



## Strategies to Improve Employee Performance through Strengthening Organizational Culture, Transformational Leadership, and Job Satisfaction

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### ARTICLE INFO

*Keywords:* Organizational Culture, Transformational Leadership, Job Satisfaction, Employee Performance, Multifinance

*Received :* 16, May

*Revised :* 30, May

*Accepted:* 26, June

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### ABSTRACT

This study aims to determine the effect of Strategies to Improve Employee Performance Through Strengthening Organizational Culture, Transformational Leadership, and Job Satisfaction. The population in this study consisted of permanent operational staff employees at multifinance companies in DKI Jakarta Province, totaling 265 employees. The sampling technique used was purposive sampling with a total sample size of 160 respondents. The data analysis method used in this study was path analysis supported by normality, homogeneity, linearity, and Sobel tests to examine direct and indirect effects among variables. The results of this study indicate that there is a significant positive effect of Organizational Culture on Employee Performance. There is also a significant positive effect of Transformational Leadership on Employee Performance. Furthermore, Job Satisfaction has the strongest positive effect on Employee Performance. In addition, both Organizational Culture and Transformational Leadership also have significant indirect effects on Employee Performance through Job Satisfaction. Simultaneously, organizational culture, transformational leadership, and job satisfaction contribute significantly to improving employee performance in the multifinance sector.

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## **INTRODUCTION**

In an increasingly competitive business world, multifinance companies in Indonesia, especially in the DKI Jakarta Province, face major challenges in increasing productivity and competitiveness. One of the main factors that determines the success of a company is employee performance. Optimal performance is not only determined by individual competence, but also by leadership factors and organizational culture applied in the company. The multifinance industry in Indonesia, especially in the DKI Jakarta Province, is one of the sectors that plays an important role in supporting the economy, especially in terms of financing motor vehicles, property, heavy equipment, and other consumer credit. Along with the increasing demand for financing services, multifinance companies face major challenges in maintaining employee performance to remain productive and competitive amidst increasingly tight competition. Employees in multifinance companies work in various fields such as sales, customer service, credit analyst, collection, and risk management. According to a survey conducted by the Association of Indonesian Financing Companies (APPI), it was revealed that the performance of the multifinance industry experienced a decline in sales in 2024. Based on data from the Financial Services Authority (OJK), the multifinance industry's profit was recorded at IDR 18.72 trillion as of October 2024, down 3.55% compared to the same period in the previous year which reached IDR 19.41 trillion.

According to data from the Financial Services Authority (OJK) in 2023, there were more than 160 registered and licensed multifinance companies. The existence of OJK as a regulator aims to ensure that these companies operate in accordance with applicable regulations, maintain industry stability, and protect consumers from detrimental practices. The Financial Services Authority (OJK) supervises multifinance companies based on POJK No. 35/POJK.05/2018 concerning the Implementation of Financing Company Business and POJK No. 71/POJK.05/2016 concerning the Financial Health of Financing Companies. This regulation regulates aspects of minimum capital, risk management, corporate governance (Good Corporate Governance), and consumer protection. With strict supervision from the OJK, it is expected that multifinance companies can run their businesses in a healthy and transparent manner. The financing company industry (multifinance) has an important role in the Indonesian economy, especially in providing financing services for vehicles, property, heavy equipment, as well as consumer and productive credit. In carrying out its operations. Human Resources (HR) is one of the key factors that determine the success of a multifinance company. The performance of a multifinance company is greatly influenced by the effectiveness of the work of HR within it. Several strategic roles of HR in improving company performance Increasing Productivity and Efficiency Competent and trained HR can improve efficiency in business processes, from credit analysis to customer service, thereby accelerating decision making and increasing customer satisfaction.

Minimizing the Risk of Bad Debt (NPF) With good HR management, companies can recruit and train workers who are able to conduct accurate credit analysis and implement effective collection strategies to reduce NPF figures,

increase Customer Loyalty Employees who have good communication skills and are able to provide quality service will increase customer loyalty, which ultimately has an impact on the company's business growth. Human Resources are the main asset in the multifinance industry that directly contributes to the company's performance and success. Good HR management, effective leadership, and a strong organizational culture will increase employee job satisfaction, which ultimately has an impact on the company's growth and competitiveness in the financing industry. HR Challenges in the Multifinance Industry Although it has a very important role, HR in the multifinance industry also faces various challenges, including high turnover rates, tight competition in the financial industry causing many employees to move to other companies with more attractive offers. High Target Pressure: Employees in marketing and collection often face pressure to achieve certain targets, which can increase work stress levels. Adapting to Technology, multifinance companies are increasingly adopting digital technology in their operations, so employees must continue to improve their competence in the use of digital systems and data analytics.

