. These results explain that the higher the level of job satisfaction of an employee, the better the performance they have.

These results are in line with several studies that have been carried out previously (Harahap & Tirtayasa, 2020; Prasetyo & Marlina, 2019; Aryoko et al., 2022). Job satisfaction refers to the positive and satisfied feelings experienced by an employee towards his job and work environment. When employees feel satisfied with their jobs, they tend to have a strong intrinsic drive to do a good job. They feel motivated to achieve their goals, give to the best of their ability, and strive for achievement. This high motivation contributes to the improvement of overall employee performance. Satisfied employees are also more likely to feel tied to the organization's values, goals, and vision. They feel that their work has important meaning and purpose. This attachment triggers employees to be more dedicated, initiative, and actively contribute, which has a positive impact on their performance.

PT. Royal Korindah can prove that paying attention to employee job satisfaction will indirectly affect the performance they produce positively.

Hypothesis 6: Job Satisfaction (Z) could mediate the relationship between Transformational Leadership (X1) and Total Quality Management (X2) on Employee Performance (Y).

Based on Table 6 above, the result of the hypothesis test shows that job satisfaction could mediate the relationship between transformational leadership and total quality management on employee performance. The variable transformational leadership has an indirect influence on employee performance through job satisfaction with a T-Statistic of 1.378 and a P-Value of 0.060. While the variable of total quality management has an indirect influence on employee performance through job satisfaction with T-Statistics 2.218 and P-Value 0.004. Therefore, **H_a is accepted**. These results explain that job satisfaction could mediate the relationship between transformational leadership and total quality management on employee performance.

The results of this study prove that job satisfaction can mediate the relationship between transformational leadership and total quality management (TQM). High job satisfaction can motivate employees to actively participate in TQM implementation and receive direction from transformational leadership. When employees are satisfied with their work, they tend to have a higher level of engagement in achieving organizational goals and delivering better performance. Transformational leadership and TQM execution often involve providing

opportunities for employees to develop their competencies and provide autonomy in their work. Employees who are satisfied with this opportunity tend to feel more confident and have better abilities in carrying out their duties. In the long run, this can improve their overall performance.

In conclusion, transformational leadership and the implementation of TQM can create conditions that favor job satisfaction, which in turn contributes to the improvement of overall employee performance.

5. Conclusion

Based on the results of the tests and discussions described earlier, it can be concluded that:

- 1) Transformational Leadership (X1) has a positive and significant effect on Employee Performance (Y).
- 2) Total Quality Management (X2) has a positive and significant effect on Employee Performance (Y).
- 3) Transformational Leadership (X1) does not have a significant effect on Job Satisfaction (Z).
- 4) Total Quality Management (X2) has a positive and significant effect on Employee Performance (Y).
- 5) Job Satisfaction (Z) has a positive and significant effect on Employee Performance (Y).
- 6) Job Satisfaction (Z) could mediate the relationship between Transformational Leadership (X1) and Total Quality Management (X2) on Employee Performance (Y).

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