Organizational Commitment and Performance: The Moderating Role of Transformational Leadership

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ABSTRACT
Individual performance is an important factor that can be a determinant of organizational performance. Individual performance is individual behavior at work that consistently contributes to the achievement of organizational goals. This shows that individual performance is under the individual's control. These conditions make individual performance one of the most important aspects to be traced in various organizations. Likewise in Private Higher Education (PHE) where the performance of employees will also contribute to organizational performance. The high number of PHE is a factor causing high competition between PHE. The novelty of this research is in the development of literature related to organizational commitment and individual performance by including transformational leadership as a moderator. In addition, this research was conducted in universities which have not been followed up much. This research is explanatory research using a survey design. The research samples were employees at Warmadewa University and Pendidikan Nasional University. The data analysis technique used is moderated regression analysis. The results of the study show that organizational commitment has a positive effect on individual performance. Further results show that transformational leadership moderates the relationship between organizational commitment and individual performance.

INTRODUCTION
Individual performance is an important thing that can be a determinant of organizational performance. Individual performance is individual behavior at work that consistently contributes to the achievement of organizational goals. This shows that individual performance is under the individual's control (Koopmans et al., 2012; Rene & Wahyuni, 2018). These conditions make individual performance one of the most important aspects to be traced in various organizations. Likewise in Private Higher Education (PHS) where the performance of employees will also contribute to organizational performance. Moreover, PHS is a tertiary institution established and/or organized by the community which is required to provide quality education (Undang-Undang Republik Indonesia Nomor 12, 2012). Implementation of quality education is inseparable from the roles and responsibilities of employees to work to
provide optimal service. Based on these conditions, it can be said that employees are PHS resources that can support the realization of a superior national education system where the national education system is a whole conscious and planned effort to create a learning atmosphere and learning process (Undang-Undang Republik Indonesia Nomor 20, 2003).

In 2020, there are 3,044 PHS spread across each province in Indonesia (Kemendikbud, 2020). The high number of PHS is a factor causing high competition between PHS. Individual performance is considered as one of the factors supporting PHS competitiveness, so it is important to explore further. Organizational commitment is believed to play a role in improving individual performance. Organizational commitment refers to an individual's belief in the goals and values of the organization, so that they wish to remain members of the organization. Individuals with high organizational commitment have high loyalty and loyalty to the organization (Mowday & Steers, 1979; Yiing & Ahmad, 2009). Individuals with high organizational commitment tend to have high efforts to achieve organizational goals, one of which is by providing better performance. However, this condition is still being debated. Some previous literature states that organizational commitment influences individual performance (Nathania, 2018; Sutanto & Ratna, 2015). On the other hand, other literature obtained empirical evidence that organizational commitment has no effect on individual performance (Yiing & Ahmad, 2009). The results of this contradictory research led to the belief of researchers that there are other variables capable of moderating the effect of organizational commitment on individual performance.

The role of leadership style is believed to play an important role in explaining the effect of organizational commitment on individual performance. Transformational leadership is a transformational leadership style that is considered capable of shaping and changing employee behavior to be more positive by providing motivation and encouragement (Lai et al., 2020). Individuals who are under transformational leadership will have a high will to provide optimal performance. Based on this, it can be said that transformational leadership will strengthen the influence of organizational commitment and individual performance.
This research refers to the Theory of Planned Behavior (TPB) which is used to predict or explain a behavior. There are three behavioral determinants described in TPB, namely attitude toward behavior, subjective norms, and perceived behavioral control (Ajzen, 1991, 2020). Perceived behavioral control is control over a person that can be used to encourage or inhibit someone from behaving. In line with this research, where organizational commitment and transformational leadership fall into the category of perceived behavioral control that can encourage a person to behave positively by providing high performance. The novelty of this research is to develop the literature on the role of organizational commitment on individual performance by including a moderating variable in the form of transformational leadership, which so far has not been explored. Based on this background, researchers want to confirm the effect of commitment on individual performance with transformational leadership as a moderating variable. The problem statement in this study is as follows (1) does organizational commitment affect individual performance? (2) Does transformational leadership moderate the effect of organizational commitment on individual performance?

