

The Role of Job Satisfaction in Mediating the Effect of Transformational Leadership on Employee Performance at General Hospital Dr. Pirngadi

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Abstract

This study aims to analyze the effect of transformational leadership on employee performance and to examine the role of job satisfaction as a mediator at Dr. Pirngadi Regional General Hospital in Medan. This study used a quantitative survey approach, involving all 74 employees in the training department as the sample (saturated sample). Data were collected through questionnaires and analyzed using Partial Least Square (PLS) with SmartPLS 4. The results showed that transformational leadership had a positive and significant effect on job satisfaction, but did not have a direct and significant effect on employee performance. Meanwhile, job satisfaction had a positive and significant effect on employee performance. Mediation analysis shows that job satisfaction significantly mediates the relationship between transformational leadership and employee performance. This confirms that the effectiveness of transformational leadership in improving the performance of Dr. Pirngadi Regional General Hospital employees is more optimal when achieved through increased job satisfaction. Based on these findings, it is recommended that hospitals improve employees' understanding of work tasks and procedures, review salary and compensation systems, and strengthen the transformational leadership capacity of leaders through motivational training and coaching. This study provides empirical contributions as well as practical recommendations for human resource management development to improve employee performance and the quality of health services.

Keywords: Transformational Leadership, Job Satisfaction, Employee Performance

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Introduction

Dr. Pirngadi Regional General Hospital (RSUD) in Medan is one of the regional referral hospitals that plays a strategic role in providing quality health services to the community. In carrying out its health service functions, the hospital faces various challenges, such as high patient volume, complex medical cases, and accreditation and excellent service standard requirements. In this context, employee performance is a crucial factor that determines the hospital's success in providing effective, efficient, and responsive services.

Employee performance is not only influenced by individual technical abilities and professionalism, but also by psychological, organizational, and leadership factors. One leadership style that is considered effective in increasing employee motivation and performance is transformational leadership. Transformational leadership can inspire, convey a clear vision, provide individual attention, and motivate employees to achieve optimal performance (Yukl, 2020). Previous studies have shown that transformational leadership has a positive and significant relationship with employee performance, especially in dynamic work environments that demand high professionalism, such as hospitals (Harahap & Surya, 2025; Isnanda et al., 2024).

However, the influence of transformational leadership on employee performance is not always direct. Psychological factors, especially job satisfaction, often serve as mediating variables that strengthen this relationship. Job satisfaction reflects employees' positive feelings toward their work, salary, promotions, relationships with superiors, and coworkers (Atmaja, 2022). Employees who are satisfied with their work tend to have high motivation, loyalty, and strong commitment, which ultimately leads to improved performance (Dewi & Putra, 2023; Santya & Dewi, 2022).

At Dr. Pirngadi Regional General Hospital, several job satisfaction indicators, such as satisfaction with salary and rewards, still show low values, while work motivation also needs to be improved through inspirational leadership. This condition indicates the need for research that examines the role of job satisfaction as a mediator in the relationship between transformational leadership and employee performance. By understanding this mechanism, hospitals can formulate more effective human resource management strategies, improve employee welfare, and ensure optimal quality of health services for the community.

Therefore, this study aims to analyze the influence of transformational leadership on employee performance and examine the role of job satisfaction as a mediating variable at Dr. Pirngadi General Hospital in Medan. The results of this study are expected to provide empirical contributions and practical recommendations for the development of human resource management in hospitals.

Literature Review Theoretical Framework Employee Performance Definition of Employee Performance

According to Rahman & Lataruva (2023), employee performance is defined as the extent to which an employee is able to achieve the expected results or meet the standards set in the context of their work. Measurements include productivity, work quality, compliance with policies, creativity, initiative, attendance, and contribution to the achievement of organizational goals.

Performance Indicators

Performance Indicators according to Rahman & Lataruva (2023):

- 1) Work Quantity
The amount of output or work completed within a certain period of time in accordance with the set targets.
- 2) Work Quality

The level of precision, accuracy, and correctness of work results compared to applicable standards.

- 3) Timeliness
Ability to complete work within the specified time frame and work time efficiency.
- 4) Attendance and Discipline
Level of attendance and discipline in following the work schedule, including compliance with organizational rules.
- 5) Cooperation with Colleagues
Ability to work in a team, good communication, and active participation in completing joint tasks.
- 6) Initiative and Responsibility
A tendency to take action or find solutions without waiting for instructions, as well as an awareness of job responsibilities.
- 7) Understanding of Tasks and Implementation of Procedures
The extent to which employees understand their duties and perform their work in accordance with applicable procedures and instructions.

