

# Effect of Transformational Leadership Style, Organizational Culture And Organizational Restructuring On Job Satisfaction And Employee Performance

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**Abstract:** *Purpose:* This study was conducted to assess the influence of transformational leadership, organizational culture and organizational restructuring on employee performance through job satisfaction. *Design/Methodology/Approach:* This study used a quantitative survey method. The data was acquired from 160 employees of PT Tunas Sumber Ideakreasi Kimia, Serang, Banten utilizing structured questionnaire. Data were analyzed using AMOS Structural Equation Modeling. *Findings:* The findings indicated that transformational leadership, organizational culture and organizational restructuring have positive and significant influence on work satisfaction and employee performance. Job satisfaction mediates the interaction between transformational leadership, organizational culture, organizational restructuring and employee performance. *Practical Implications:* The results imply that managers should enhance transformational leadership practices, foster a supportive corporate culture and manage restructuring procedures carefully in order to improve employee happiness and performance. *Originality/Value:* The present study enriches the literature of human resource management by integrating transformational leadership, organizational culture and organizational restructuring in one empirical model with job satisfaction as the mediating variable in the Indonesian chemical sector.

**Keywords:** Transformational Leadership; Organizational Culture; Organizational Restructuring; Job Satisfaction; Employee Performance

JEL Classification: \*

M10, M12, M54

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## Introduction

Employee performance is generally acknowledged to be one of the most critical factors determining the effectiveness of a business and its long-term competitiveness. In a dynamic business climate, organizations not only need to be operationally efficient but also need to sustain employee productivity, commitment and adaptation. These issues are particularly visible in the manufacturing industry, where the rapid technical progress, market unpredictability and organizational transformation are constantly changing the operations of organizations. Organizations are therefore paying more attention to management and organizational elements that can help to improve employee performance and maintain a competitive edge.

The Indonesian chemical manufacturing business has witnessed major changes in recent years driven by rising rivalry, technological development, environmental legislation and efficiency requirements. Organizations in this industry are needed to continually upgrade operational effectiveness and sustaining workforce productivity. In such cases employee's performance is a strategic organizational asset as organizational success is not only dependent on technological resources but also on the ability of people to perform successfully and adjust themselves to organizational changes. Therefore, the factors affecting employee performance continue to be a significant problem in human resource management and organizational behavior research.

One of the organizational aspects that attracted a lot of attention in the literature is transformational leadership style, organizational culture and organizational restructuring. Transformational leadership is a known leadership style that can motivate employees ...fostering innovation, and inspiring individuals to go beyond conventional job objectives (Bass, 1985; Bass & Avolio, 1994). Leaders who display transformational behaviors excite employees by providing a vision, intellectual stimulation, individualized consideration, and role modeling.

Previous research has indicated that transformational leadership positively affects employee performance and work satisfaction (Judge & Piccolo, 2004; Rowold & Schlotz 2009; Nur et al. 2020). Yet, a number of studies have found contradictory findings on the scale and significance of these associations, showing that the effectiveness of transformational leadership may vary depending on the organizational setting. Organizational culture has also been identified as a crucial aspect that impacts employee attitudes and behavior. Organizational culture is a set of values, beliefs, and norms common to the organization, which guide employees in their duties and interactions with each other inside the firm.

(Denison, 1990; Hofstede, 1991; Schein, 2002). A good corporate culture can promote dedication, teamwork and a sense of belonging that ultimately lead to enhanced performance of the employee. Empirical studies have consistently supported the favorable association of corporate culture with employee performance (Dewanto and Arijanto (2025); Amang et al., 2024). However, earlier research also showed mixed findings across various

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industries and organizational settings, highlighting the need for greater investigation on the impact of corporate culture in molding employee outcomes.

Another key organizational factor is organizational transformation. Organizations often engage in restructuring initiatives in response to environmental changes and competitive pressures to improve efficiency, optimize the use of resources, and enhance organizational effectiveness (Hammer & Champy, 1993; Beer & Nohria, 2000). Restructuring is usually done to improve the functioning of a business but can also cause confusion, ambiguity about roles, and psychological pressure among the workforce. Previous research has shown varied conclusions about the impacts of restructuring. Kinyua and Kihara (2021), Kadir et al. (2021) and Muharyono and Wibowo (2023) noted that organizational effective management of restructuring has a favorable contribution to the performance and the job happiness of the employees. However, other research imply that restructuring might have adverse effects on employee attitudes when individuals see organizational changes as intimidating or unjust. The contradictory results show that the link between restructuring and employee outcomes needs more empirical investigation.

