



RELATIONSHIP BETWEEN TRANSACTIONAL AND TRANSFORMATIONAL LEADERSHIP, JOB SECURITY AND PERFORMANCE ON MEDIATOR AFFECTIVE COMMITMENT

Arbiansyah, T. P. T.,
Guritna, E. T.,
Yulisaⁱ

Faculty Psychology,
University Persada Indonesia Y.A.I,
Indonesia

Abstract:

The company ready to drink especially at PT. XYZ is experiencing business competition so it affects performance and affective commitment of employees. Company data shows a performance lower of more than 55% of employee's performance in Key Performance Indicator (KPI), performance appraisal index under 80 or from company defined performance targets. This research proved that there is an influence of transformational and transactional leadership, job security with performance and affective commitment as mediators. Respondents in this study were employees at PT. XYZ with a total of 257 participants consisting of Javanese, Sundanese, Batak, etc. The sampling techniques used were purposive sampling. This research uses a Likert scale on performance variables, affective commitments, transformational and transactional leadership, job security. The instrument has good validity and reliability. Data analysis results in the form of GOF (good of fitness) as follows RMSEA = 0.055, GFI = 0.98, CFI = 1.00, NFI = 1.00 and NNFI = 1.00. Data analysis results model influence of transformational and transactional leadership, job security on performance with affective commitment as a mediator is fit or match data. From the observation, there is a picture that at PT. XYZ feels that the company still assures safety in work so that even in the situation is not good. An employee has a positive perception of his future in the organization.

Keywords: transformational leadership, transactional leadership, job security, commitment affective and performance

ⁱ Correspondence: email arbiansyah.panca@yahoo.com, e.taruguritna@gmail.com, bening.deltastyle@gmail.com

1. Introduction

Market place in public, ready to drinks in Indonesia is still dominated by PT. XYZ as a market leader; PT. XYZ creates a wide range of other products to keep its market share dominant respecting the competitors. Because that, a few years later many competitors began to product ready to drink products, so the organizational performance decreased. Based on a consultant survey A. T. Kearney (2015), in the last five years, the market share of ready to drink decreased with 20%.

Ulrich (2002) affirmed that business developments require new markets, products, competencies, and the latest way to think about business and management in the field of human resources is taking an important role. Stone (2005) reveals the importance of knowledge between the workers, because the company's main wealth is employees. With competent workers an organization is expected to win a competition in the marketplace.

The measure of achievement can be evaluated by employee performance assessment, Robbins and Judge (2009), by the use of criteria evaluating employee performance measured by employee achievement. Employee valuation criteria are the result of employee work, behavior, and attitudes. According to the performance assessment relationship according to Allen & Meyer (1993) reflected in affective commitment, it is a psychological condition that employees of organization impact employee decisions remain organized or leave an organization. Affective commitment measure of strength employee identification with organizational objectives and values involved. Performance is the strength and ability of employees to perform tasks (Wirawan, 2006).

According to Ostoff (1992), commitment and performance employees are influenced by style and attitude leadership. High and low commitment with performance depend well not style and attitude of superiors. Its strong leadership influence was also conveyed Su'ud (2002), stating that the leader is obliged to pay attention in building, mobilizing, directing all potential employees so that the target company can be achieved well. Effective leaders must have a transformational and transactional leadership role doing coaching with employees in order to be able to bind employees' commitments, the organization so that they can ultimately improve performance (Yukl, 2008). The style of leadership in carrying out a task will be the psychological effect of safe work.

Burchell (1999) and Pardiansyah (1999) declared that employees' commitment is an influencing safety factor of work. Safety in working is identified as a comfortable working atmosphere, supportive work environment, certainty of sustainability of work of human resources in an organization.

Employees will effectively work better if the work environment is comfortable and safe for them to work. Therefore, the organization must be able to create a working atmosphere that enables and increase employee commitment.

Hay (2014) stated that the level of job satisfaction has an impact on work commitment. Findings of Hay's survey identified the main factors as salary, burden responsibility, leader openness. This is also an image of low employee performance, an

average of more than 55% of employee performance is value of < 80, value targeted at each employee to achieve performance standards is 80. The number is an indication of need for breakthrough steps to make necessary improvements.

Sulistiyani (2003) expressed that performance is a record of contributions/outcomes generated by employees over a period of time. Rivai (2004) stated that performance is a real behavior that is shown as employee work achievement according to its role in the organization. Thus, it can be concluded that performance is a result of the work achieved by the employee.

2. Theoretical Framework

2.1 Employee Performance

Gomes (2003:142) affirms that there are eight aspects which are used to assess employee performance: work quantity, knowledge, creativity, cooperation, dependence, initiative, quality personnel.

Sastrohadiwiryo (2001) indicate the aspects of employee performance: affective commitment defined as emotional attachment, determination and ability to obey, implement, and practice something that is adhered to with awareness and responsibility of the determination and ability must be evidenced by the attitude and behavior of employees in carrying out duties and work. The next aspect is job achievement, responsibility, which means the ability to complete tasks and work following commitment and willingness to take a risk. Next is the aspect of obedience, honesty, teamwork, initiative, and leadership.

The aspects used in this theory are consistent with the ones expressed by Robbins (2006): quality of work, competence, leadership, and creativity in completing work.

2.2. Factors Affecting Employee Performance

According to Stern (Mangkunegara, 2005) factors that determine employee performance are: individual factors and environmental factors of the organization. Hasibuan (2003:56) states that factors that play a role in achieving employee performance i.e.: quantity, quality, discipline, and affective commitment. Meyer (1993) emphasizes that performance is also influenced by elements of commitment.