Job Satisfaction Definition of Job Satisfaction

According to Atmaja (2022), job satisfaction is a pleasant emotional attitude and love for one's work.

Indicators of Job Satisfaction

According to Atmaja (2022), job satisfaction can be measured through several indicators that describe employees' emotional responses to their work. These indicators include:

- 1) Satisfaction with the Job Itself
Describes the extent to which employees feel that their work is meaningful, interesting, and in line with their abilities.
- 2) Satisfaction with Salary/Compensation
Refers to the level of employee satisfaction with the fairness, adequacy, and accuracy of the compensation received (salary, incentives, benefits).
- 3) Satisfaction with Promotion Opportunities
Assessing whether employees feel they have opportunities for growth and advancement to higher positions, with a transparent and fair promotion process.
- 4) Satisfaction with Supervision/Superiors
Describes employees' feelings about their superiors' leadership style, support, communication, and fairness in leadership.
- 5) Satisfaction with Coworkers
Measuring the extent to which employees feel comfortable and receive support from coworkers, including aspects such as cooperation, social relationships, harmonious communication, and team solidarity.

Career Development Definition of Career Development

Rivai & Sagala (2020) define career development as the process of continuously improving an individual's competencies, experience, and potential to achieve a higher position within an organization.

Career Development Indicators

According to Rivai, career development can be measured through the following four main indicators:

- 1) Career Planning
Describes the extent to which employees are able to plan their own career goals.
- 2) Career Management
This indicator assesses how organizations manage employee careers systematically.

- 3) Training and Development
This indicator shows the availability and effectiveness of training programs to improve employee competencies.
- 4) Opportunities for Promotion
Measures the extent to which employees feel there are real opportunities for promotion.

Transformational Leadership Definition of Transformational Leadership

Yukl (2020) defines transformational leadership as a process in which leaders change or transform the values, attitudes, and goals of organizational members by providing ideal influence, inspirational motivation, intellectual stimulation, and individual attention.

Indicators of Transformational Leadership

Indicators of transformational leadership according to Yukl (2020):

- 1) Developing and Communicating a Vision
Transformational leaders create and communicate a clear and inspiring vision of the organization's future to their followers.
- 2) Encouraging Innovation and Learning
Leaders encourage followers to think creatively, question old habits, and continue learning for continuous improvement.
- 3) Providing Individual Support
Leaders pay attention to the needs, potential, and differences in character of each team member on a personal level.
- 4) Setting an Example in Values and Ethics
Leaders serve as role models in integrity, responsibility, and professional behavior.
- 5) Inspiring Enthusiasm and Motivation
Leaders inspire, give hope, and build confidence in the team to work beyond the usual standards.

Conceptual Framework

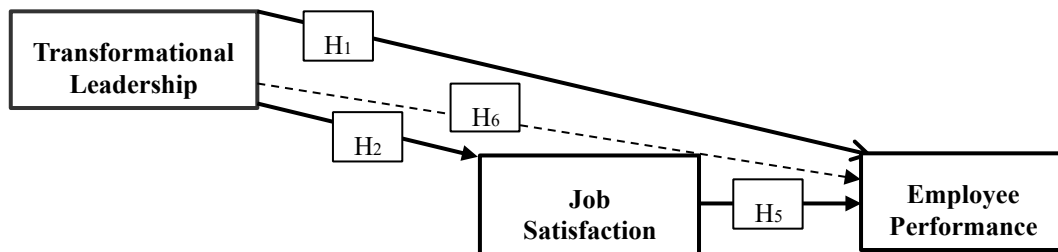


Figure 1. Conceptual Framework

Research Hypothesis

- H₁ : Transformational leadership has a positive and significant effect on employee performance at Dr. Pirngadi Regional General Hospital.
- H₂ : Transformational leadership has a positive and significant effect on job satisfaction at Dr. Pirngadi Regional General Hospital.
- H₃ : Job satisfaction has a positive and significant effect on employee performance at Dr. Pirngadi Regional General Hospital.
- H₄ : Transformational leadership has a positive and significant effect on employee performance through job satisfaction at Dr. Pirngadi Regional General Hospital.

Research Methodology Type of Research

The type of research used by the researcher is quantitative research. This type of quantitative research is conducted to create a study that aims to adjust a study and to analyze

transformational leadership and career development on employee performance with job satisfaction as a mediating variable at Dr. Pirngadi Regional General Hospital.