Job satisfaction is often considered to be a key psychological process by which organizational practices influence employee performance. As Locke (1976) noted, work satisfaction is a good emotional state coming from an employee's judgment of work experiences Satisfied employees are more likely to be motivated, to have better organizational commitment, and to perform at a higher level. Previous research has shown that there is a favorable association between job satisfaction and employee performance (Judge et al., 2001; Rivaldo, 2021). Moreover, it has been revealed that job satisfaction mediates the impact of organizational characteristics on employee performance. In other words, organizational practices might have an indirect influence on performance through employee contentment with their work. This phenomenon is very crucial to PT Tunas Sumber Ideakreasi Kimia, a chemical industry in Serang, Banten.

After major organizational problems and operational adjustments in recent years, the corporation undertook significant organizational restructuring projects to enhance operational performance, optimize organizational resources and boost competitiveness. These organizational changes forced people to adapt to new work methods, duties, and organizational expectations. In such instances, transformational leadership, organizational culture, and Organizational restructuring is an essential organizational aspect that may influence employee job satisfaction and performance.

However, some study gaps in the areas of transformational leadership, organizational culture, organizational restructuring, job satisfaction and employee performance have been found in the past studies. First, most prior research investigated transformational leadership, organizational culture, and organizational restructuring individually, rather than together in a single integrated framework. Second, there is inconsistent empirical evidence on the correlations among these variables in different organizational situations. Third, although job Satisfaction has been widely studied as an outcome variable, but few studies have examined its mediating role in understanding the effect of transformational leadership, organizational culture

and organizational restructuring on employee performance. Fourth, there is relatively limited empirical evidence from the Indonesian chemical manufacturing industry, particularly in firms that are going through organizational reform.

The present study fills these gaps by constructing and testing an integrated model that investigates the influence of transformational leadership style, organizational culture and organizational restructuring on job satisfaction and employee performance. In contrast to prior research which focused on individual organizational aspects, the present study analyzes the direct and indirect interactions between these variables simultaneously in a unified structural framework. Thus, the contribution of this study is that it includes transformational leadership style, organizational culture, and organizational restructuring as key organizational antecedents of job satisfaction and employee performance. The study provides empirical evidence from a chemical manufacturing corporation undertaking an organizational reform.

Therefore, this research is intended to evaluate the effect of transformational leadership style, organizational culture, and organizational restructuring on job satisfaction and employee performance of employees of PT Tunas Sumber Ideakreasi Kimia. The findings are expected to contribute to the development of human resource management literature and offer practical insights to organizational leaders in designing leadership practices, strengthening organizational culture, and managing restructuring initiatives in order to enhance employee satisfaction and performance.

Although previous studies have extensively examined transformational leadership, organizational culture, and organizational restructuring as determinants of employee outcomes, several limitations remain. First, previous studies have predominantly investigated these organizational factors separately, resulting in limited understanding of their combined influence within a comprehensive framework. Second, empirical findings regarding organizational restructuring remain inconsistent because restructuring may generate positive performance outcomes when managed effectively but may also create uncertainty and resistance among employees. Third, although job satisfaction has been widely recognized as an important predictor of employee performance, its mediating role in explaining how organizational practices are translated into performance outcomes requires further investigation.

Therefore, this study contributes to the existing human resource management literature by developing an integrated model that simultaneously examines transformational leadership style, organizational culture, and organizational restructuring as predictors of employee performance, with job satisfaction acting as a mediating mechanism. Furthermore, this study provides empirical evidence from PT Tunas Sumber Ideakreasi Kimia, an Indonesian chemical manufacturing company experiencing organizational transformation.

## **Hypotheses Development and Literature Review**

### **Theoretical Foundation: Social Exchange Theory**

This study is grounded in Social Exchange Theory (SET) proposed by Blau (1964), which explains that relationships between employees and organizations are developed through reciprocal exchanges. Employees tend to respond positively when organizations provide valuable resources, support, and fair treatment. In this context, transformational leadership, supportive organizational culture, and effective organizational restructuring represent organizational resources that encourage employees to develop positive attitudes toward their work environment. These positive perceptions are reflected through higher job satisfaction, which subsequently encourages improved employee performance.

From the perspective of SET, transformational leaders provide psychological support, motivation, and recognition that strengthen employees' emotional attachment to the organization. Similarly, organizational culture provides shared values and norms that encourage cooperation and commitment. Meanwhile, well-managed organizational restructuring can reduce uncertainty and increase employees' perceptions of organizational support. Therefore, these organizational factors are expected to enhance job satisfaction and ultimately improve employee performance.

### **Transformational Leadership and Employee Performance**

Transformational leadership is a leadership style that pushes individuals to perform above expectation by means of motivation, intellectual stimulation, individualized consideration, idealized influence (Bass, 1985; Bass & Avolio, 1994). Transformational leaders, on the other hand, inspire people to embrace the organization's aims and to foster a deeper commitment to its success than transactional leaders do.

