

## Impact of Transactional Leadership Style on Employee Job Satisfaction

Sarinah Lumbantoruan, Loviandi Kurniawan, Christi, Josua Bismark Sihombing

Faculty of Psychology of Prima Indonesia University:

[sarinahlumbantoruan@gmail.com](mailto:sarinahlumbantoruan@gmail.com), [loviandikurniawan@gmail.com](mailto:loviandikurniawan@gmail.com), [christi3424@gmail.com](mailto:christi3424@gmail.com),  
[josuabismarkhutasoit@gmail.com](mailto:josuabismarkhutasoit@gmail.com)

### Abstract

*This research conducted to determine whether there is an influence of transactional leadership style on job satisfaction at UD. X in Medan. The hypotheses proposed in this study is that there is a positive impact on job satisfaction in terms of the transactional leadership style. In this study, we used 105 people by using a saturated sample method. This research used quantitative research, where the data collection uses a questionnaire. The assumptions test consisted of a normality test and a linearity test. The data analysis method uses the product-moment correlation technique with the help of SPSS statistics 25 for Windows. The result showed that there was a significant impact between employee job satisfaction with transactional leadership style (Pearson Correlation 0.000, sig 0.000 < P= 0.05). The result of this study indicated that the contribution made by the transactional leadership style to job satisfaction is 81 percent. From the result of this study, it can be concluded that the research hypothesis has a positive impact between the transactional leadership style and job satisfaction.*

**Keywords:** Job Satisfaction, Transactional Leadership Style, Employees.

### Abstrak

Penelitian ini dilakukan untuk mengetahui apakah ada pengaruh gaya kepemimpinan transaksional terhadap kepuasan kerja pada UD. X di Medan. Hipotesis yang diajukan dalam penelitian ini adalah ada pengaruh positif kepuasan kerja yang ditinjau dari gaya kepemimpinan transaksional. Subjek yang digunakan pada penelitian ini yaitu sebanyak 105 orang dengan menggunakan metode sampel jenuh. Penelitian ini menggunakan penelitian kuantitatif dimana pengumpulan datanya menggunakan kuesioner. Uji asumsi yang dilakukan terdiri dari uji normalitas dan uji linearitas. Metode analisis data yang digunakan adalah teknik korelasi *Product Moment* dengan bantuan *SPSS Statistic 25 for Windows*. Hasil penelitian menunjukkan bahwa ada pengaruh yang signifikan antara kepuasan kerja karyawan dengan gaya kepemimpinan transaksional (Pearson Correlation 0.9000, Sig 0.000 < p = 0.05). Hasil pada penelitian ini menunjukkan bahwa sumbangan yang diberikan gaya kepemimpinan transaksional terhadap kepuasan kerja adalah sebesar 81 persen. Dari hasil penelitian ini dapat ditarik kesimpulan bahwa hipotesis penelitian ini ada pengaruh positif antara gaya kepemimpinan transaksional dan kepuasan kerja.

**Kata Kunci:** Kepuasan Kerja, Gaya Kepemimpinan Transaksional, Karyawan.

## Introduction

The era of globalization which has been very modern as it is today, there has been much flexible organization stands (Opened-System), so that they can adjust changes quickly and effectively in order to compete with other organizations. The organization is an organization which could be managed effectively, that can be seen from the situation of employees in the high level of employee satisfaction and performance and low levels of work migration (Wijayanty, 2018).

One of the factors to face this modern era of globalization is that organizations need human resources or qualified workers. Human beings have a major role in a corporate environment because human resources are the driving force for company activities, therefore a success of an organization or a company depends on the right management of the human resources (Setiawan, 2015).

Right management of human resources requires a right leader too. An organization will develop fast if it finds the right leadership style. Transactional leadership is leadership that provides reward or punishment to employees in carrying out their duties (Rusdiyanto & Riani, 2015). Leadership style is an attitude, action, or pattern of a leader, both directly and indirectly to his/her subordinates (Awaru & Ernawati, 2015).

A study initiated by Dale Carnegie states that only 28 per cent of workers in Indonesia intend to survive for a long time in their workplace. The study found that work satisfaction was influenced by the behavior of superiors. Dale Carnegie said that there are various kinds of leadership actions that can impact on job satisfaction, such as being able to appreciate workers' contributions, admit mistakes, and give appreciation to employees. Leaders who show actions like the above are proven to affect employee satisfaction by up to 36 per cent (Lifestyle.kompas.com).

Based on the case study conducted by Dale Carnegie, the researcher wanted to study work satisfaction at UD. X, located in the city of Medan, which is a company in the field of paint manufacturing, trading, and distributing it. Based on interviews with several subjects, information is obtained that company leaders tend to give bonuses when employees do a good job, and sometimes they also supervise to prevent mistakes. Some employees say that sometimes they are given jobs that are not appropriate, or beyond their ability, for example, employees can only produce 100 cans of paint within 50 minutes. Still, employees are required to produce 100 cans within 30 minutes, making the subjects feel they are overworked.