Employees who are committed will work with dedication, which makes employees have a desire to provide more energy and responsibility to support the welfare and success of an organization in which work. Three forms of commitment i.e. affective commitment, normative commitment, sustainable commitment. The critical commitment is highly influential in employee's performance, as it relates to the emotional side and individual identification of its organization, which will affect its involvement in an organization.

Employees with high affective commitment always the employees to show good performance, because they still want to join as a member of the organization (Meyer, 1994).

The Major hypothesis of the study was:

H1: To prove the influence of transformational leadership, transactional leadership, and job security on performance through affective commitments.

2.3. Affective Commitment

Meyer & Smith (1993) affirms that affective commitment is one of commitments; affective commitment is an emotional bond inherent to the employee to identify and engage with the organization. Kartika (2011) states that this affective commitment is formed as a result of organizations intention to make employees have strong confidence to follow all organizational values, and strive to realize organizational objectives as the priority and employees will also retain their membership.

Hartman (2000) and Mueller et al. (1997) emphasize that an affective commitment is a feeling of owning and being part of an organization. For Robbins (2009) and Greenberg & Baron (2003) affective commitments cause employees to survive on one job because they want it, affective commitment is said to be the power of employees to keep working within an organization because they approve and desire to do that work. The affective commitment is the psychological attachment of employees to the organization, so employees persist in the organization.

Meyer, Allen & Smith (1993) enumerates the aspects of affective commitment: the pride of working in an organization, desire to keep working in the company, to be emotionally involved in the organization. Nyhan (1999) explains that aspect affective commitment are ties between employees and the organization, i.e.: trust and feel, willingness, and sincerity to work, and desire to become a member of the organization.

2.4. Determinant Factors of Affective Commitment

The affective commitment of employees does not just happen but through a fairly long and gradual process. Commitments to organizations are also determined by many factors. Milner (2008) indicates the employee's personal factors, job characteristic factors, and organizational structural factors, experience factors, and working period. Employees who are just a few years working and employees who have decades of work in the organization certainly have different levels of commitment.

Stum (2008) shows the factors that influence affective commitment: a culture of openness, job satisfaction, personal opportunities to develop, the direction of an organization, and award of work to suit the needs.

Young et al. (2008) declares that factors that positively affect commitment are: satisfaction on promotion, characteristics of work, communication, satisfaction transformational and transactional leadership, extrinsic and intrinsic exchanges, intrinsic and extrinsic rewards.

Amstrong (1991) indicates as factors of affective commitment: job security, organizational leadership (quality of transactional and transformational leadership), organizational culture, especially the presence of culture involving employees in decision making positively can encourage and create a sense of owning an employee towards the organization so that employees feel that they are accepted into an important part or key

of organization. In writing these factors influence affective commitment to improving employee performance is transformational and transactional leadership and job security. A minor hypothesis in the study was:

H2: To prove the influence of commitment effective with performance.

2.7. Transformational Leadership

Transformational leadership consists of two words namely *leadership* and *transformational*.

Leadership is an act in which individuals are designed to coordinate and give direction to an individual or group belonging to a particular container to achieve a predetermined goal (Sudarwan, 2003).

The transformational term is the stem of the word *to transform*, which means *transforming something into another different form*, example: converting potential energy into actual energies or achieving motif becomes a real accomplishment. Managers can be called to apply rules of transformational leadership, if able to change the resources of either human, instrument, or situation to achieve the objectives of learner organization (Senge, 2003).

Transformational leadership is the ability of leaders to work with and or through other individuals to optimally transform an organization's resources to achieve a meaningful goal under target achievement set Sudarwan (2003). Bass (1992) "*Transformational leaders transform the personal values of followers to support the vision and goals of the organization by fostering an environment where relationships can be formed and by establishing a climate of trust in which visions can be shared*". Bass (1992) defines transformational leadership as following: "*leadership and performance beyond expectations*". Transformational leadership is a leading force that seeks to transform the value of leaders in order to be accepted by its subordinates, thereby supporting the achievement of vision and organizational objectives.

2.8. Aspects Related to Transformational Leadership

Yukl (2007) affirmed that transformational leadership aspects are: charisma (the ability to give sensible vision and mission, inflict pride, lead respect, and trust) inspiration (being able to communicate high expectations, using symbols to focus efforts, expressing important goals simply) intellectual stimulation (ability to develop employees' competence) and individualized consideration (the ability to give personal attention, conduct training and consultation to subordinates individual).

Burns (2006) states that aspects of transformational leadership are: visionary ability, communication skills, inspirational abilities. Based on experts' opinion, the transformational leadership aspect of this writing is consistent with the ones expressed by Yukl (2007): attribute charisma, inspiration motivation, intellectual stimulation, individual consideration, idealized influence. A minor hypothesis in the study was:

H3: To prove the influence of transformational leadership with performance.

2.9. Transactional Leadership

The transactional leadership was first mentioned by Downtown (1973) in order to distinguish revolutionary leaders, reform leaders, and ordinary leaders. Concepts began to get noticed when Buns (1973) published his work '*Leadership*' in politics. Bass (1985) defines traditional leadership of approaching employees by changing "*something*" with a particular job or for votes given in a campaign. Metcalfe (2000) shows that transactional leader has the information required and desired to be subordinate and must provide constructive feedback to retain subordinates to the assignment. In transactional relationships, leaders promise and reward their well-performing subordinates, and act on and discipline poorly performing subordinates.