Transformational leadership has been found to have a favorable effect on staff performance in previous research. Judge and Piccolo (2004) discovered that transformational leadership had a greater association with employee performance than other leadership styles. Rowold and Schlotz (2009) also found that transformational leadership increases employee motivation and work engagement through improved performance. In the context of Indonesia, Marjaya and Pasaribu (2019), and Nur et al. (2021) likewise found the positive and significant influence of transformational leadership on employee performance. However, several research found differences in the magnitude of the connection across organizational settings. These findings indicated that contextual elements may influence leadership effectiveness but were not reported. Transformational leadership, however, remains one of the most influential managerial ways to improve staff performance. The hypothesis is so proposed as follows:

H1: Employee performance is positively related to the transformational leadership style.

### **Transformational Leadership Style and Job Satisfaction**

Transformational leaders foster a supportive work environment by offering recognition, encouragement, and possibilities for the development of employees. These leadership practices are likely to boost the favorable assessments workers make of their work experiences. Empirical investigations support this association. Hinkin and Schriesheim (2008) discovered that transformative leadership greatly affects employee job satisfaction. Rivaldo (2021) also shown that employees are more satisfied under transformational leaders because of better communication, inspiration, and support. Transformational leadership addresses both the professional and psychological needs of employees, and is believed to have a favorable effect on job satisfaction

H2: Transformational leadership style has a beneficial effect on job satisfaction.

### **Organizational Culture and Employee Performance**

Organizational culture is a common set of values, beliefs and norms that influence the behavior of employees in an organization (Schein, 2002). A strong culture gives employees a clear grasp of corporate expectations, encourages cooperation and enhances organizational effectiveness. The past research tends to demonstrate the positive impact of organizational culture on employee performance. Denison (1990) proposed that firms with strong cultures are likely to have better performance as employees have shared goals and behavioral standards. Dewanto and Arijanto (2025) have found that organizational culture has a favorable effect on organizational outcomes and employee attitudes. Similar findings were obtained by Amang et al. (2024) and Nurliah et al. (2023) who identified considerable favorable effects of organizational culture on employee performance. However, the cultural effectiveness could differ with company features and employees' perceptions. Despite these shifts, there is evidence to suggest that corporate culture remains an essential factor of employee performance.

H3: Organizational culture has a favorable impact on employee performance.

### **Organizational Culture and Employee Satisfaction**

Organizational culture shapes employees' perceptions of the work environment. Cultures that promote good attitudes from employees and increased job satisfaction are more likely to be characterized by trust, collaboration, fairness and support. Dewanto & Arijanto (2025) revealed that supportive corporate cultures had a considerable positive effect on employee satisfaction. Likewise, Hidayat and Anwar (2024) discovered that organizational culture significantly influences employee job satisfaction via increased workplace interactions and organizational support. Employees who feel that company ideals are aligned with their personal aspirations are likely to be more satisfied with their careers.

H4: Organizational culture has a beneficial effect on job satisfaction.

### **Organizational Restructuring and Employee Performance**

Organizational restructuring refers to intentional changes in organizational structures, processes, and resource allocation to enhance organizational effectiveness and competitiveness (Hammer & Champy, 1993; Beer & Nohria, 2000). In highly competitive situations, restructuring is often used to increase organizational adaptability and efficiency. Empirical

studies generally reveal better performance effects when restructuring is well handled. Kinyua and Kihara (2021) stated that organizational restructuring programs promote efficiency and define organizational roles, therefore improving organizational performance. Positive benefits of restructuring on employee performance were also found by Kadir et al. (2021) and Muharyono and Wibowo (2023). However, restructuring could also cause uncertainty and resistance if employees view organizational changes in a negative way. Therefore, the success of the reorganization rests heavily on the implementation and communication of the change processes.

H5: Organizational reorganization has a positive effect on employee performance.

### **Organizational Restructuring and Job Satisfaction**

Organizational restructuring has an impact on employee satisfaction because structural change generally affects responsibilities, career prospects, and perceptions of job security. Employees may respond positively to restructuring if they see organizational changes as advantageous and fairly implemented. Kadir et al. (2021) found that restructuring has a favorable effect on job satisfaction when employees receive sufficient communication and assistance during organizational transformation. Safita and Budiantoro (2024) similarly showed that restructuring has a positive impact on employee satisfaction when the organizational change enhances work systems and operational effectiveness. Therefore, organizational restructuring is likely to have a favorable impact on employee work satisfaction.

H6: Organizational reorganization has a favorable effect on job satisfaction.

### **Job Satisfaction and Employee Performance**

Job satisfaction is the favorable emotional evaluation by an employee of his or her job experiences (Locke, 1976). Generally, satisfied employees have more drive, dedication and production. There is a considerable body of scientific evidence linking job satisfaction with employee performance. Judge et al. (2001) in a review article concluded that satisfaction is significantly positively related to performance across different types of organizational settings. Similar findings were observed by Fauziek and Yanuar (2021) and Rivaldo (2021) stating that contented employees tend to perform better than dissatisfied employees. Thus, it is assumed that job happiness will be a significant predictor of employee performance.