## **LITERATURE REVIEW**

### ***Transformational Leadership***

Angelo Kinicki and Brian K. Williams. Management A Practical Introduction. New York: McGraw-Hill (2008:44) namely Transformational leadership is inspires employees to align with organizational objectives that surpass their own personal goals. Such leaders aim to motivate, guide, and cultivate leadership qualities in others It is also stated that the indicators of transformational leadership on performance are 1) Charisma. Articulating clear goals and direction, fostering pride, and earning admiration and confidence 2) Inspiration. Conveying ambitious standards, utilizing symbolic actions to direct attention, and presenting key objectives in a clear and straightforward manner; 3) Intellectual stimulation. Increasing intelligence; rationality; and careful problem solving; 4) Individual consideration. Providing personal attention; treating each employee individually; training; advising.

### ***Job Satisfaction***

According to J.A. Colquitt, J.A. Lepine, and M.J. Wesson (2011:104-126) Job satisfaction refers to the emotional condition of employees that arises from the assessment of their work, or experiences in their work. It is also stated that there are 5 indicators of Job Satisfaction that employees most want to obtain, namely 1) salary (high and certain) 2) promotion (opportunity based on performance and ability) 3) superior supervision (good working relationship with superiors, and giving awards) 4) coworkers (good and responsible relationship) 5) the work itself (freedom to realize abilities, creativity, achievements, etc.).

### ***Organizational Culture***

Dungers (2023) states that organizational culture is defined as norms, values, assumptions, beliefs, philosophies, organizational habits, and so on that are developed over a long period of time by the founders, leaders, Organizational

members are socialized and trained to pass on values and practices to newcomers, which are then implemented in daily operations such as product creation, customer service, and the pursuit of organizational objective. Robbins & Judge (2017) states that Organizational culture refers to the set of norms and values established and implemented by a company to shape employee behaviour and leadership style, ensuring timely task completion and alignment with the organization’s objective. Schein (2015:98) states that organizational culture is a collection of inherent and unconscious beliefs and norms accepted by members that direct their behavior and provide a basis for a common understanding of their world.

**METHODOLOGY**

Based on its objectives, this study is descriptive in nature, aiming to outline the characteristics of the research variables. In terms of its investigative approach, the research is classified as verification or causal research, as it seeks to identify and understand cause-and-effect relationships among the variables or issues examined The population in this study were operational staff employees with permanent employee status at multifinance companies in DKI Jakarta, totaling 265 operational staff with permanent employee status.

**RESEARCH RESULT**

*Normality Test*

*Normality Test of Performance Variables*

Table 1. Normality Test of Performance Variables

One-Sample Kolmogorov-Smirnov Test			
N		160	
Normal Parameters <sup>a</sup>	Mean	122,5	
	Std. Deviation	15,2	
Most Extreme Differences	Absolute	0,072	
	Positive	0,072	
	Negative	-0,065	
Test Statistic		0,037	
Asymp. Sig. (2-tailed)		0,040	
Monte Carlo Sig. (2-tailed) <sup>d</sup>	Sig.	0,041	
	99% Confidence Interval	Lower Bound	0,035
		Upper Bound	0,046
a. Test distribution is Normal.			
b. Calculated from data.			
c. Lilliefors Significance Correction.			
d. Lilliefors' method based on 10000 Monte Carlo samples with starting seed 743671174.			

Based on table 1 which shows the results of the normality test using the Kolmogorov-Smirnov test at a significance level of 0.05, the test statistics result

of 0.037 is smaller than the significance level of 0.041. In this case, Ho is accepted and H1 is rejected, meaning the data is normally distributed.