Yukl (2007) affirms that transactional leadership is leadership in which the leader determines what the employee must do to achieve organizational goals and help employees gain trust in work. Transactional leadership is the perception of an employee about where a leader gives guidance on what to do to achieve a predetermined outcome, ability to notify reward that will be received if work goal is reached, and monitors the execution of a task in order not to have an error.

Transactional leadership is the perception of an employee with a leader giving guidance on what to do to achieve a predetermined outcome, ability to notify reward that will be received if work goal is reached, and monitors implementation of task so that no error occurs.

Covey (1997) indicates the transactional leadership aspects: 1) focus on the outcome, leader supports structures and systems that reinforce the outcome of a job, by maximizing efficiency and guaranteeing short-term gains. 2) the ability centered on the incident, a leader can rely on human relationships to get the job done and to make a living. In other words, the leader follows and meets the expectation of appropriate rewards for its employees on every effort and hard work.

Bass (1985) aspects of transactional leadership: 1) contingent reward: awarding a promised award for good performance, in which case the leader is expected to have performance achievement award mechanisms, 2) active management by exception: the ability to view and search for deviations from rules or standards, take corrective action or correction, 3) passive management by exception: the ability to intervene when a standard is not reached, 4) laissez-faire: gives full freedom to subordinate, and subordinate will be responsible for any consequences. A minor hypothesis in the study was:

H4: To prove the influence of transactional leadership with performance.

2.9 Job Security

Anoraga (2001) defines job security as a safe feeling that employees feel in doing their job. The sense of safety in question is a sense of safety to not be fired, a sense of security from environmental disorders. When individuals perceive that they are safe, not disturbed by their surrounding environment, the employee's commitment increases.

Maslow's (1970) shows that necessary physical needs will emerge a new need that can be categorized to need for safety, guarantee, work achievement/promotion, and fair compensation. Kroemer & Grandjean's (2003) declares that job security is the intensity of job continuation or otherwise unemployment threat. Probst (2003) states that job security is the perception of stability and sustainability of the job. The perception of job security can be influenced by sustainability and continuity of work and stability of content or work. Work must be assured of sustainability or its agility, work is considered safe if content or scope of work is also stable.

Job security is the perception of employees on continuity of work and stability of work content owned by current and future employees.

2.10 Aspects Related to Job Security

Kurniasari (2004) enumerates the aspects related with job security: job security, employer security, and employment security. Porbst (2002) considers the following job security aspects: work continuity, and stability of content or job. Oldham et al. (1986) defines the job security as a level of individual confidence in the continuity of work and individual level of confidence in organization to provide a position in an organization.

3. Method

3.1 Participants

Data was collected from a primary survey with 257 participants and it was focused on managerial problems from sales.

3.2 Procedure

Data retrieval was done by giving questionnaires to respondents; the data was processed and analyzed by using SEM analysis.

3.3 Technical analysis

The data analysis technique is *structural equation modeling* (SEM). SEM projection suitability of research model with actual condition in PT. XYZ evidence by standard value Goodness of Fit index (GFI), result from transactional leadership, transformational leadership, and job security with performance on mediator commitment affective.

4. Analysis and Research Data

4.1 Validity and Reliability Test

The instruments used in this study were 57 indicators, results obtained from reliability analysis were that all research instruments used were reliable with a significant value above 0.7 Cronbach alpha if items were deleted. All items were also declared valid because all the results of the t count of the research items were greater than the t table value on the required degree of $N-2= 55$, value 0.269.

4.2 Test 2nd order Confirmatory Factor Analysis

This test aims to see how well the indicators can be used as an instrument for measuring latent variables. Data processing was carried out using the LISREL program. The results obtained from the confirmatory factor analysis test recommend that the model be modified to obtain the most suitable results with the empirical data. According to Jöreskog and Sörbom (1996), if the initial model does not match existing empirical data, then the model is modified and tested again with the same data. Respecification of the model can be done based on a one-step or two-step approach, in some cases, it can also be a trimming model (Hair et.al., 1998). To obtain an acceptable CFA model, first thing that is done with the trimming model, is a model that is used to improve a path analysis structure model by removing from exogenous variables or factors whose path coefficients are not significant (Ridwan & Kuncoro, 2008). Where the observed variables or indicators that have a standardized loading factor are not significant (t-value <1.96) and which are significant, but the standardized loading factor value <0.70 or <0.50 is omitted from the model (Wijanto, 2008).

4.3 Data analysis

4.3.1 Affective Commitment

After analyzing the model, the results of the confirmatory analysis test are obtained as shown in the following figure.