H7: Job satisfaction has a favorable impact on employee performance.

Job Satisfaction as a Mediator Job satisfaction can be an essential mechanism by which organizational characteristics influence employee performance. It is anticipated that transformational leadership, organizational culture and organizational restructuring will influence employees' views and experiences at work and, in turn, affect their level of job satisfaction. Higher job satisfaction therefore leads to higher employee performance. Job satisfaction has been shown to mediate in previous investigations. Kadir et al. (2021) revealed that job satisfaction mediates the association between organizational restructuring and employee performance. Safita and Budiantoro (2024) also found that job satisfaction mediates the impact of organizational culture and restructuring on performance results. Similarly,

Achmad and Martaleni (2022) proved that job happiness mediates the effect of leadership and organizational culture towards employee performance. The results indicate that organizational issues affect employee performance not just directly, but also indirectly through the psychological response of employees to their work environment. Hence, the following hypotheses are proposed:

H8: Job satisfaction mediates the relationship between transformational leadership style and employee performance.

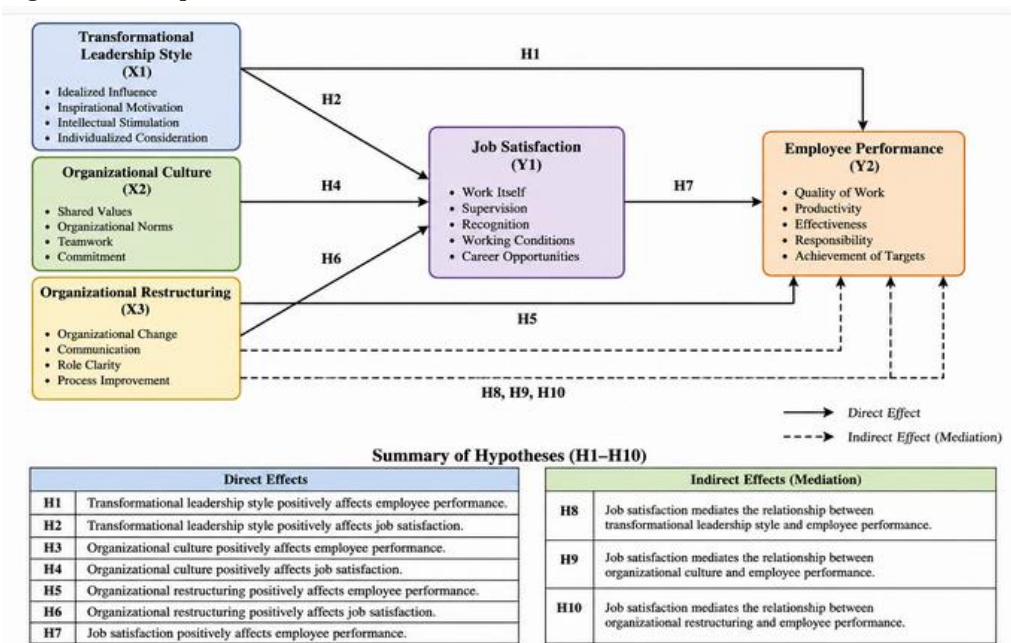
H9: Organizational culture affects the employee performance through job satisfaction.

H10: The association between organizational restructuring and employee performance is mediated by job satisfaction.

Theoretical Background

Based on the theoretical arguments and empirical findings discussed in literature review, this study hypothesizes a conceptual framework in which transformational leadership style, organizational culture and organizational restructuring as antecedent variables influence employee performance directly as well as indirectly through job satisfaction. It's meant to be job satisfaction as a mediating mechanism between organizational characteristics and employee performance.

Figure 1. Conceptual Framework



Source: Author’s compilation, 2026.

Methods

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The study applied quantitative research methods and survey design to investigate the effects of transformational leadership style, organizational culture and organizational restructuring on job satisfaction and employee performance. The research was conducted in PT Tunas Sumber Ideakreasi Kimia, a chemical production company located in Serang, Banten, Indonesia. The population is all workers of PT Tunas Sumber Ideakreasi Kimia. Due to the relatively small and manageable population size, a census sampling technique was employed, which included all the employees as respondents. A total of 160 questionnaires were returned in a form suitable for analysis.

Since this study collected data using a self-administered questionnaire from the same respondents, potential common method bias was considered. To minimize this concern, respondents were assured of confidentiality and anonymity during data collection. In addition, statistical assessment was conducted to evaluate whether common method bias significantly influenced the results.