LITERATURE REVIEW

Theory of Planned Behavior

Theory of Planned Behavior (TPB) is a development of Theory of Reasoned Action. TPB is used to explain and predict a person's behavior. This theory was first put forward by (Bosnjak et al., 2020) which stated that a person's attitude and personality influence certain behaviors that are influenced by several factors. Ajzen, (2020) suggests that perceptions of behavior control are determined by individual beliefs regarding the availability of resources in the form of equipment, compatibility, competence, and opportunities that support or inhibit the behavior to be predicted and the magnitude of the role of these resources (power of control factor) in realizing this behavior.

This theory assumes that humans are rational individuals who use the information they receive to act systematically. Someone will think about the impact that will result from an action before they decide to take that action. A person's behavior is believed to be caused by several supporting factors consisting of attitude toward behavior, subjective norms, and perceived behavioral control (Ajzen, 2020).
Perceived behavioral control is someone's control to do or not to do an action. In this study, organizational commitment and transformational leadership are positioned as perceived behavioral control that encourage individuals to behave positively at work, one of which is by providing optimal performance.

**Individual Performance**

Individual performance is work behavior that someone strives to achieve organizational goals. There are four aspects used to measure individual performance, namely technical and analytical skills, interpersonal skills, communication skills, and professional characteristics (Wright, 1980). Individual employee performance refers to individual actions and behaviors that are relevant to their organizational goals. One of the simplest definitions of employee performance is the extent to which a job is well done. Appraisal of each employee's performance is important to ensure better company management. Good individual performance shows employees completing work-related responsibilities to a satisfactory level or to a certain level expected by the organization (Ribeiro et al., 2018).

**Organizational Commitment**

Organizational commitment is attachment of a person to the organization where he works. This is followed by individual trust and belief in the goals and values of the organization which makes them want to remain in the organization (Mowday & Steers, 1979). Organizational commitment is a person's trust in his organization which can be divided into three basic components, namely emotional, informational, and behavioral. This commitment also describes an individual's feelings of pleasure (high organizational commitment) or displeasure (low organizational commitment) to the organization. Feelings of pleasure can be manifested by employee interest in organizational goals and are willing to make greater efforts to achieve these goals (Rifai & Mardijuwono, 2020; Tett & Meyer, 1993)

Organizational commitment is multidimensional consisting of three dimensions, namely affective commitment, continuance commitment, and normative commitment. Affective commitment is attractiveness and emotional involvement of employees in the organization. Continuance commitment is a commitment based on losses associated with the employee leaving the organization. Normative commitment
is a feeling of obligation to remain in the organization as it should (Allen & Meyer, 1990; Indarti et al., 2017; Tett & Meyer, 1993)

**Transformational Leadership**

Transformational leadership is a leadership style that actively engages employees to collaborate and contribute to the organization (Asbari et al., 2022). This leadership style directs and motivates employees by trying to achieve the vision by increasing employee awareness and understanding of the goals and values of the organization. Leaders will use a direct communication style with employees by encouraging their employees to take responsibility for achieving short-term and long-term goals (Fikri et al., 2021). This leadership style reflects a visionary style by looking at things from a short-term or long-term perspective.

Transformational leadership consists of four dimensions. The first dimension is idealized influence, namely the extent to which followers are aware of the leader's values, self-confidence, beliefs, power, and ethical or moral orientation. Second, inspirational motivation describes how leaders articulate a vision to inspire and motivate subordinates to achieve the desired goals. The third is intellectual stimulation, which refers to leaders who encourage employees to be critical and involve them in exploring creative solutions to problems. The last dimension is individualized consideration, namely the leader provides emotional support and consideration for each of his employees (Antonakis & House, 2013; Lai et al., 2020).

**Hypothesis Development**

**Organizational Commitment and Individual Performance**

Organizational commitment is a person's belief and attachment to an organization (Mowday & Steers, 1979). One of the goals of PHS is to organize a superior education system. The achievement of these goals is inseparable from the role of the employees who work in it. The higher the employee's organizational commitment, the higher the efforts made to achieve organizational goals (Eliyana et al., 2019; Guzeller & Celiker, 2020). The high effort given reflects positive work behavior by employees which will further improve their performance.
In line with the Theory of Planned Behavior, organizational commitment is perceived behavioral control which is one of the factors that mediate. One way to encourage employees to behave positively is to provide optimal performance. This is in line with the research results obtained (Nathania, 2018; Sungu et al., 2019; Sutanto & Ratna, 2015)

H1: organizational commitment has a positive effect on individual performance.