Research Location and Time

The research location was at Dr. Pirngadi Regional General Hospital, located at Jl. Prof. HM. Yamin No. 47 Medan. The research was conducted over a period of 3 months, from October to December 2025.

Population and Sample

According to Sugiyono (2022), the population is the area of generalization consisting of objects or subjects that have certain qualities and characteristics determined by the researcher to be studied and then conclusions are drawn. In this study, the population consists of all employees of the training department at Dr. Pirngadi Regional General Hospital, located at Jl. Prof. HM. Yamin No. 47, Medan, totaling 74 people. Because the population size is small, i.e., less than one hundred, the entire population was used as the sample, which is better known as a saturated sample.

Research Data Sources

The data source used in this study is primary data.

Results

Outer Model Analysis

Outer Model Analysis using the *PLS Algorithm* yielded the following results: **Validity Test**

Table 1. Outer Loadings Values

	Employee Performance	Transformational Leadership	Work Satisfaction
X1.1		0.833	
X1.2		0.812	
X1.3		0.840	
X1.4		0.874	
X1.5		0.808	
Y.1	0.753		
Y.2	0.859		
Y.3	0.840		
Y.4	0.864		
Y.5	0.865		
Y.6	0.826		
Y.7	0.646		
Z.1			0.823
Z.2			0.854
Z.3			0.856
Z.4			0.911
Z.5			0.769

Source: Smart PLS Output, 2025

Based on the values in Table 1 above, which show the results of outer model testing through loading factor/outer loadings values, all indicators in each variable have a loading value

≥ 0.60 . This indicates that each indicator is measured validly and strongly. Therefore, it can be concluded that all items in the questionnaire have met the validity criteria, as shown in the following figure.

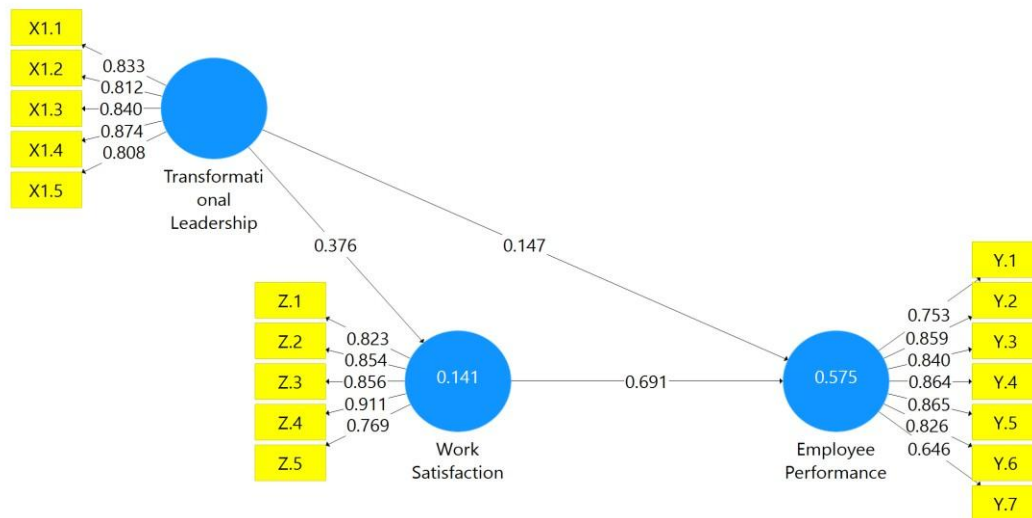


Figure 2.Outer Loading

Reliability Test

Table 2. Construct Reliability and Validity Test

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Employee Performance	0.912	0.926	0.930	0.658
Transformational Leadership	0.891	0.897	0.919	0.695
Job Satisfaction	0.898	0.912	0.925	0.712

Source: Smart PLS Output, 2025

From Table 2 above, the reliability test results show that the Cronbach's Alpha and Composite Reliability values for all constructs are above 0.70. This indicates that all indicators have high internal consistency and are reliable in measuring their respective constructs. Thus, the research instrument is declared reliable and suitable for use in structural model testing.

Coefficient of Determination (R^2)

In assessing the model with PLS, we begin by looking at the R-square for each dependent latent variable. The table below shows the Rsquare estimation results using SmartPLS.