Direct administration of a standardized questionnaire to employees was used for primary data collection. The questionnaire was constructed on the basis of well-established theories and past empirical findings. The dimensions of transformational leadership style described by Bass and Avolio (1994) were idealized influence, inspirational motivation, intellectual stimulation and individualized concern. Organizational culture was measured by using Schein's (2002) and Denison's (1990) model of organizational culture. Organizational restructuring was analyzed by metrics relating to organizational transformation, work process improvement, communication efficacy, and role clarity. 3. Job satisfaction was measured using indicators adapted from Locke (1976) while staff performance was monitored using indicators Related to quality of work, productivity, effectiveness, responsibility and accomplishment of work targets.

All measurement items were measured on a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Data analysis was conducted using Structural Equation Modeling

using the Analysis of Moment Structures (AMOS) program (SEM). SEM was chosen because it allows the simultaneous analysis of various associations among latent variables and provides the opportunity to analyze both direct and indirect effects in a single model. Model adequacy was assessed by multiple goodness-of-fit indices, such as Chi-square, CMIN/DF, Goodness-of-Fit Index (GFI), Adjusted Goodness-of-Fit Index (AGFI), Tucker-Lewis Index (TLI), Comparative Fit Index (CFI), and Root Mean Square Error of Approximation (RMSEA). Hypothesis testing was done based on standardized regression weights, critical ratio (CR) values and probability values (p-values) at a significance level of 0.05.

From the conceptual model, transformational leadership style, organizational culture and organizational reorganization impact on employee performance is both directly and indirectly through job satisfaction. Therefore, job satisfaction was tested as a mediating variable in the structural model. Before evaluating the provided hypotheses, the overall fit of the structural

model was assessed by multiple goodness of fit indicators recommended in Structural Equation Modeling (SEM).

Before testing the structural model, the measurement model was evaluated to ensure construct validity and reliability. Construct validity was assessed through factor loading values, while reliability was evaluated using Cronbach's Alpha and Composite Reliability (CR). The Average Variance Extracted (AVE) was also examined to confirm convergent validity. A construct is considered reliable when the CR and Cronbach's Alpha values exceed 0.70, while AVE values above 0.50 indicate adequate convergent validity. The assessment was done to check whether the proposed model sufficiently described the observed data and fulfilled the accepted criteria for the model fit. The operational definition of the

**Table 1** shows the factors employed in this investigation.

| <i>Variable</i>                          | <i>Indicators</i>                                                                                     | <i>References</i>             |
|------------------------------------------|-------------------------------------------------------------------------------------------------------|-------------------------------|
| <i>Transformational Leadership Style</i> | Idealized Influence, Inspirational Motivation, Intellectual Stimulation, Individualized Consideration | Bass & Avolio (1994)          |
| <i>Organizational Culture</i>            | Shared Values, Norms, Teamwork, Commitment                                                            | Schein (2002); Denison (1990) |
| <i>Organizational Restructuring</i>      | Organizational Change, Communication, Role Clarity, Process Improvement                               | Beer & Nohria (2000)          |
| <i>Job Satisfaction</i>                  | Work Itself, Supervision, Recognition, Working Conditions                                             | Locke (1976)                  |
| <i>Employee Performance</i>              | Quality, Productivity, Effectiveness, Responsibility                                                  | Campbell (1990)               |

Source: Authors' elaboration (2026)

Looking at Table 1, we can see that most of the goodness-of-fit indices fall under the required thresholds values. The Chi-square value (738.641) is less than the cut-off number (842.958) whereas the significance probability (0.835) is higher than the minimum requirement of 0.05, suggesting a acceptable model fit. In addition, RMSEA (0.000), CMIN/DF (0.951), TLI (1.006) and CFI 1.000) all meet the recommended standards. The value of GFI (0.834) and AGFI (0.807) are acceptable when viewed together fall into the marginal fit category together with the other fit indices. Overall, the results suggest that the proposed structural model presents a reasonable match and is appropriate for further hypothesis testing.

## Results and Discussion

### Respondents' Profiles

The population of this study was 160 employees of PT Tunas Sumber Ideakreasi Kimia by employing census method. Analysis of respondent characteristics provided an overview of the profile of the workforce, and helped verify that the sample was representative of the context of the company being investigated.