Organizational Commitment, Transformational Leadership, and Individual Performance

Transformational leadership is a leadership style that prioritizes the role of the leader in encouraging, motivating, and providing understanding to employees by using a two-way communication style. Leaders provide opportunities for employees to get involved in providing creative solutions for the progress of the organization. Leaders actively seek to provide influence, inspiration, intellectual stimulation, and direction for their employees (Eliyana et al., 2019; Sungu et al., 2019). Employees who are under this leadership style will have high motivation to exert effort to achieve company goals. Under these conditions, the implementation of transformational leadership will strengthen the effect of organizational commitment on individual performance. Referring to the theory of planned behavior, transformational leadership is a perceived behavioral control that can strengthen the influence of organizational commitment on positive work behavior of employees which in this study is described as performance. Based on this, the hypothesis is arranged as follows.

H2: transformational leadership moderates the effect of organizational commitment on individual performance.

Based on the development of the hypothesis, the conceptual framework of this research is shown in Figure 1 as follows.

**Figure 1. Conceptual Framework**
METHODS

Sample and Population

The population in this study is employees who work at Warmadewa University and Pendidikan Nasional University. According to the Webometric version of the private university ranking in Bali, until July 2022 Warmadewa University is ranked 204th in Indonesia. It was then followed by the Pendidikan Nasional University at rank 302 (www.webometric.com). The achievement of this rating is inseparable from the performance of employees as a support for private higher education achievements. It is considered relevant to use these private higher education employees as respondents in this study. The number of population in this study is not known with certainty. On this basis, we used a non-probability sampling technique with a sampling technique in the form of incidental sampling. Incidental sampling is a sampling technique based on an incidental meeting with researchers that can be used as a sample, if it is deemed that the individual fits the criteria used.

The number of samples is calculated using the Cochran formula because the total population is uncertainty (Sugiyono, 2018). Based on Cochran formula, the number of samples used was 100 respondents. We gave questionnaires to respondents who were university employees that incidentally encountered. Respondents did not refer to certain faculties, but referred to those that were incidentally encountered that fit the population criteria. The data collection method used in this study was a survey method, using a questionnaire technique. Questionnaires were distributed in two ways, through the Google form and sent directly by the enumerators.

Variable Measurement

Individual performance refers to individual actions and behaviors that are relevant to their organizational goals. Individual performance is measured by (Lynch et al., 1999) which consists of 16 questions.

Organizational commitment is a person's perceived involvement in the organization where he works (Mowday & Steers, 1979). This variable was measured using an instrument adapted and modified from research (Meyer et al., 1993) which consisted of 18 questions.
Transformational leadership is a transformational leadership style that accommodates what employees need and actively offers assistance and additional resources for employees to realize organizational goals (Sungu et al., 2019). This variable is measured by 14 questions from the Transformational Leadership Scale (Podsakoff et al., 1990).

**Research Instrument Test**

The data analysis technique used in this study begins with instrument testing, namely validity and reliability test. Given the existence of data collection using a questionnaire, the sincerity of respondents to answer is an important matter. The validity test aims to test how well the research instrument measures the concept that should be measured (Sugiyono, 2018). The minimum requirement for an instrument to fulfill validity test is if the coefficient value is at least 0.3.

Reliability shows the consistency of a measuring instrument in measuring the same subject. If the measurement results show relatively similar results for the same subject for several times, the measuring instrument is reliable (Sugiyono, 2018). A variable is considered reliable if the Cronbach's alpha value is greater than 0.60 (Ghozali, 2018).

**Classical Assumption Test**

The classical assumption test used was normality and heteroscedasticity test. Normality test uses the Kolmogorov-Smirnov. If the significant value of each variable is greater than 0.05 then it is normally distributed, whereas if the significant value of each variable is less than 0.05 then the data is not normally distributed. Heteroscedasticity test aims to test the occurrence of inequality of variance and residuals from one observation to another in a regression model.