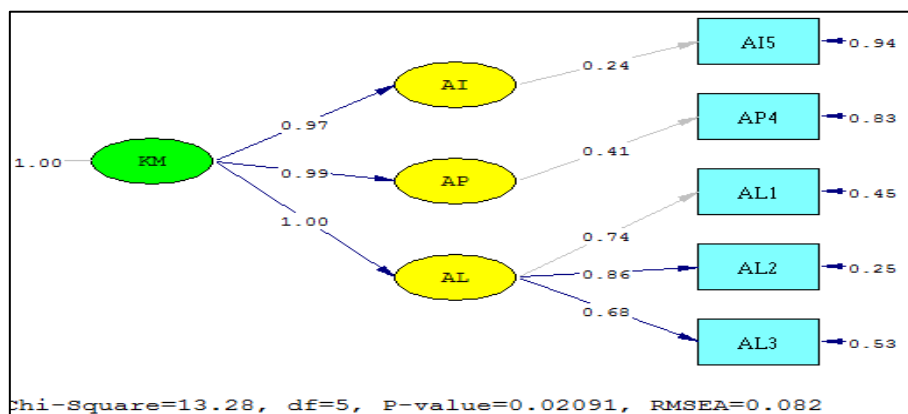


Figure 1: CFA Aspects Affective Commitment

Table 1: Loading Factor Affective Commitment

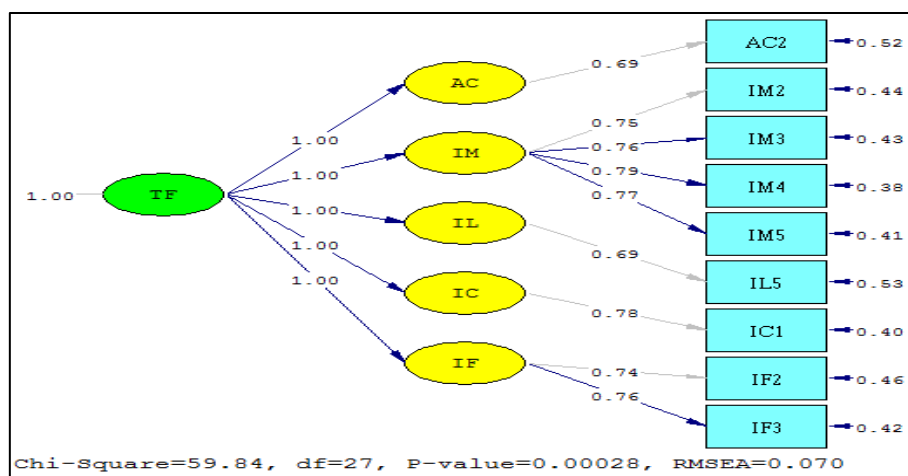
Λ	λ^2	$e (1-\lambda^2)$	CR	VE
0,24	0,0576	0,9424		
0,41	0,1681	0,8319		
0,74	0,5476	0,4524	0,739466	0,39506
0,86	0,7396	0,2604		
0,68	0,4624	0,5376		

From the test results above, it can be seen that almost all of the loading factor values are above 0.5 except for AI & AP with loading factors below 0.5, even though these values are still significant as a fairly good measuring tool. This shows that all measuring

instruments have a good loading factor. While the results of Construct Reliability (CR) were 0.74 and the Variance Extracted (VE) was 0.40. The Construct Reliability obtained is classified as good, which is above 0.7. Furthermore, the Extracted Variance obtained was significantly above the value of 0.2. Meanwhile, based on the goodness of fit, the following results the fit index RMSEA = 0.082, GFI = 0.95, CFI = 0.99, NFI = 0.98, and NNFI = 0.98, it can be concluded that the model, in this case, the measurement model fits the data.

3.3.2 Transformational Leadership

After analyzing the model, the results of the confirmatory analysis test are obtained as shown in the following figure.



Picture 2: CFA Aspects Transformational Leadership

Table 2: Loading Factor Transformational Leadership

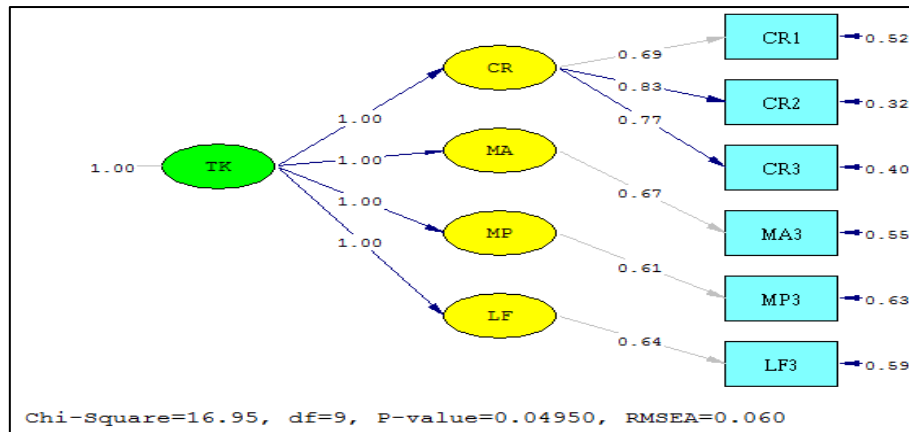
λ	λ^2	$e (1-\lambda^2)$	CR	VE
0,69	0,4761	0,5239		
0,75	0,5625	0,4375		
0,76	0,5776	0,4224		
0,79	0,6241	0,3759		
0,77	0,5929	0,4071	0,919653	0,560322
0,69	0,4761	0,5239		
0,78	0,6084	0,3916		
0,74	0,5476	0,4524		
0,76	0,5776	0,4224		

From the test results above, it can be seen that the loading factor values are all above 0.5. This shows that all measuring instruments have a good loading factor. While the results of Construct Reliability (CR) were 0.91 and the Variance Extracted (VE) was 0.56. The Construct Reliability obtained is classified as good, which is above 0.7. While the Extracted Variance obtained was significantly above the value of 0.5. Meanwhile, based on the goodness of fit, it is known that the results of RMSEA = 0.070, GFI = 0.95, CFI = 0.99, NFI = 0.98, and NNFI = 0.98, it can be concluded that the model, in this case, the measurement model fits the data.

= 0.98, and NNFI = 0.98, it can be concluded that the model, in this case the measurement model fits the data.