Figure 3. R Square Results

	R Square	Adjusted R-Square
Work Satisfaction	0.141	0.129
Employee Performance	0.575	0.563

Source: Smart PLS, 2025

Table 3 shows the R square values for both dependent variables. For the job satisfaction variable, the R square value is 0.141, meaning that the influence of transformational leadership is 0.141 or 14.1%, with the remainder attributable to other variables outside the model. The Rsquare value for employee performance is 0.575, meaning that transformational leadership and job satisfaction account for 0.575 or 57.5%, with the remainder attributable to other variables outside the model.

Structural Model Testing (Inner Model) Hypothesis Testing Direct Influence Between Variables

The direct effect between variables can be seen in the *path coefficients*. The data analysis results show the direct effect values in the following table.

Figure 4. Path Coefficients (Direct Effects)

	Original Sample	T Statistics	P Values	Conclusion
Transformational Leadership -> Employee Performance	0.147	1.509	0.132	Rejected
Transformational Leadership -> Job Satisfaction	0.376	3,947	0.000	Accepted
Work Satisfaction -> Employee Performance	0.691	10,839	0	Accepted

Source: Smart PLS Output, 2025

The results in Table 4 show the following direct effect values:

1. Transformational leadership has a positive but insignificant effect on employee performance with a t-statistic value of 1.509 below 1.96 and a significance of 0.132 above 0.05, meaning that transformational leadership has no real effect on employee performance because the significance value is above 0.05. The results of this study are not in line with the results of previous studies, namely that transformational leadership has a positive and significant effect on employee performance (Harahap & Surya, 2025).
2. Transformational leadership has a positive and significant effect on job satisfaction with a tstatistic value of 3.947 above 1.96 and a significance of 0.000 below 0.05, meaning that transformational leadership has a significant effect on job satisfaction because the significance value is below 0.05. The results of this study are in line with previous research findings, namely that transformational leadership has a positive and significant effect on job satisfaction (Tarigan & Indrawan, 2024).
3. Job satisfaction has a positive and significant effect on employee performance with a tstatistic value of 10.839 above 1.96 and a significance of 0.000 below 0.05, meaning that job satisfaction has a real effect on employee performance because the significance value is below 0.05. The results of this study are in line with previous research findings, namely that job satisfaction has a positive and significant effect on employee performance (Mesra & Surya., 2025).

Indirect Effects Between Variables

The indirect effect between variables can be seen in the *specific indirect effects* value. The data analysis results show the indirect effect value in Table 5 below.

Figure 5. Specific Indirect Effects (Indirect Effects)

	Original Sample	T Statistics	P Values	Conclusion
Transformational Leadership -> Work Satisfaction -> Employee Performance	0.260	3.515	0.000	Accepted

Source: Smart PLS, 2025

Table 5 shows the indirect influence between variables, namely: transformational leadership has a positive and significant effect on employee performance through job satisfaction with a t-statistic value of 3.515 above 1.96 and a significance value of 0.000 below 0.05, meaning that job satisfaction acts as an intervening variable between transformational leadership and employee performance (Mesra & Surya., 2025).

Conclusion

1. Transformational leadership has a positive and significant effect on employee performance at Dr. Pirngadi Regional General Hospital.
2. Transformational leadership has a positive and significant effect on job satisfaction at Dr. Pirngadi Regional General Hospital.
3. Job satisfaction has a positive and significant effect on employee performance at Dr. Pirngadi Regional General Hospital.
4. Transformational leadership has a positive and significant effect on employee performance through job satisfaction at Dr. Pirngadi Regional General Hospital.

Recommendations

1. Employee performance with the lowest score was "I understand my job duties and carry out work procedures in accordance with applicable regulations." Dr. Pirngadi Regional General Hospital is advised to strengthen employees' understanding of their duties and work procedures through clear SOP socialization, regular training, and periodic evaluations, so that every employee can carry out their work in accordance with applicable regulations and improve their performance consistently.
2. Job satisfaction with the lowest score was "I am satisfied with my salary or compensation." Dr. Pirngadi Regional General Hospital is advised to review and adjust its salary and compensation system to be fair and transparent, as well as to clearly communicate its reward and incentive policies to employees, thereby increasing job satisfaction and motivation in performing their duties.
3. Transformational leadership with the lowest score of "My boss is able to inspire and motivate employees." Dr. Pirngadi Regional General Hospital is advised to develop the transformational leadership capacity of its leaders through motivational training and coaching, so that supervisors are able to consistently inspire and motivate employees.

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