**Normality Test of Job Satisfaction**

Table 2. Normality Test of Job Satisfaction

<b>One-Sample Kolmogorov-Smirnov Test</b>		
		Job Satisfaction
N		160
Normal Parameters <sup>a,b</sup>	Mean	124,76
	Std. Deviation	15,35
Most Extreme Differences	Absolute	0,076
	Positive	0,070
	Negative	-0,076
Test Statistic		0,076
Asymp. Sig. (2-tailed) <sup>c</sup>		0,024
Monte Carlo Sig. (2-tailed) <sup>d</sup>	Sig.	
	99% Confidence Interval	Lower Bound
		Upper Bound
		0,126
		0,022
		0,030
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. Lilliefors' method based on 10000 Monte Carlo samples with starting seed 1502173562.		

Referring to Table 2, which presents the normality test results using the Kolmogorov-Smirnov method at a 0.05 significance level, the test statistic value of 0.076 is less than the significance threshold of 0.126. In this case, Ho is accepted and H1 is rejected, meaning the data is normally distributed.

**Normality Test of Organizational Culture**

Table 3. Normality Test of Organizational Culture

<b>One-Sample Kolmogorov-Smirnov Test</b>		
		Organizational culture
N		160
Normal Parameters <sup>a,b</sup>	Mean	138,77
	Std. Deviation	16,98
Most Extreme Differences	Absolute	0,065
	Positive	0,065
	Negative	-0,050
Test Statistic		0,065

Asymp. Sig. (2-tailed) <sup>c</sup>		0,093	
Monte Carlo Sig. (2-tailed) <sup>d</sup>	Sig.		0,092
	99% Confidence Interval	Lower Bound	0,085
		Upper Bound	0,100
a. Test distribution is Normal.			
b. Calculated from data.			
c. Lilliefors Significance Correction.			
d. Lilliefors' method based on 10000 Monte Carlo samples with starting seed 624387341.i			

BAs shown in Table 3, the normality test conducted using the Kolmogorov-Smirnov method at a 0.05 significance level produced a test statistic of 0.065, which is lower than the significance value of 0.092. In this case, Ho is accepted and H1 is rejected, meaning the data is normally distributed.

**Normality Test of Transformational Leadership Variables**

Table 4. Normality Test of Transformational Leadership Variables

One-Sample Kolmogorov-Smirnov Test			
		Transformational Leadership	
N		160	
Normal Parameters <sup>a,b</sup>	Mean	119,62	
	Std. Deviation	15,76	
Most Extreme Differences	Absolute	0,095	
	Positive	0,050	
	Negative	-0,095	
Test Statistic		0,095	
Asymp. Sig. (2-tailed) <sup>c</sup>		0,001	
Monte Carlo Sig. (2-tailed) <sup>d</sup>	Sig.i		0,201
	99% Confidence Interval	Lower Bound	0,000
		Upper Bound	0,002
a. Test distribution is Normal.			
b. Calculated from data.			
c. Lilliefors Significance Correction.i			
d. Lilliefors' method based on 10000 Monte Carlo samples with starting seed 334431365.			

Based on table 4 which shows the results of the normality test using the Kolmogorov-Smirnov test, the test statistics result of 0.095 is smaller than the significance level of 0.201. In this case, Ho is accepted and H1 is rejected, meaning the data is normally distributed.

**Homogeneity Test of Organizational Culture (X1) with Performance (Z)**

Table 5. Homogeneity Test of Organizational Culture (X1) with Performance (Z)

ANOVA						
Organizational Culture						
	Sum of Squares	df	Mean Square	F Hitung	F Tabel	Sig.
Between Groups	30287,981	64	473,250	3,008	2,430	0,005
Within Groups	44589,619	95	469,364			
Total	74877,600	159				

The results of the homogeneity test based on ANOVA show that the F-count value (3.008) is smaller than the F-table value (2.430) at a significance level of 0.05. This means that the data X1 and Z have the same variation, meaning homogeneous. In other words, the variance between groups is considered homogeneous, and the null hypothesis stating that there is no difference between groups is accepted. This test provides an indication that Organizational Culture does not differ significantly between the groups tested.