4.3.3 Transactional Leadership

After analyzing the model, the results of the confirmatory analysis test are obtained as shown in the following figure.



Picture 3: CFA Aspect Transactional Leadership

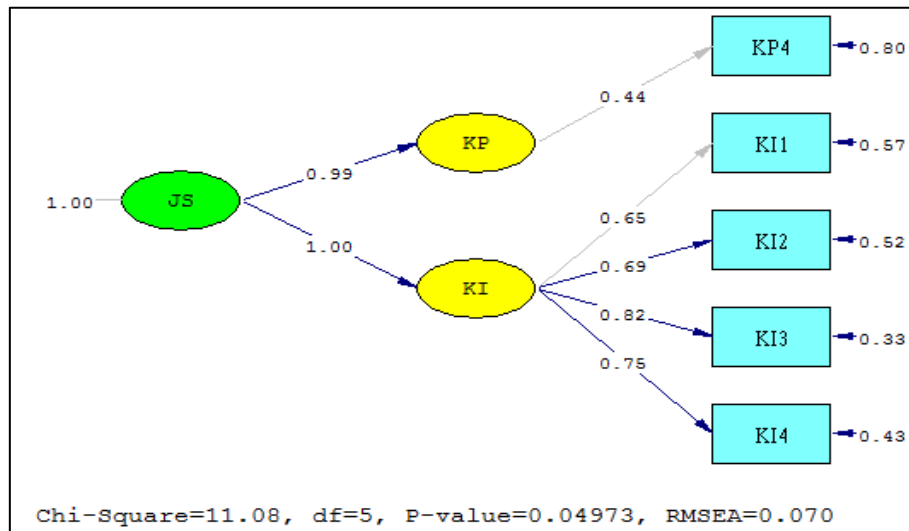
Table 3: Loading Factor Transactional Leadership

Λ	λ^2	$e (1-\lambda^2)$	CR	VE
0,69	0,4761	0,5239		
0,83	0,6889	0,3111		
0,77	0,5929	0,4071		
0,67	0,4489	0,5511	0,854767	0,498083
0,61	0,3721	0,6279		
0,64	0,4096	0,5904		

From the test results above, it can be seen that the loading factor values are all above 0.5. This shows that all measuring instruments have a good loading factor. While the results of Construct Reliability (CR) were 0.85 and the Variance Extracted (VE) was 0.5. The Construct Reliability obtained is classified as good, which is above 0.7. While the Extracted Variance obtained was significantly above the value of 0.4. Meanwhile, based on the goodness of fit, it is known that the good results are RMSEA = 0.060, GFI = 0.98, CFI = 0.99, NFI = 0.98, and NNFI = 0.98, it can be concluded that the model, in this case, the measurement model fits the data.

4.3.4 Job Security

After analyzing the model, the results of the confirmatory analysis test are obtained as shown in the following figure.

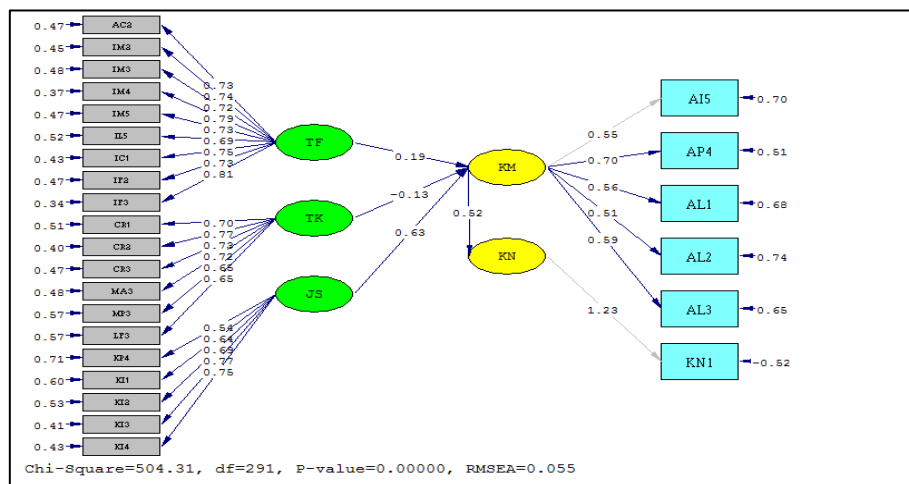


Picture 4: CFA Aspect Job Security

Table 4: Loading Factor Job Security

λ	λ^2	$e (1-\lambda^2)$	CR	VE
0,44	0,1936	0,8064		
0,65	0,4225	0,5775		
0,69	0,4761	0,5239	0,807641	0,46542
0,82	0,6724	0,3276		
0,75	0,5625	0,4375		

From the test results above, it can be seen that the loading factor values are all significant above 0.4. This shows that all measuring instruments have a good loading factor. While the results of Construct Reliability (CR) were 0.80 and the Extracted Variant (VE) was 0.46. The Construct Reliability obtained is classified as good, which is above 0.7. While the Extracted Variant obtained was significantly above the value of 0.4. Meanwhile, based on the goodness of fit, it is known that the results are based on the five indexes, both RMSEA = 0.070, GFI = 0.98, CFI = 0.99, NFI = 0.98, and NNFI = 0.97, it can be concluded that the model, in this case the measurement model is suitable or fit with data.



