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**ANALYSIS OF THE INFLUENCE OF TRANSACTIONAL LEADERSHIP STYLE,
COMPETENCE, AND JOB SATISFACTION ON THE PERFORMANCE OF SALES
DIVISION EMPLOYEES IN A GOVERNMENT BANK**

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Abstract. Human resource management plays a crucial role in a company's success by ensuring productive employee performance. This research aims to analyze the influence of transactional leadership style, employee competence, and job satisfaction on the performance of the Sales Division employees at a government bank. A quantitative method with a causal research design was used in this study. Data were collected through a questionnaire from 163 respondents and analyzed using reliability analysis, validity analysis, and Structural Equation Modeling (SEM). The results showed that transactional leadership style, employee competence, and job satisfaction have a positive and significant influence on employee performance. The managerial implications of this research highlight the need for companies to improve employee performance through the development of transactional leadership styles, enhancing competencies, and increasing job satisfaction. Further research is suggested to consider adding new variables that may affect employee performance.

Abstrak. Manajemen sumber daya manusia berperan penting dalam keberhasilan perusahaan dengan memastikan kinerja karyawan yang produktif. Penelitian ini bertujuan untuk menganalisis pengaruh gaya kepemimpinan transaksional, kompetensi pegawai, dan kepuasan kerja terhadap kinerja pegawai Divisi Penjualan pada bank pemerintah. Metode kuantitatif dengan desain penelitian kausal digunakan dalam penelitian ini. Data dikumpulkan melalui kuesioner sebanyak 163 responden dan dianalisis menggunakan analisis reliabilitas, analisis validitas, dan Structural Equation Modeling (SEM). Hasil penelitian menunjukkan bahwa gaya kepemimpinan transaksional, kompetensi pegawai, dan kepuasan kerja mempunyai pengaruh positif dan signifikan terhadap kinerja pegawai. Implikasi manajerial dari penelitian ini menyoroti perlunya perusahaan untuk meningkatkan kinerja karyawan melalui pengembangan gaya kepemimpinan transaksional, peningkatan kompetensi, dan peningkatan kepuasan kerja. Penelitian selanjutnya disarankan untuk mempertimbangkan penambahan variabel baru yang mungkin mempengaruhi kinerja karyawan.

INTRODUCTION

During increasingly fierce business competition, human resource management plays a crucial role in securing the success of a company. High employee productivity is not just a necessity but a key asset that determines a company's competitive advantage. In response to this need, numerous studies have been conducted to understand the factors that influence individual performance in the workplace, as conducted by Waldman (1994).

Among these factors is Leadership Style, where Transactional Leadership is one style that relies on monetary incentives, such as salary and bonuses, which play a crucial role in achieving high productivity, especially in the performance of sales division employees as the subject of this study, which requires high discipline. Several studies indicate that transactional leadership has a positive impact on employee productivity (Fathoni, 2022; Kurniawan, Faghmilah, Herawati, 2021; Setiani & Rizaldy, 2021), although the analysis by Yendra, Irawan, & Faradilla (2020) shows different results. In addition to leadership style, another studied factor is employee competence. Competence, which includes knowledge, skills, and individual abilities, is considered an important factor in achieving organizational goals (Krisnawati & Bagia, 2021). Similarly, job satisfaction is also considered to play a major role in improving employee performance, as it can reflect employees' positive feelings towards their work (Kadarisman, 2013; Supriyanto & Darmanto, 2018; Rafsanjani, Nursyamsi, & Pono, 2019).

The sales division in the context of a government bank often faces challenges in improving employee performance. Decreases in sales data can result in failure to achieve sales and profit targets, prompting management to feel the need to enhance employee performance through transactional leadership, competency development, and increased job satisfaction.

Therefore, this study aims to analyze the impact of transactional leadership, employee competence, and job satisfaction on employee performance in the sales division of one government bank. Although this study is a review of previous research in the maritime industry previously conducted by Darmanto and Supriyadi (2022), it will provide valuable contributions with a different focus and location, as well as a different population.

LITERATURE REVIEW

Transactional Leadership

Transactional Leadership is a leadership style that consistently motivates followers by providing rewards, recognition, and punishments to efficiently achieve goals (Wen et al., 2019). The behavior of transactional leadership can build a foundation applied to determine expectations, negotiate, and clarify responsibilities (Baskoro, Wihardja & Widjaja, 2022). Transactional leaders provide rewards for positive performance and punishments for negative performance. There are three main dimensions in transactional leadership: contingent reward, active management by exception, and passive management by exception.