In general, individuals who work want to get satisfaction in their workplace. Job satisfaction is the result of the workers' good understanding of their work; that they have to give their best that they consider it is essential to the company (Pranata et al., 2018). Therefore, job satisfaction is an action or positive feeling of the workers on the work they do, which arises because of their perspective on their working conditions.

There are 5 aspects of job satisfaction (Areros & Wonok, 2015), namely:

1. The work itself, namely a profession that requires a particular skill in accordance with the field of the work.
2. Respect the work of his/her subordinates; it means that the company leader can function as a friend/mother/father figure or company leader.
3. Workers (colleagues), namely relationships between workers.
4. Promotion, namely the opportunity to get a career path while working.
5. Pay (Salary/Honorarium), namely wages earned by workers to meet their needs based on a proper assessment or not.

The results of the study showed that an employee's job satisfaction could be influenced by the leadership style of his/her superiors. The results of Oktavia and Moerkardjono's research (2015)

found out a correlation value of  $r = 0.632$ ,  $p = 0.05$ , which was categorized as strong and positive in the test of transactional leadership style on job satisfaction. The description shows if the leader practices the transactional leadership style then the employee job satisfaction will be high.

Based on the results of the discussion above, it can be interpreted that the leadership style will significantly impact on employee job satisfaction. The transactional leadership style centers on the change between superiors and subordinates. Leaders with a transactional style usually look at work management and employee's discipline and leaders typically use the company as an increase in employee performance (Fariq et al., 2017).

Transactional leadership consists of three components or indicators (Susanto, 2018), namely:

1. Contingent reward, which is a reward for workers who have good work performance.
2. *Management by Exception (Active)*, namely how to direct subordinates to do their work so that subordinates can avoid mistakes or if there are errors can be immediately identified and corrected.
3. *Management by Exception (Passive)*, that is, doing something after a serious problem arises or after the employee fails to reach the goal.

From this discussion, then a formulation of the problem arises, namely whether the transactional leadership style impacts the employee job's satisfaction? Our study analyzes whether a transactional leadership style impacts on employee job satisfaction at UD. X Medan.

## Research Method

This research applies quantitative research method because according to Sugiyono (2017), quantitative approach is a research method based on positivism philosophy that is used to examine randomly selected samples or populations where data analysis aims to test the hypotheses that have been applied.

The sample to be examined in this study amounted to 105 employees who worked at UD. X. The sampling technique selects all populations as samples.

The dependent variable used in this study is the employee job satisfaction. Job satisfaction is the nature or positive feelings of employees towards their work that arise based on an assessment of the work situation.

The independent variable used is the transactional leadership style. A transactional leadership style is the action of a superior to influence subordinates to work in accordance with organizational goals by providing rewards in the form of bonuses, rewards, as well as appreciating the work performance of their subordinates.

The data collection method uses a questionnaire with a Likert scale that has 2 statements namely favorable and unfavorable where the statement was compiled in a questionnaire that contained four answer choices namely Agree (S), Strongly Agree (SS), Strongly Disagree (STS), and Disagree (TS).

Before giving a measuring instrument to respondents, a measuring instrument needs to have validity and reliability so that it can be said to be a good measurement tool. The validity and reliability are carried out on each item statement so that the information provided by the subject is better and more precise through the scale provided to ensure the validity and reliability.

Validity is a measuring tool that serves to measure or provide precise measurement results with something that is about to be measured. Azwar (2014), states that the minimum item validity coefficient reaches 0.30. The validity test in this study uses the Corrected Item Total Correlation

method. While reliability is the consistency of a measuring instrument. The reliability test in this study used the Cronbach Alpha SPSS technique.

Assumptions test is carried out to see whether any deviations occur in the research consisting of normality test and linearity test. The normality test in this study separately to see whether the data is normally distributed or not by using the Kolmogorov Smirnov Test. The linearity test is performed to see whether there is a relationship between the dependent variable and the independent variable.

After the validity test, reliability test, and assumption test, the data must be analyzed further. The analysis in this research uses the help of Statistical Product and Service Solution (SPSS) version 25 and Product Moment correlation techniques to find out whether there is an impact of transactional leadership style on employee job satisfaction at UD. X.