Picture 5: Model Hybrid

Table 5: Fitness Model

No	Var. Exogen	Var. Endogen / Mediator	Var. Endogen	Gamma / Beta	Value t	Explanation
1	TF	KM		0.19	1.19	
2	TK	KM		-0.13	-0.77	
3	JS	KM		0.63	11.71	Significant
Indirect effect						
4	TF	KM	KN	0.05	0.29	
5	TK	KM	KN	-0.03	-0.18	
6	JS	KM	KN	0.20	2.18	Significant
7		KM	KN	0.52	5.13	Significant

H1: Testing the first hypothesis or major hypothesis in the study was to prove the influence of transformational leadership, transactional leadership, and job security with performance through effective commitments. Based on data analysis obtained the following results Based on the five indices, both RMSEA=0.055, GFI=0.98, CFI=1.00, NFI=1.00, and NNFI=1.00, it can be concluded that the model, in this case, the measurement model, fits the data. Thus, it can be concluded that transformational leadership, transactional leadership, and job security affect performance through affective commitment.

H2: Testing on the second hypothesis aims to examine the effect of affective commitment on performance. From the results of data analysis obtained results ($Y = 5.13$ with $t > 1.96$). Thus, it can be concluded that affective commitment has a direct effect on performance.

H3: Testing on the third hypothesis aims to examine the effect of transformational leadership on performance through affective commitment as a mediator. From the analysis results obtained the indirect effect ($Y = 1.19 < 1.96$) while the t is the direct effect ($Y = 0.29 < 1.96$). Thus, it can be concluded that transformational leadership has no significant effect on performance through affective commitment as a mediator.

H4: Testing on the third hypothesis aims to examine the effect of transactional leadership on performance through affective commitment. From the analysis results obtained the indirect effect ($Y = -0.77 < 1.96$) while the t is the direct effect ($Y = -0.18 < 1.96$). Thus, it can be concluded that transactional leadership has no significant effect on performance through affective commitment.

H5: Testing on the third hypothesis aims to examine the effect of job security on performance through affective commitment. From the analysis results obtained the indirect effect ($Y = 11.71 > 1.96$) while the t is the direct effect ($Y = 5.13 < 1.96$). Thus, it can be concluded that job security has a significant effect on performance through affective commitment.

4.4 Discussion

The results of research on the effect of transformational leadership, transactional leadership, and job security on performance through commitment as a mediator are suitable (fit) with data, the theoretical model is accepted. Based on the results of the study,

the discussion to clarify and support the conclusions of the study can be described as follows: Analysis of the structural pathways of transformational leadership, transactional leadership, and job security on performance with affective commitment as a mediator is acceptable. Meanwhile, the t value of transformational leadership and transactional leadership on performance with affective commitment as a mediator is not significant. Meanwhile, the t value of job security on performance through affective commitment as a significant mediator. From this research, it is concluded that job security factors are in line with achieving employee performance in XYZ company.

The effect of affective commitment on performance is in line with Meyer's (1993) research, affective leadership has a significant effect on performance. Affective commitment is related to the emotional relationship of members to the organization, identification with the organization, and involvement of members with activities in the organization. Organizational members with high affective commitment will show a desire to always be members of the organization. The results of this study are in line with Dunham's (1994) research affirms that individuals with high affective commitment have a close emotional attachment to the organization, meaning that individuals will be motivated and willing to contribute significantly to the organization than individuals with lower affective commitment.

There is no effect of transformational leadership on performance through affective commitment as a mediator. This research is in line with Goleman's opinion (in Murti, 2008), that leadership has a measurable effect on every aspect of the work atmosphere. Further explained, the working atmosphere affects the financial results of sales, revenue growth, and profits, and found a direct correlation between the two. The results of this study indicate that leaders who use transformational leadership will positively influence affective commitment so that they get better financial results than leaders whose leadership style has negative consequences. In line with Conger's opinion (in Murti, 2008), from the time this research was conducted, the leaders of PT XYZ were less effective in building situations and conditions that we're able to inspire enthusiasm and give their members a sense of self-confidence to achieve company targets. The situation in the company when this research was conducted was indeed in a situation of decreasing performance. Ejasa (2014) states that transformational leadership will not be effective in moving affective commitment without internal motivation that is instilled through a trust or mutual trust between superiors and subordinates.

There is no effect of transactional leadership on performance through affective commitment as a mediator. According to Murti (2008), the ineffective leadership at PT XYZ is because company leaders do not concentrate on task-oriented behaviors such as work planning and scheduling, lack of assistance to subordinate activities. Bass's research (1985) emphasizes that transactional leadership not only emphasizes the exchange of rewards needed but leaders must be able to clarify the roles and ways of employees completing tasks. Transactional leadership will emerge in the quality of contingent reward behavior, management by exception-active, and passive and laissez faire (Bass, 1985). Yukl, (1994), an important implication is that transactional leadership needs to be

implemented consistently and in an integrated manner so that employees can see and feel that the leader is a partner who can be present to provide encouragement and nurture.

There is an effect of job security on performance with affective commitment as a mediator. Munandar (2001) has job security if the individual does not feel threatened by losing his job and feels confident that his job is still needed by the organization. Munandar added that the threat to job security is a potential stressor in the organization. Research by Van Dick, Ullrich, and Trisnaningsih (2004) concluded that individuals who experience threats to job security tend to experience emotional instability. Meyer (1993) states that effective commitment is influenced by the emotional balance factor. The desire to keep promises is a condition that triggers a psychological mechanism as well as a state of the nervous center, where a commitment to commitment will drive motivation that affects the nervous center structure. Employees feel that the company still guarantees a sense of security at work, even though in less positive situations, they have a positive perception of their future in the organization. This is what encourages employees to believe that the policies provided by the organization will be beneficial for job security, in turn driving affective commitment to positively affect employee performance.