**Table 2.** Characteristics of Respondents

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| <i>Characteristics</i>   | <i>Category</i>    | <i>Frequency</i> | <i>Percentage (%)</i> |
|--------------------------|--------------------|------------------|-----------------------|
| <b>Work Unit</b>         | P & U              | 12               | 7.50                  |
|                          | PRSB               | 27               | 16.88                 |
|                          | RDSB & QC          | 16               | 10.00                 |
|                          | RDWB               | 7                | 4.38                  |
|                          | MNT                | 19               | 11.88                 |
|                          | HSE                | 11               | 6.88                  |
|                          | GFG                | 16               | 10.00                 |
|                          | GRM                | 17               | 10.63                 |
|                          | PRWB               | 31               | 19.38                 |
|                          | ACC & Finance      | 4                | 2.50                  |
| <b>Gender</b>            | Male               | 147              | 91.88                 |
|                          | Female             | 13               | 8.13                  |
| <b>Age</b>               | 17–19 Years        | 5                | 3.13                  |
|                          | 20–30 Years        | 78               | 48.75                 |
|                          | 31–40 Years        | 42               | 26.25                 |
|                          | 41–50 Years        | 17               | 10.63                 |
|                          | > 50 Years         | 18               | 11.25                 |
| <b>Education</b>         | Junior High School | 10               | 6.25                  |
|                          | Senior High School | 123              | 76.88                 |
|                          | Diploma (D3)       | 1                | 0.63                  |
|                          | Bachelor Degree    | 23               | 14.38                 |
|                          | Master Degree      | 3                | 1.88                  |
| <b>Length of Service</b> | 0–5 Years          | 124              | 77.50                 |
|                          | 6–10 Years         | 11               | 6.88                  |
|                          | 11–20 Years        | 11               | 6.88                  |
|                          | 21–30 Years        | 8                | 5.00                  |
|                          | > 30 Years         | 6                | 3.75                  |

Processed Primary Data (2025)

As seen in Table 2, the majority of responders were male employees (91.88%). Most of The respondents were rather young with 48.75% of them being between 20 and 30 years of age. The bulk of the respondents had senior high school education background (76.88%) and had worked for the company less than 5 years (77.50%) The results indicate that PT Tunas Sumber Ideakreasi Kimia has a staff with a majority of operational employees with very short organizational tenure which may impact perspectives of leadership practices, corporate culture, organizational transformation and employee satisfaction.

### Evaluating the Fit

Before evaluating the provided hypotheses, the overall fit of the structural model was assessed using

...many goodness-of-fit indices. The purpose was to determine whether the proposed model well represented the observed data and met the necessary SEM criteria.

**Table 3.** Fit Assessment

| <i>Goodness of Fit Index</i>   | <i>Cut-off Value</i> | <i>Research Model</i> | <i>Evaluation</i> |
|--------------------------------|----------------------|-----------------------|-------------------|
| <i>Chi-square</i>              | < 842.958            | 738.641               | Fit               |
| <i>Significant Probability</i> | ≥ 0.05               | 0.835                 | Fit               |
| <i>RMSEA</i>                   | ≤ 0.08               | 0.000                 | Fit               |
| <i>GFI</i>                     | ≥ 0.90               | 0.834                 | Marginal          |
| <i>AGFI</i>                    | ≥ 0.90               | 0.807                 | Marginal          |
| <i>CMIN/DF</i>                 | ≤ 2.00               | 0.951                 | Fit               |
| <i>TLI</i>                     | ≥ 0.90               | 1.006                 | Fit               |
| <i>CFI</i>                     | ≥ 0.90               | 1.000                 | Fit               |

Source: AMOS Output (2025)

The results in Table 3 demonstrate that the model proposed satisfies most of the goodness-of-fit indices criteria recommended. The other fit indices, albeit GFI and AGFI are in the marginal fit

indices indicate an acceptable model fit. The structural model can therefore be seen adequate for further hypothesis testing.

**Results of Hypothesis Testing**

After the model fit was confirmed, hypothesis testing was undertaken to investigate the direct correlations among the transformational leadership style, organizational culture, organizational restructuring, job satisfaction and employee performance.

**Table 4.** Hypothesis Testing Results Hypothesis Structural Path Estimate S.E. C.R. p-

| <i>Hypothesis</i> | <i>Structural Path</i>                                   | <i>Estimate</i> | <i>S.E.</i> | <i>C.R.</i> | <i>p-value</i> | <i>Result</i> |
|-------------------|----------------------------------------------------------|-----------------|-------------|-------------|----------------|---------------|
| <i>H1</i>         | Transformational Leadership Style → Employee Performance | 0.172           | 0.083       | 2.075       | 0.038          | Supported     |
| <i>H2</i>         | Organizational Culture → Employee Performance            | 0.173           | 0.075       | 2.326       | 0.020          | Supported     |
| <i>H3</i>         | Organizational Restructuring → Employee Performance      | 0.168           | 0.078       | 2.152       | 0.031          | Supported     |
| <i>H4</i>         | Transformational Leadership Style → Job Satisfaction     | 0.424           | 0.073       | 5.836       | 0.000          | Supported     |
| <i>H5</i>         | Organizational Culture → Job Satisfaction                | 0.381           | 0.064       | 5.950       | 0.000          | Supported     |
| <i>H6</i>         | Organizational Restructuring → Job Satisfaction          | 0.359           | 0.068       | 5.238       | 0.000          | Supported     |
| <i>H7</i>         | Job Satisfaction → Employee Performance                  | 0.549           | 0.101       | 5.437       | 0.000          | Supported     |

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AMOS Output (2025)

The data shows that transformational leadership style, organizational culture and organizational restructuring have considerable effect on work satisfaction and employee performance. The job happiness also has a considerable favorable effect on the performance of the employees.