**Moderated Regression Analysis (MRA)**

Moderated Regression Analysis (MRA) or interaction test can be used to analyze research models with moderation where the regression equation contains elements of interaction (Liana, 2009).
RESULTS

Characteristics of Respondents

The characteristics of the respondents in this study will be explained in more detail in Table 1.

Table 1. Characteristics of Respondent

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Woman</td>
<td>64</td>
<td>64%</td>
</tr>
<tr>
<td>Man</td>
<td>36</td>
<td>36%</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100%</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20-25 years</td>
<td>3</td>
<td>3%</td>
</tr>
<tr>
<td>26-30 years</td>
<td>23</td>
<td>23%</td>
</tr>
<tr>
<td>31-35 years</td>
<td>38</td>
<td>38%</td>
</tr>
<tr>
<td>35-40 years</td>
<td>30</td>
<td>30%</td>
</tr>
<tr>
<td>&gt; 40 years</td>
<td>6</td>
<td>6%</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100%</td>
</tr>
<tr>
<td>Marital status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Married</td>
<td>86</td>
<td>86%</td>
</tr>
<tr>
<td>Unmarried</td>
<td>14</td>
<td>14%</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 1 shows that 64% of the respondents were women and 36% were men. Most respondents are 31-35 years old, which is 38%. As many as 86% of respondents are married and 14% are unmarried.

Descriptive statistics

The lowest value of the organizational commitment variable is 52.00 and the highest value is 118.00 with a standard deviation value of 17.35820. The lowest value of transformational leadership is 24.00 and the highest is 60.00 with a standard deviation of 9.10550. The lowest value of individual performance is 49.00 and the highest value is 105.00 with a standard deviation value of 12.04484.

Research Instrument Test Results

The research instrument is valid when the correlation coefficient value is greater than 0.3. All correlation coefficient values for all instruments are greater than 0.3, therefore it can be stated that all instruments are valid. The research instrument was reliable when the Cronbach's alpha value was greater than 0.60. The results of the reliability test in this study are shown in table 2.
Table 2. Reliability Test Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach's Alpha Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Commitment</td>
<td>0.932</td>
</tr>
<tr>
<td>Transformational Leadership</td>
<td>0.905</td>
</tr>
<tr>
<td>Individual Performance</td>
<td>0.898</td>
</tr>
</tbody>
</table>

Based on the results of the analysis, the Cronbach's alpha values for organizational commitment, transformational leadership, and individual performance variables were 0.932; 0.905; and 0.898. It can be said that all research instruments have been reliable.

Classical Assumption Test Result

The results show that the value of asmpy. sig. (2-tailed) of 0.607. It can be said that the residuals are normally distributed because of the Asymp coefficients. Sig (2-tailed) is greater than alpha 0.05. The results of the heteroscedasticity test in this study are shown in Table 3 as follows.

Table 3. Heteroscedasticity Test Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Commitment</td>
<td>0.161</td>
</tr>
<tr>
<td>Transformational Leadership</td>
<td>0.337</td>
</tr>
<tr>
<td>Organizational Commitment*Leadership</td>
<td>0.079</td>
</tr>
</tbody>
</table>

The results show that the significant values of organizational commitment, transformational leadership, and the interaction of organizational commitment with transformational leadership were 0.161: 0.337: 0.079 respectively. The data does not contain symptoms of heteroscedasticity because all residual variables have a significant value above 0.05.

Hypothesis Test Result

The results show that the R square value was 0.560. These results show that 56% of individual performance variables can be explained by organizational commitment and transformational leadership. The remaining 44% was explained by other variables outside the model.

The model feasibility test shows whether all independent variables simultaneously affect the dependent variable. The significant value of the F test of
0.000 is less than 0.05, therefore it can be said that the model used in this study is feasible (fit).

The first hypothesis was tested using simple linear regression. The results of the analysis are shown in table 4 as follows.