5. Conclusion

5.1 Theoretical Suggestions

Further research can develop a theoretical model that has been developed in this study, especially on performance variables and predictor variables. As a manifestation of the study of psychology, further researchers can conduct research related to variables such as trust, self-control, gender, health, and age.

Further research can be carried out in companies whose business and financial conditions are good or experiencing growth. So that the variables of transformational leadership and transactional leadership on affective commitment have a greater influence than companies that are experiencing negative benefits, as has been found in educational institutions whose relatively organizational performance is in a positive situation and is developing.

It can complement limitations that arise in this study, such as those related to the geographical distribution of sampling. It is expected that sampling can be carried out randomly and broaden the respondents with more diverse characteristics.

4.1 Practical Suggestions

In order to improve employee performance, the management of PT. XYZ needs to be developed paying attention to the division of labor following the employees' abilities based on the competencies and experiences possessed by employees. The management must develop performance management, focusing on the main contribution of the position. Tasks and expectations that are too many and less relevant will cause the

concentration and energy of the individual to be divided which will result in emotional instability that affects affective commitment.

Transformational and transactional leadership variables do not have a significant effect on performance with affective commitment as a mediator. Therefore, to optimize organizational performance, it is necessary to conduct training and understanding the roles and tasks of transformational leadership and transactional leadership for managers and company leaders in a systematic and planned manner. With this systematic training, the same perception and work culture will be built regarding transformational and transactional leadership in improving performance through a high affective commitment from employees.

Transformational leadership is the perception of employees where they can inspire and motivate their subordinates, therefore a situation full of intimacy, connection, and assistance must be created to achieve company targets, to create a sense of trust between employees and their leaders.

Transactional leadership is employees' perceptions of the leader providing direction on what to do (job description) to achieve the set targets and what will be obtained. PT. XYZ to restructure the compensation & benefits system related to the expected contribution of each member, as well as firm and fair management of rewards & punishments.

High effective commitment from employees, leaders need to pay attention to employee job security. By managing issues that are circulating properly, employees always believe that the decision to stay in the organization is the right thing because the sustainability of the organization is also the responsibility of all parties. Besides, it can also be done by providing training following their expertise so that individuals feel that they are competent and are always needed by the organization.

Leaders and related management should prioritize a transformational leadership approach, transactional leadership based on job security for employees, in a comprehensive manner.

References

- Achmad K., Engkos & Riduwan (2008). How to use and interpret path analysis. Bandung: Alfabeta
- Ackerly, D. C., Parekh, A., & Stein, D. (2013). Perspective: a framework for career paths in health systems improvement. *Academic Medicine*, 88(1), 56-60.
- Allen, N. J., Meyer, P. J. & Smith C.A. (1993). Commitment to Organizations and Occupations : Extension and Test of a Three-Component Conceptualization. *Journal of Applied Psychology*. Vol. 78, No. 4.
- Anoraga, P. (2001). *Psychology of work*. Jakarta. Rineka Cipta
- Amstrong, M. (1991). *A handbook of human resource management practice*. London. Kogan Page Limited

- Baron, R. A., & Byrne, D. (2003). *Social psychology*. Jakarta. Erlangga
- Bass, B. M. (1985). *Leadership and performance beyond expectations*. New York. Free Press
- Bass, B. M. & Avolio, B. J. (1992). *The multifactor leadership questionnaire: Form*. Binghamton: Center for leadership studies. State University of New York.
- Broke & Stone (2005). *Training effectivity teacher*. Jakarta: PT. Gramedia. Pustaka Utama.
- Buns, J. M. (1973) *Leadership*. New York. Harper & Row
- Burchell, B. J. (1999). The unequal distribution of job insecurity. *International Review of Applied Economics* , 13 (3), 437-458.
- Covey, S. R. (1997). *Principle centered leadership*. Jakarta: Bhuana Pustaka.
- Dunham, et al. (1994). Organizational commitment: The utility of an integrative definition, *Journal of applied psychology*, Vol 79(3), Jun 1994, 370-380.
- Grandjean, E. (2003). *Fitting the task to the man. A textbook of occupational ergonomics*. London: Taylor & Francis Ltd.
- Greenberg, J. (2010). *Managing behavior in organization*. Uppre Saddle River. New Jersey: Pearson Education.
- Gomes. F. C. (2003). *Human Resource Management*, Yogyakarta: Penerbit Andi.
- Hair et al., (1998). *Multivariate Data Analysis, Fifth Edition*, Prentice Hall, Upper Saddle River: New Jersey
- Hasibuan, S. P. (2003). *Human Resource Management*. Jakarta. PT. BumiAksara.
- Hartman, C. C. (2000). *Organizational commitment: Method scale analysis and test of effect*. *International journal of organizational analysis*.
- Hay Group Counsultant (2014). *Analysis employee effectiveness at PT SinarSosro 2014*, Jakarta, Hay Group Consultant.
- Jöreskog & Sörbom (1996). *Lisrel 8: New statistical feature*. Chicago. Scientific software, Inc.
- Kartika, E. W. (2011). *Analysis of the effect of job satisfaction on affective commitment and organizational citizenship behavior on employees at restaurant X Surabaya*. Thesis. University Petra.
- Kearney M, et al. (2005). *Global burden of hypertension: analysis of worldwide data*.
- Kroemer, K. H. E. & Grandjean, E. (2003). *Fitting the task to the human. A textbook of occupational ergonomic*. Fifth edition. Taylor & Francis Publisher.
- Maslow, A. (1970). *Motivation and personality 2nd edition*. New York: Haper & Row Publisher.
- Mangkunegara, A. A .P. (2005). *Human resource management of the company*. Bandung. Press Rosda Karya.
- Meyer, J. P. & Allen (1993). Commitment to organizations and occupations: extension and test of a three – component conceptualization. *Journal of Applied Psychology*, Vol 78 No 4 p.538-551.
- Meyer, J. P. & Allen (1994). *Commitment in the work place: theory, research and application “advantage topic in organization behavior”*. New York, Sage Publication.