Employee Competence

Employee Competence is the measurable personal characteristics found in individual employees that distinguish superior job performance from average performance (Spencer and

Spencer, 1993). Employee Competence includes the knowledge, skills, and abilities needed to perform a job well. Competence can be measured by the criteria or standards used to assess someone's performance. Aspects influencing a person's ability include beliefs and values, skills, experience, personality characteristics, motivation, emotional issues, intellectual abilities, and organizational culture.

Job Satisfaction

Job Satisfaction is the level of satisfaction, happiness, and pleasure an individual feels towards their work (Robbins & Judge, 2016). It includes how satisfied individuals are with various aspects of their work, including the work environment, relationships with colleagues, opportunities for career development, compensation, and how well the job aligns with their expectations and values. Job satisfaction can impact employee motivation, performance, and retention within an organization. Indicators of job satisfaction include salary, coworkers, working conditions, work facilities, and the job itself. Job satisfaction can influence employee and organizational performance.

Employee Performance

Employee Performance is the level of achievement or results of an individual's work in carrying out their tasks and responsibilities in the workplace (Cascio, 2015). It includes how well individuals achieve their work goals, how well they perform their tasks, and their contribution to the overall goals of the organization. Dimensions of employee performance include job quality, job quantity, responsibility, cooperation, and initiative. By understanding these concepts, companies can manage leadership, employee competence, job satisfaction, and employee performance more effectively to achieve organizational goals.

RESEARCH HYPOTHESES

Transactional Leadership and Job Satisfaction

Research conducted by Hayani (2021) shows that the more effective transactional leadership style, the higher the employee job satisfaction, and this is significantly correlated. Similar research was also conducted by Rahman (2021), stating that employee happiness in the job can be significantly increased by adopting a transactional leadership style. The research hypothesis will be based on this relationship, namely:

H1: Transactional Leadership Style has a Positive effect on Employee Job Satisfaction

Employee Competence and Job Satisfaction

Analyses by Wibawa & Mayasari (2020), Amin (2022) show that employee competence has a significant and positive relationship with employee job satisfaction. Similarly, an analysis by Ramadhan, Lumbanraja, and Sinulingga (2021) states that competence has a significant and positive correlation with employee performance and job satisfaction. Based on this relationship, this study will test the hypothesis that:

H2: Employee Competence has a Positive effect on Employee Job Satisfaction

Transactional Leadership and Employee Performance

An analysis by Widyacahyani, Herawati, & Subiyanto (2020) proves that Transactional Leadership has a positive and significant impact on Employee Performance. Similarly, Kabiru & Bula (2020) found that Employee Performance significantly increased under executives using a transactional approach. However, an analysis by Arifudin, Sofyan, Rusmana, & Tanjung (2020) shows that Transactional Leadership has a negative and insignificant correlation with employee performance. Based on this relationship, this study will test the hypothesis that:

H3: Transactional Leadership Style has a Positive effect on Employee Performance

Employee Competence and Employee Performance

Rosmaini & Tanjung (2019) state that employee performance can improve, and organizational goals can be more successfully achieved if individual abilities are linked to organizational competence. Previous research on the impact of competence on performance has been conducted by Katidjan, Pawirosumarto, & Yuliani (2018), Pradnyana, Agung, & Landra (2018), resulting in competence having a significant and positive impact on employee performance. From this relationship, this study will test the hypothesis as follows:

H4: Employee Competence has a Positive effect on Employee Performance

Job Satisfaction and Employee Performance

Hartini et al. (2021) state that satisfied employees are more effective than unsatisfied employees. The conclusion of the analysis by Ramadhan, Lumbanraja, and Sinulingga (2021) and Amin (2022) states that when workers are happy with their work, they tend to do better work. From this relationship, this study will test the hypothesis as follows:

H5: Job Satisfaction has a Positive effect on Employee Performance

RESEARCH METHODS

This study aims to examine the influence of the transactional leadership approach and/or employee competence on the personnel productivity of the sales division in one government bank. The study uses a quantitative method with a causal research design. The variables to be studied include Transactional Leadership, Employee Competence, Job Satisfaction, and Employee Performance.