<table>
<thead>
<tr>
<th></th>
<th>B</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>23.505</td>
<td>9.244</td>
<td>0.000</td>
</tr>
<tr>
<td>Organizational Commitment</td>
<td>0.42</td>
<td>9.757</td>
<td>0.000</td>
</tr>
</tbody>
</table>

The test results show that B value was 0.420 and the significant value was 0.000. This showed that the first hypothesis is accepted, therefore organizational commitment has a positive effect on individual performance. On the other side, the second hypothesis was tested using moderated regression analysis. The results of the analysis are shown in table 5 as follows.

<table>
<thead>
<tr>
<th></th>
<th>B</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>50.707</td>
<td>6.14</td>
<td>0.000</td>
</tr>
<tr>
<td>Organizational Commitment</td>
<td>-0.229</td>
<td>-1.237</td>
<td>0.219</td>
</tr>
<tr>
<td>Transformational Leadership</td>
<td>-0.923</td>
<td>-2.118</td>
<td>0.037</td>
</tr>
<tr>
<td>Organizational Commitment*Transformational Leadership</td>
<td>0.021</td>
<td>3.535</td>
<td>0.001</td>
</tr>
</tbody>
</table>

Based on Table 5, the B value of the interaction of organizational commitment with transformational leadership was 0.021 and the significant value was 0.001. The results of the analysis show that the second hypothesis is accepted, which is transformational leadership moderates the relationship between organizational commitment and individual performance.

Discussion

Organizational Commitment and Individual Performance

The first hypothesis was accepted. Organizational commitment is an individual's commitment to the organization where he works. This commitment can be reflected by being involved in implementing organizational strategy that directs someone to have high loyalty and attachment to the organization (Bulut & Culha, 2010; Guzeller & Celiker, 2020). This involvement is showed by a belief in the goals and
values of the organization, a willingness to give effort on behalf of the organization, and a strong desire to maintain oneself in order to remain with the organization (Mowday & Steers, 1979). Individuals with high organizational commitment will exert high effort to achieve organizational goals while still implementing organizational values. This effort then makes them work optimally to produce higher performance.

Referring to the Theory of Planned Behavior (TPB), organizational commitment is positioned as perceived behavioral control. This commitment encourages individual intentions and behavior to provide the best performance for the organization. That matter one of which is based on the attachment and desire concerned to remain in the organization.

**Organizational Commitment, Transformational Leadership, and Individual Performance**

The second hypothesis was accepted, which is transformational leadership moderates the relationship between organizational commitment and individual performance. Individuals with high organizational commitment will have a high attachment to the organization. They will strive to achieve organizational goals (Guzeller & Celiker, 2020; Rifai & Mardijuwono, 2020). These conditions make individuals exert high ability and effort when doing their work. This can further improve their performance. The performance produced by individuals with high organizational commitment will be further strengthened when they are under transformational leadership. Leaders with a transformational style tend to achieve more superior work results compared to leaders who use other leadership styles. Transformational leaders are more charismatic, trustworthy, and have high integrity. They can inspire, motivate, and stimulate the abilities of their employees. This will then become a role model for employees to achieve higher individual performance (Antonakis & House, 2013; Geier, 2016).

Referring to Theory of Planned Behavior (TPB), transformational leadership positioned as a behavioral control. This style of leadership capable of strengthening the influence of organizational commitment on positive work behavior of employees which in this study is described as performance. Under transformational leadership, individuals with high organizational commitment tend to be more motivated to give their best performance.
CONCLUSION AND SUGGESTION

Conclusion

This study aims to obtain empirical evidence of organizational commitment to individual performance with transformational leadership as moderator. The results showed that the higher the organizational commitment, the higher the individual performance. Further results show that individuals with high organizational commitment tend to produce higher performance when they are under transformational leadership.

Suggestion

The results show that an increase in organizational commitment will be followed by an increase in individual performance. It is suggested to organizations, especially universities, to hold activities and training that can be used to increase individual ties with their organizations. The next results show that the role of transformational leadership can strengthen the relationship between organizational commitment and individual performance. Leaders in tertiary institutions are advised to consider implementing a transformational leadership style in their work environment. This is believed to make employees more motivated to give their best performance.

Future research can develop this study by exploring the role of commitment and leadership style in other institutions such as private companies, public accounting firms, and government institutions. Future researchers can develop a conceptual framework by adding other variables such as learning orientation.

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