**Homogeneity Test of Transformational Leadership (X2) with Performance (Z)**

Table 6. Homogeneity Test of Transformational Leadership (X2) with Performance (Z)

ANOVA						
Transformasional Leadership						
	Sum of Squares	df	Mean Square	F Hitung	F Tabel	Sig.
Between Groups	30287,981	64	473,250	2,828	2,430	0,005
Within Groups	44589,619	95	469,364			
Total	74877,600	159				

The results of the homogeneity test based on ANOVA show that the F-count value (2.828) is smaller than the F-table value (2.430) at a significance level of 0.05. This means that the X2 and Z data have the same variation, meaning homogeneous. In other words, the variance between groups is considered homogeneous, and the null hypothesis stating that there is no difference between groups is accepted. This test indicates that Transformational Leadership does not differ significantly between the groups tested.

**Homogeneity Test of Job Satisfaction (Y) with Performance (Z)**

Table 7. Homogeneity Test of Job Satisfaction (Y) with Performance (Z)

ANOVA						
Job Satisfaction						
	Sum of Squares	df	Mean Square	F Hitung	F Tabel	Sig.
Between Groups	63989,767	63	1015,711	8,956	2,430	0,000
Within Groups	10887,833	96	113,415			
Total	74877,600	159				

The results of the homogeneity test based on ANOVA show that the F-count value (8.956) is smaller than the F-table value (2.430) at a significance level of 0.05. This means that the Y and Z data have the same variation, meaning homogeneous. In other words, the variance between groups is considered homogeneous, and the null hypothesis stating that there is no difference between groups is accepted. This test indicates that Job Satisfaction does not differ significantly between the groups tested.

**Linearity Test of Organizational Culture (X1) with Performance (Z)**

Table 8. Linearity Test of Organizational Culture (X1) with Performance (Z)

ANOVA Table							
			Sum of Squares	df	Mean Square	F	Sig.
Organizational Culture Performance	Between Groups	(Combined)	30287,981	64	473,250	1,008	0,480
		Linearity	5103,542	1	5103,542	10,873	0,001
		Deviation from Linearity	25184,438	63	399,753	0,852	0,751
	Within Groups		44589,619	95	469,364		
	Total		74877,600	159			

The results of the linearity test of the Organizational Culture variable with Performance show that the Sig. = 0.001 value for Linearity, which is smaller than 0.05, indicates a significant and linear relationship between the two variables. Thus, it can be concluded that the relationship between Organizational Culture and Performance is linear. The results can be seen in the following scatter diagram:

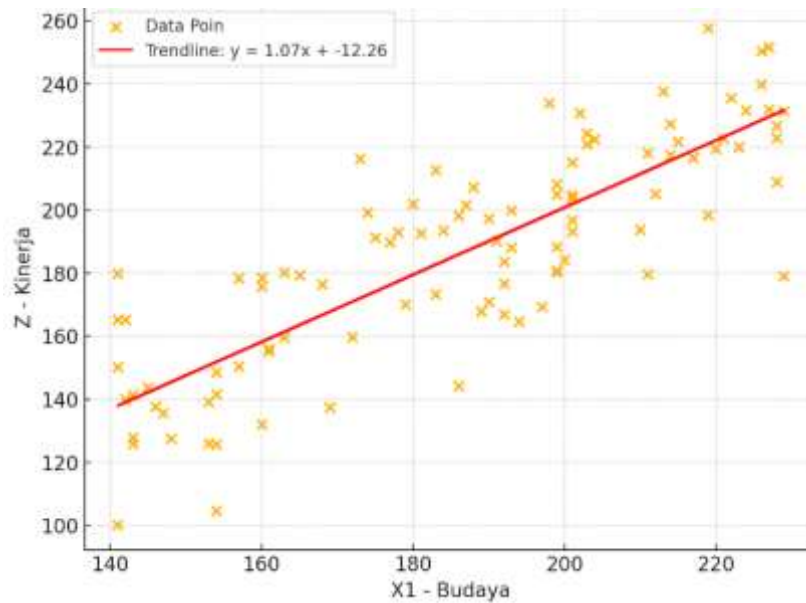


Figure 1. Radiation Diagram of Linearity Test Results of Variable X1 against Z

**Linearity Test of Transformational Leadership (X2) with Performance (Z)**

Table 9. Linearity Test of Transformational Leadership (X2) with Performance (Z)

ANOVA Table							
			Sum of Squares	df	Mean Square	F	Sig.
Transformational Leadership Performance	Between Groups	(Combined)	35250,638	65	542,318	1,286	0,131
		Linearity	5682,465	1	5682,465	13,480	0,000
		Deviation from Linearity	29568,173	64	462,003	1,096	0,339
	Within Groups		39626,962	94	421,563		
	Total		74877,600	159			