- Metcalfe (2000). The transformational leadership questioner, *MBC leadership and organizational journal*.
- Milner, Karen, Khoza & Harriet (2008). A Comparison of Teacher Stress and School Climate Across Schools with Different Matric Success Rates. *South African Journal of Education*. 28. 155-173 Retrieved from <http://ajol.info/index.php/saje/article/viewFile/25151/4350>.
- Mueller, C. M., & Dweck, C. S. (1997). Intelligence praise can undermine motivation and performance. *Journal of Personality and Social Psychology*, 75, 33-52.
- Munandar, A. S. (2001). *Industrial and organizational psychology*. Jakarta: UI-Press.
- Murti. T. R. (2008). *Industrial and Organizational Psychology*. Yogyakarta. Santusta Publisher.
- Nyhan, R. C. (1999). Building learning organizations: putting theory to test: Lessons from European companies, *European journal of vocational training*. v4i6
- Ostoff, C. (1992). The relationship between satisfaction, attitudes and performance, An organization level analysis. *Journal of applied psychology*. Vol 77. Pp. 963-974.
- Pardiansyah, A. (1999). Creating an integrated communication and HR system: efforts to create harmonious industrial relations. *Journal of Indonesian entrepreneur management*. XXVIII (2): 7-11.
- Probst, T. M. (2003). Development and validation of the job security index and the job security satisfaction scale: A classical test theory and ORT approach. *Journal of occupational organizational psychology*.
- Ridwan & Engkos A. K. (2011). *An easy way to use and interpret path analysis*. Third edition. Bandung: CV Alfabeta.
- Rivai, V. (2004). *Human resource management for companies*. Jakarta. Rajawali press.
- Robbins, S. & Barnwell (2006). *Organization theory, fifth edition*, French's Forest: Pearson Education Australia.
- Robbins, S. & Judge. P. (2009). *Essential of organizational behavior, thirteenth edition*. New Jersey, Prentice Hall.
- Sastrohadiwiryo, S. (2001). *Indonesian Workforce Management*. Jakarta: Bumi Aksara
- Senge, P. (2003). *The fifth discipline, the strategies and tools of the learning organization*. Jakarta: Binarupa Aksara.
- Sudarwan, D. (2003). *Becoming a learning community: Transformational leadership of a learning organizational community*. Jakarta: Bakti Aksara.
- Stum, D. (2008). Five Ingredients for an Employee retention formula. *Journal of Human Resources Focus*. Vol.75.
- Sulistiyani, A. T & Rosidah (2003). *Human Resource Management*. Yogyakarta: Graha Ilmu.
- Su'ud, M. (2002). Social perception of leader's credibility. *Synergy journal of business and management studies*. Vol 3 No 1 Hal 51-65.
- Trisnaningsih, S. (2004). Motivation as a moderating variable in the relationship between commitment and job satisfaction. *Journal maks*. Vol. January 4, 2004. Semarang.
- Ulrich, D. (2002). *HR from the outside in New York*. Mc. Graw Hill.

- Van Dick, R., Hirst, G., Grojean, M. W., & Wieseke, J. "Relationships between leader and follower organizational identification and implications for follower attitudes and behavior". *Journal of Occupational and Organizational Psychology* 80 (2007): 133–150.
- Wijanto, S. H. (2008). *Concept and tutorial structural equation modeling with Lisrel8.8*. Jakarta. Graha Ilmu.
- Wirawan (2006). *Organizational culture and climate*. Jakarta: Salemba.
- Young, Lee H., Zaman B. A., Kamarul (2008). The moderating effect of organizational culture on the relationship between leadership behavior and organizational commitment and between organizational commitment and job satisfaction and performance. *Leadership & organization development journal*, Vol 30, Iss 1. pp 53-86.
- Yukl P. (2007). *Leadership in organization*. Sixth edition. New Jersey: Pearson education international.

Creative Commons licensing terms

Authors will retain copyright to their published articles agreeing that a Creative Commons Attribution 4.0 International License (CC BY 4.0) terms will be applied to their work. Under the terms of this license, no permission is required from the author(s) or publisher for members of the community to copy, distribute, transmit or adapt the article content, providing a proper, prominent and unambiguous attribution to the authors in a manner that makes clear that the materials are being reused under permission of a Creative Commons License. Views, opinions and conclusions expressed in this research article are views, opinions and conclusions of the author(s). Open Access Publishing Group and European Journal of Management and Marketing Studies shall not be responsible or answerable for any loss, damage or liability caused in relation to/arising out of conflict of interests, copyright violations and inappropriate or inaccurate use of any kind content related or integrated on the research work. All the published works are meeting the Open Access Publishing requirements and can be freely accessed, shared, modified, distributed and used in educational, commercial and non-commercial purposes under a [Creative Commons Attribution 4.0 International License \(CC BY 4.0\)](https://creativecommons.org/licenses/by/4.0/).