**Table 5. Direct Effects**

| Variable             | Organizational Restructuring | Organizational Culture | Transformational Leadership Style | Job Satisfaction | Employee Performance |
|----------------------|------------------------------|------------------------|-----------------------------------|------------------|----------------------|
| Job Satisfaction     | 0.320                        | 0.380                  | 0.368                             | 0.000            | 0.000                |
| Employee Performance | 0.140                        | 0.161                  | 0.139                             | 0.511            | 0.000                |

Source: AMOS Output (2025)

**Table 6. Indirect Effects**

| Variable             | Organizational Restructuring | Organizational Culture | Transformational Leadership Style | Job Satisfaction | Employee Performance |
|----------------------|------------------------------|------------------------|-----------------------------------|------------------|----------------------|
| Job Satisfaction     | 0.000                        | 0.000                  | 0.000                             | 0.000            | 0.000                |
| Employee Performance | 0.164                        | 0.194                  | 0.188                             | 0.000            | 0.000                |

Source: AMOS Output (2025)

Table 6 shows indirect effects indicating that transformational leadership style, organizational culture, organizational restructuring and employee performance are considerably mediated by job satisfaction.

## Discussion

Results show that transformational leadership style has a beneficial effect on staff performance. This finding supports the transformational leadership hypothesis that highlights the role of inspirational motivation, customized consideration, intellectual stimulation, and idealized influence in improving employees' performance. Workers who see their bosses as encouraging and forward-looking likely to have higher levels of dedication and performance at work. The results also indicated that organizational culture has a considerable favorable effect on employee performance. A good organizational culture has a common set of values, behavioral norms, and explicit expectations among employees that allows individuals to focus their efforts on company goals. This study supports the argument that organizational culture is a strategic lever for organizational effectiveness improvement.

In addition, organizational reorganization has a substantial effect on employee performance. The result shows that operational efficiency and job clarity have increased due to the

restructuring initiatives implemented by PT Tunas Sumber Ideakreasi Kimia. Employees appear to have good feelings about organizational changes when the restructuring is supported by effective communication and a clear organizational direction.

The findings also indicate that transformational leadership style, organizational culture and organizational restructuring have favorable effects on work satisfaction. Employees are more likely to be satisfied when they have experienced supportive leadership, positive corporate culture and well-managed organizational change.

Finally, work satisfaction significantly affected employee performance and served as a mediator for the relationship between the three organizational characteristics and employee performance. The research underscores the significance of psychological reactions of employees in the translation of managerial and organizational activities into improved job outcomes. Thus, firms must improve the efficacy of their leaders, build supportive cultures inside their organizations, and carefully implement restructuring procedures to boost employee happiness and produce sustained performance improvements.

The finding shows that transformational leadership style has favourable effect on employee performance. This finding supports the philosophy of transformational leadership, which stresses the role of inspirational motivation, customized consideration, intellectual stimulation, and idealized influence in increasing employee results. Employees that regard their leaders as helpful and visionary likely to have greater levels of commitment and work performance.

Organizational culture also positively influences on employee performance. A good corporate culture provides employees with the shared values, behavioral norms, and clear expectations that allow them to match their efforts with organizational goals. This study reinforces the concept that organizational culture is a strategic instrument to enhance organizational effectiveness. Moreover, the organizational restructure greatly effects the performance of the employees. This study indicates that the restructuring effort taken by PT Tunas Sumber Idea kreasi Kimia has enhanced operational efficiency and clarity of roles. Organizational transformation Employees appear to perceive change favourably when restructuring is accompanied by effective communication and unambiguous organizational direction.

The results also indicated that transformational leadership style, organizational culture and organizational restructuring had a favourable impact on job satisfaction. The more employees perceive supportive leadership, a favourable corporate culture and good organizational change management, the more satisfied they are likely to be.

Finally, the study shows that job happiness has significant effect on employee performance and mediates the links among the three organizational elements and the employees' performance. This conclusion emphasizes the significance of employees' psychological responses in the translation of managerial and organizational activities into improved job outcomes. Therefore, firms need to improve leadership effectiveness, promote organizational cultures and manage

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restructuring processes carefully to increase employee happiness and produce sustained performance enhancements.

The findings provide further support for Social Exchange Theory by demonstrating that employees reciprocate positive organizational experiences through improved attitudes and performance behaviors. Transformational leadership creates psychological resources through motivation and individualized support, while organizational culture strengthens employees' sense of belonging and organizational commitment. Similarly, effective restructuring processes communicate organizational support and reduce uncertainty during periods of change. These organizational conditions enhance job satisfaction, which becomes an important mechanism translating organizational practices into improved employee performance.