The population of this study is the sales division employees in the headquarters of one government bank, totaling 180 employees, and in branch offices, total 20 employees, for a total of 200 employees. The sampling method used will be purposive sampling, with 163 respondents.

Primary data will be collected through questionnaires using a Likert scale. Secondary data will be obtained from articles and reports related to the sales division. Data analysis will be conducted using reliability analysis, validity analysis, and Structural Equation Modeling (SEM) analysis using the SmartPLS application.

The analysis will include measuring convergent validity, discriminant validity, and reliability for the measurement model (outer model). Furthermore, structural analysis (inner model) will be conducted to determine the cause-effect relationships between the latent variables of the study. This analysis will help in understanding how independent variables affect dependent variables, as well as the model's success rate in predicting employee performance and job satisfaction.

RESULTS AND DISCUSSION

Most respondents are male (73%) with the dominant age group between 41-50 years old (43.6%). Most have a bachelor's degree (99.4%) and the most common length of employment is between 6-10 years (43.6%). The most common positions are finance, analyst, and accounting staff (19.6%).

The table of hypothesis testing results below shows the t-statistic values and the basis for drawing conclusions.

Table 1. Hypothesis Testing Result

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
EC -> EP	0.363	0.355	0.092	3.944	0.000
EC -> JS	0.391	0.397	0.087	4.496	0.000
JS -> EP	0.353	0.357	0.087	4.052	0.000
TLS -> EP	0.180	0.182	0.067	2.702	0.003
TLS -> JS	0.476	0.469	0.085	5.629	0.000

Based on the hypothesis testing results above, the following conclusions are:

Hypothesis 1, which states that Transactional Leadership Style (TLS) has a positive and significant effect on Job Satisfaction (JS), is accepted based on the statistical test results. The P-value (0.000) less than 0.05 indicates significance, and the T-statistic value (5.629) greater than 1.65 indicates that the hypothesis is accepted. From the descriptive analysis of respondent answers, the mean values for Transactional Leadership and Job Satisfaction indicate that respondents tend to agree with statements related to these two variables. This result is consistent with previous research findings by Darmanto & Supriyadi (2022), Rahman (2021), and Hayani (2021), which also show that transactional leadership positively influences job satisfaction. This indicates the importance of the transactional leadership style in improving employee job satisfaction, which in turn can contribute to improving organizational performance.

Hypothesis 2, which states that Employee Competence (EC) has a positive and significant effect on Job Satisfaction (JS), is accepted based on the statistical test results. The P-value (0.000) less than 0.05 indicates significance, and the T-statistic value (4.496) greater than 1.65 indicates that the hypothesis is accepted. From the descriptive analysis of respondent answers, the mean values for Employee Competence and Job Satisfaction indicate that respondents strongly agree with statements related to these two variables. This result is in line with previous research findings by Darmanto & Supriyadi (2022), Amin (2022), and Ramadhan, Lumbanraja,

and Sinulingga (2021), which also show that employee competence significantly and positively influences job satisfaction. This emphasizes the importance of developing employee competence as one of the efforts to improve job satisfaction, which ultimately can have a positive impact on overall organizational performance.

Hypothesis 3, which states that Transactional Leadership Style (TLS) has a positive and significant effect on Employee Performance (EP), is accepted based on the statistical test results. The P-value (0.003) less than 0.05 indicates significance, and the T-statistic value (2.702) greater than 1.65 indicates that the hypothesis is accepted. From the descriptive analysis of respondent answers, the mean values for Transactional Leadership and Employee Performance indicate that respondents tend to agree with statements related to these two variables. This result is consistent with previous research findings by Darmanto & Supriyadi (2022), Widyacahyani, Herawati, & Subiyanto (2020), and Kabiru & Bula (2020), which also show that transactional leadership significantly and positively influences employee performance. This confirms that transactional leadership style plays an important role in improving employee performance. This leadership style involves the use of incentives and rewards to motivate employees, which can improve their overall performance.