## Result and Discussion

### Result

This study uses a Likert scale based on 5 aspects of job satisfaction:

**Table 1.**  
**Job Satisfaction Scale Blueprint**

Aspect	Favorable	Unfavorable	Quantity
The work itself	1,2,7,9	6,7,10,15	8
Salary/wages	3,26,28,30	17,18,34,32	8
Boss	4,12,19,27	11,20,39,40	8
Colleague	5,14,21,25	13,22,37,38	8
Promotion	16,24,29,31	23,33,35,36	8
<b>Total</b>	<b>20</b>	<b>20</b>	<b>40</b>

And also, the scale of the transactional leadership style based on the following 3 indicators:

**Table 2.**  
**Scale of Transactional Leadership Style Blueprint.**

Aspect	Favorable	Unfavorable	Quantity
Contingent reward	1,7,13,19,25,31,37	4,10,16,22,28,34,40	14
Management by exception (active)	2,8,14,20,26,28,32	5,11,17,23,29,35,39	14
Management by exception (passive)	3,9,15,21,27,33	6,12,18,24,30,36	12
<b>Total</b>	<b>20</b>	<b>20</b>	<b>40</b>

From the results of the two tables above, the total items used in the study amounted to 63 items.

#### 1. Assumption Test Result

##### a. Normality Test

### Table 3.

**Normality Test Results.**

Variable	K -SZ	P	Informat ion
Transactional Leadership Style	0. 721	0. 675	Normal distribution ( $P > 0.05$ )
Job satisfaction	0. 751	0. 625	Normal distribution ( $P > 0.05$ )

The results of the test table above show the data are normally distributed.

## b. Hypothesis Test Result

**Table 4.**  
**Linearity Test Result.**

Variable	P	Informati on
Job satisfaction Transactional Leadership Style	0.0 00	Linear ( $P <$ 0.05)

The result of the table testing above can be said that the two variables have a linear relationship due to the variable job satisfaction and transactional leadership style is  $p < 0.05$

## 2. Hypothesis Test Result

**Table 5.**  
**Correlation Test Result of *Product Moment*.**

Analysis	Person Correlations	Signification (p)
Correlation	0.900	0.000

The result of the hypothesis test above indicates that there is a solid correlation, and it can be stated that the hypothesis is accepted where there is a positive impact of the transactional leadership style on employee job satisfaction at UD. X.

## 3. Effective Contribution.

**Table 6.**  
**Effective Contribution**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.900	0.81	0.809	6.371

Based on the exposure to the results above, it can be concluded that the effective contribution of 81 percent of the transactional leadership style impacts on the job satisfaction and the rest of it, other factors can influence it, too.

## Discussion

Based on the result of the research conducted on 105 employees at UD. X Medan, the result shows that there is a correlation between job satisfaction with transactional leadership style, which can be seen from the Product Moment coefficient of  $R = 0.9000$  and  $\text{Sig. } 0.000 < p = 0.05$ , with an effective contribution of 81 percent impacting on the employee's job satisfaction, which means that the higher the independent variable the higher the dependent variable and vice versa.

Employees have high job satisfaction when the leader can show a transactional leadership style, one of which is giving a bonus if the employee reaches the set target so that employees are motivated to work well. Salaries or promotions will also make employees feel satisfied working in an organization or company. Leaders who can value employee performance, who can supervise employees to prevent mistakes that will occur, also make employees feel more cared for.

This research is also in line with the results of Utami & Suana's study (2015), which shows that there is a positive impact between the transactional leadership styles on job satisfaction at PT. PLN (Persero) South Bali Area, that is, the impact of transactional leadership style on increasing employee job satisfaction. This study is also in line with researchers Rusdyanto & Riani (2015), which proves that there is a significant positive impact on both of these variables. The study by Suryani (2018) also showed positive results between the transactional leadership style on job satisfaction, namely, the higher the independent variable, the higher the dependent variable and vice versa.

Based on the result of the description above, it can be concluded that the transactional leadership style has a positive impact on employee job satisfaction at UD. X Medan, where the higher the boss's transactional leadership style, the higher the job satisfaction of workers and vice versa, the lower the transactional leadership style, the lower the job satisfaction of workers. These results are also in line with the interviews and observations on several employees at UD. X where employees feel the leader sometimes always supervises them when working, sometimes the leader will also give bonuses when employees reach a target so that the employees feel the results of their hard work are appreciated. Employees will then try to work as much as possible to achieve the goal in order to get bonuses such as salary increases.

## Conclusion and Recommendation

### Conclusion

The conclusion from the results of the discussion and analysis of the data that the researcher describes, it was found out that the transactional leadership style impacts the level of the job satisfaction of the employees at UD. X.

### Recommendation

The advice section consists of things that will be recommended and will be carried out in relation to further ideas from the research. Suggestions contain things that can be done next in relation to the results of research that has been carried out.

1. Suggestions for employees are that employees are expected to work better in order to get promotions, wages, bonuses, salary increases, etc. in order to achieve job satisfaction.

2. Suggestions for the company leaders to be able to respect employees, provide bonuses according to employee performance, and can help employees so as not to cause fatal mistakes.
3. Recommendation for the next researchers to add more independent variables so that the level of job satisfaction you want to measure can be seen more clearly.

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