### Conclusion

The aim of this study was to explore the effect of transformational leadership style, organizational culture and organizational restructuring on employee performance, using job satisfaction as a mediating variable. Based on the data obtained from 160 employees of PT Tunas Sumber Ideakreasi Kimia and evaluated using Structural Equation Modeling (SEM), several major conclusions can be reached. The transformative leadership style has a favorable and significant effect on employees' performance, first.

Leaders that inspire, motivate and support the individual causes result in to better employee job outcomes. Second, company culture has a favorable effect on employee performance. A strong organizational culture of shared values, collaboration and dedication enables individuals to align their behavior with organizational objectives and perform more successfully. Third, organizational reorganization has good and considerable effect on employee performance. Restructuring initiatives, when well-managed, improve work efficiency, clarity of roles and organizational

flexibility and thus the staff productivity. Fourth, the transformative leadership style, organizational culture and organizational restructuring greatly impact job happiness. Employees are more satisfied when they consider leadership behaviors, organizational values and structural changes to be helpful and supportive. Fifth, employee happiness favorably affects employee performance. Employees that are content with their work environment, responsibilities, recognition and career possibilities tend to function at higher levels.

Finally, work satisfaction mediates significantly the relationship between transformational leadership style, organizational culture, organizational restructuring and employee performance. The results show that organizational characteristics affect performance directly and indirectly by increasing employee happiness. The research generally proves that the staff performance is influenced by an integrated mixture of leadership effectiveness, organizational culture, organizational restructuring and employee work satisfaction.

The study extends existing human resource management literature by demonstrating that employee performance is shaped not only by direct organizational factors but also through

psychological mechanisms represented by job satisfaction. This finding highlights the importance of managing organizational change and leadership practices simultaneously to achieve sustainable employee performance.

### **Theoretical Implications**

This study offers several contributions to the organizational behavior and human resource management literatures. First, the study contributes to the transformational leadership theory by revealing the direct and indirect impacts of transformational leadership on employee performance through job satisfaction. The results also support the proposition that employee attitudes serve as a key channel through which leadership behaviors impact organizational outcomes. Second, the study reinforces Organizational culture theory is enriched by demonstrating that Organizational culture is not merely a contextual element but rather a strategic resource that can improve employee satisfaction and performance. Third, by incorporating organizational transformation as an antecedent variable, this study adds to existing organizational performance models. While prior research has explored the role of leadership and culture separately, this study combines restructuring within a holistic framework and reveals its major impact on employee outcomes. Fourth, the mediating role of work satisfaction lends empirical support to social exchange and organizational behavior theories, which imply that employees respond positively to favorable improving their performance in the organizational environment.

### **Practical Implications**

Several practical implications can be derived from the outcomes of this study. First, management should enhance the skills of transformational leadership among supervisors and managers. Leadership development programs should target communication skills, employee empowerment, individualized consideration, and inspirational motivation. Second, firms need to keep nurturing a healthy corporate culture that accepts innovation, teamwork, accountability and employee involvement. Strong corporate principles can help employees sustain high levels of dedication and performance. Third, caution and transparency are important while engaging in organisational restructuring initiatives. To avoid confusion and resistance by employees, management should convey the aims, benefits and expected outcomes of the restructuring programs. 4. Organizations must promote employee job satisfaction with equitable remuneration systems, professional growth possibilities, recognition programs and supportive working circumstances. Enhancing employee satisfaction can make big changes in organizational performance. Finally, managers should be aware that leadership, culture and restructuring are interwoven organizational mechanisms. These aspects must be combined and handled together, not in isolation, to achieve sustainable performance improvement.

From a managerial perspective, the findings suggest that organizations should not treat leadership development, cultural strengthening, and restructuring management as independent activities. Instead, these factors should be managed as interconnected organizational strategies. Managers should ensure that restructuring processes are accompanied by transparent

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communication, employee participation, and supportive leadership behaviors to maintain employee satisfaction and performance.

### limitations and directions for future research

Despite the merits of this work, there are several drawbacks. First, the study adopted a cross-sectional design, which restricts the capacity to draw causal inferences across time. Future research could study the dynamic effects of leadership, culture and restructuring on employee performance using longitudinal designs. Second, the study was done in a manufacturing firm and the generalizability of the findings to other industries or organizational contexts may be limited. Organizations from other sectors should be included in future studies to increase the external validity. Third, this study only included work satisfaction as the mediating variable. Other mediators such as employee engagement, organizational commitment, organizational citizenship behavior, and psychological empowerment may be examined by future studies. Fourth, future research should examine moderating factors such as organizational size, organizational atmosphere, employee tenure, or generational variations to better understand the processes affecting employee performance.

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### Conflict of Interest

The authors declare no conflict of interest with respect to the publication of this work.

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