Hypothesis 4, which states that Employee Competence (EC) has a positive and significant effect on Employee Performance (EP), is accepted based on the statistical test results. The P-value (0.000) less than 0.05 indicates significance, and the T-statistic value (3.944) greater than 1.65 indicates that the hypothesis is accepted. From the descriptive analysis of respondent answers, the mean values for Employee Competence and Employee Performance indicate that respondents strongly agree with statements related to these two variables. This indicates that employee competence plays an important role in improving their performance. This finding is consistent with previous research by Katidjan, Pawirosumarto, & Yuliani (2018), Pradnyana, Agung, & Landra (2018), which also show that employee competence significantly and positively influences employee performance. Therefore, it is important for companies to continue to develop their employees' competencies through training and development, as this can have a positive impact on overall employee performance.

Hypothesis 5, which states that Job Satisfaction (JS) has a positive and significant effect on Employee Performance (EP), is accepted based on the statistical test results. The P-value (0.000) less than 0.05 indicates significance, and the T-statistic value (4.052) greater than 1.65 indicates that the hypothesis is accepted. From the descriptive analysis of respondent answers, the mean values for Job Satisfaction and Employee Performance indicate that respondents strongly agree with statements related to these two variables. This indicates that job satisfaction plays an important role in improving employee performance. This finding is consistent with previous research by Ramadhan, Lumbanraja, and Sinulingga (2021) and Amin (2022), which also show that employee job satisfaction significantly and positively influences employee performance. Therefore, companies need to pay attention to and improve the level of employee job satisfaction, as this can have a positive impact on their overall performance.

Table 2. R Square Results

	R-square	R-square adjusted
EP	0.672	0.666
JS	0.654	0.650

In the analysis of the coefficient of determination (R-squared), the value of 0.672 for Employee Performance and 0.654 for Job Satisfaction indicates how much of the variability in these two variables can be explained by Transactional Leadership Style and Employee Competence in the tested model. For Employee Performance, this result indicates that around 67.2% of the variation in employee performance can be explained by Transactional Leadership Style and Employee Competence, while the remaining 32.8% can be explained by other factors outside the variables analysed in this study. For Job Satisfaction, around 65.4% of the variation in job satisfaction can be explained by Transactional Leadership Style and Employee Competence, while the remaining 34.6% can be explained by other factors outside the analysed variables.

CONCLUSION

The quantitative analysis in this study aimed to investigate the influence of Transactional Leadership Style, Employee Competence level, Job Satisfaction, in the sales division of a government bank on Employee Performance. All research hypotheses were confirmed at or above the set significance level. Based on the data and discussion of the research, the following conclusions can be:

1. Transactional Leadership Style has a positive and significant impact on Employee Job Satisfaction. This indicates that transactional leadership style, which involves the use of incentives and rewards to motivate employees, can enhance their job satisfaction.
2. Employee Competence has a positive and significant impact on Employee Job Satisfaction. This suggests that the abilities, knowledge, and skills possessed by employees can affect how satisfied they are with their jobs.
3. Transactional Leadership style has a positive and significant impact on Employee Performance. This indicates that transactional leadership style can improve employee performance, which includes achieving work goals, performing tasks well, and contributing to the organization's overall objectives.
4. Employee Competence has a positive and significant impact on Employee Performance. This indicates that the abilities and skills of employees play a crucial role in enhancing their performance in the workplace.
5. Job Satisfaction has a positive and significant impact on Employee Performance. This indicates that the level of satisfaction, happiness, and pleasure felt by employees in their jobs can influence their overall performance.

Recommendations for Further Research

- Expand the scope of the research by sampling from various divisions or departments in government banks or even from various industries to see if the results remain consistent.

- Conduct comparative research between government banks and private banks to see if there are differences in the influence of transactional leadership style, employee competence, and job satisfaction on employee performance.
- Incorporate other variables that may affect employee performance, such as motivation, organizational climate, or external factors like economic conditions.
- Conduct longitudinal research to see how the influence of transactional leadership style, employee competence, and job satisfaction on employee performance may change over time.
- Conduct in-depth case studies to understand in more detail how transactional leadership style, employee competence, and job satisfaction can influence employee performance at the individual or group level.
- Examine the influence of other variables that may moderate the relationship between transactional leadership style, employee competence, and job satisfaction on employee performance, such as organizational culture or individual characteristics.
- Further investigate factors that can enhance employee job satisfaction in critical work environments such as the sales division, which may have high work pressure and strict targets.

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