The results of the linearity test of the Transformational Leadership variable with Performance show a Sig. value = 0.000 for Linearity, which is smaller than 0.05, indicating a significant linear relationship between the two variables. Thus, it can be concluded that the relationship between Transformational Leadership and Performance is linear. The results can be seen in the following scatter diagram:

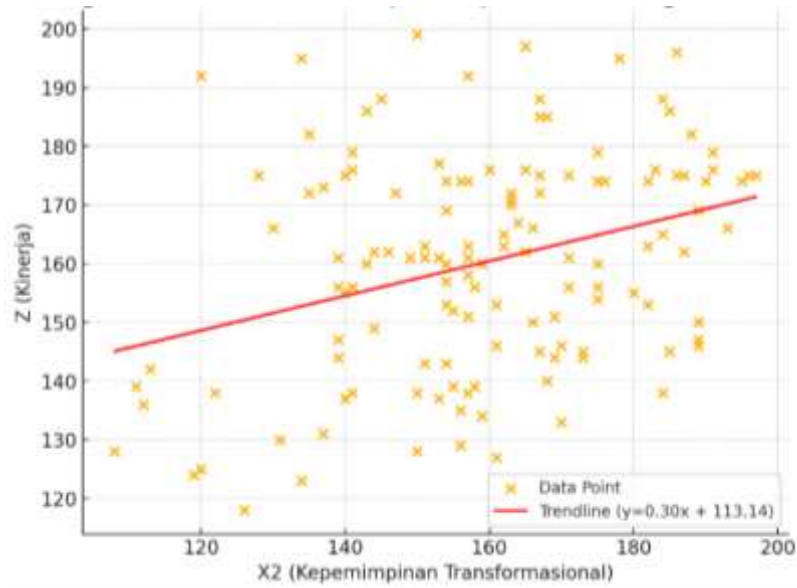


Figure 2. Radiation Diagram of Linearity Test Results of Variable X2 against Z

**Linearity Test of Job Satisfaction (Y) with Performance (Z)**

Table 10. Linearity Test of Job Satisfaction (Y) with Performance (Z)

ANOVA Table							
			Sum of Squares	df	Mean Square	F	Sig.
Job Satisfaction Performance	Between Groups	(Combined)	63989,767	63	1015,711	8,956	0,000
		Linearity	43634,903	1	43634,903	384,737	0,000
		Deviation from Linearity	20354,864	62	328,304	2,895	0,300
	Within Groups		10887,833	96	113,415		
	Total		74877,600	159			

The results of the linearity test of the Job Satisfaction variable with Performance show a Sig. value = 0.000 for Linearity, which is smaller than 0.05, indicating a significant linear relationship between the two variables. Thus, it can be concluded that the relationship between Job Satisfaction and Performance is linear. The results can be seen in the following scatter diagram:

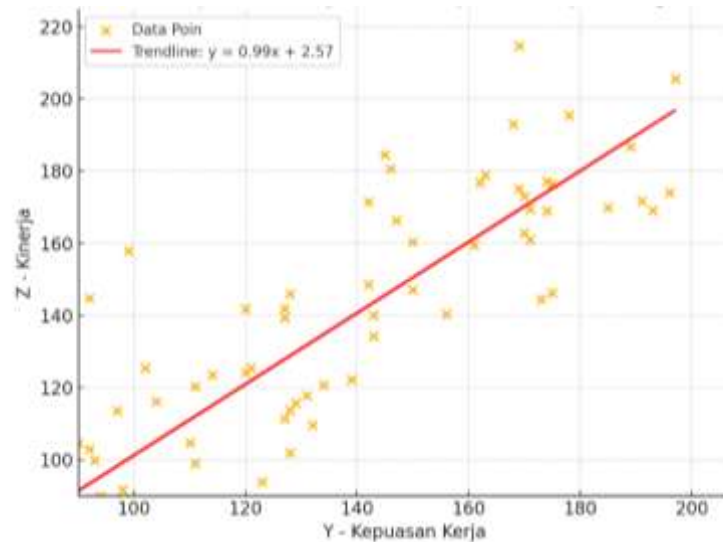


Figure 3. Radiation Diagram of Linearity Test Results of Variable Y against Z

## DISCUSSION

### *The Influence of Organizational Culture on Performance*

Based on the results of path analysis and Sobel test, it can be concluded that Organizational Culture (X1) has a significant direct influence on Performance (Z). The path coefficient value (PL  $\beta$ ) of 0.283 with a significance level of  $0.035 < 0.05$ , indicates that the more positive the organizational culture applied, the employee performance will tend to increase. This indicates that values, norms, and work practices in the organization play an important role in encouraging the achievement of more optimal work results. Furthermore, it was also found that there was an indirect influence of organizational culture on performance through job satisfaction (Y). This is indicated by the indirect path value ( $0.151 \times 0.777 = 0.1173$ ) and the Sobel test results of  $1.809 > 1.645$ , which means significant at the 5% level. This means that a strong organizational culture also increases job satisfaction, which then contributes positively to increased performance. This is in line with the principle that a healthy and supportive work environment will increase employees' sense of belonging, pride, and comfort, so that they are more motivated to give their best performance.

### *The Influence of Transformational Leadership on Performance*

Based on the results of the path analysis, it is known that transformational leadership (X2) has a significant direct influence on performance (Z), with a path coefficient value of 0.258 and a significance level of  $p = 0.010 < 0.05$ . This indicates that the higher the quality of transformational leadership applied in the organization, the employee performance will also increase directly. In addition to the direct influence on performance, transformational leadership (X2) also has a significant indirect influence on performance through the job satisfaction variable (Y). The indirect path coefficient value is 0.352, with a Sobel test value of  $2.330 > 1.645$ , indicating that the mediation effect of job satisfaction is significant. This means that transformational leadership style not only improves performance directly, but also through increasing job satisfaction first.

### ***The Influence of Job Satisfaction on Performance***

Based on the results of the path analysis presented in Table 1.7.3, it is known that the Job Satisfaction variable (Y) has a significant direct influence on Performance (Z) with a path coefficient value (PL  $\beta$ ) of 0.777 and a significance value of  $0.000 < 0.05$ , which indicates that the influence is very strong and statistically significant. Thus, it can be concluded that the higher the level of job satisfaction felt by employees, the higher the performance that can be produced. This means that when employees feel satisfied with their work in terms of the work environment, rewards, relationships between employees, and self-development, their motivation, commitment, and productivity will increase directly and significantly.

### ***The Influence of Organizational Culture on Job Satisfaction***

Based on the results of the path analysis in sub-chapter 1.7.4, it can be concluded that organizational culture (X1) has a direct influence on job satisfaction (Y) with a path coefficient value (PL  $\beta$ ) of 0.151 and a probability significance (PTL) of 0.041, which is below the significance limit of 0.05. This shows that the stronger the organizational culture in an institution, the level of employee job satisfaction also tends to increase significantly. A good organizational culture creates a supportive, open, and value-aligned work environment, which ultimately encourages employees to feel more comfortable, valued, and satisfied with their work.

## **CONCLUSIONS AND RECOMMENDATIONS**

Based on the results of the analysis, Organizational culture has a significant direct and indirect influence on employee performance through job satisfaction. A positive work culture increases a sense of belonging, comfort, and work motivation. Transformational leadership directly improves employee performance and also has an effect through increased job satisfaction. This leadership style is able to inspire and motivate employees personally and professionally. Job satisfaction has the most dominant influence on employee performance. The higher the job satisfaction, the higher the employee motivation, loyalty, and productivity.

## **ADVANCED RESEARCH**

Advanced research in this area can further investigate the mediating and moderating mechanisms through which organizational culture and transformational leadership styles influence employee performance, particularly focusing on the role of job satisfaction as both a psychological and behavioral construct. Utilizing a structural equation modeling (SEM) approach, future studies can explore how specific dimensions of organizational culture such as adaptability, involvement, and mission clarity interact with transformational leadership behaviors to shape job satisfaction levels across different organizational contexts. Additionally, longitudinal research could examine how sustained exposure to transformational leadership and a supportive culture fosters long-term employee engagement, innovation, and performance outcomes. This line of inquiry not only deepens theoretical understanding but

also provides actionable insights for HR practitioners in designing strategic interventions that align leadership development with culture-building initiatives to optimize workforce performance.

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