

THE IMPACT OF TRANSFORMATIONAL LEADERSHIP AND ORGANIZATIONAL CULTURE ON EMPLOYEE PERFORMANCE AT PT. DAYA DINAMIKA KLINIK–DD HEALTHCARE WITH WORK ENGAGEMENT AS A MEDIATION VARIABLE

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Abstract

This research is to find out how the influence of transformational leadership and organizational culture on employee performance with organizational culture as mediation. This research is included in the type of quantitative research. The population that is used as the focus of this study is the employees of PT. Daya Dinamika Klinik, with a total population of 75 people. With a total of 75 participants, the sample for this study was drawn using a saturation sampling strategy. As an analysis method, the Partial Least Square (PLS), a covariance-based SEM, is used. The research results prove that (1) Organizational culture has a significant and notable impact on employee performance. (2) Positive and notable impact of transformational leadership on employee performance (3) Work engagement has a good and significant impact on employee performance. (4) Work engagement benefits significantly and favorably from organizational culture. (5) Organizational culture has a considerable and noticeable impact on work engagement. (6) Work engagement acts as a bridge between corporate culture and worker productivity. (7) Work engagement is positively and favorably affected by organizational culture.

Keywords: Transformational Leadership, Organizational Culture, Work Engagement and Employee Performance

PRELIMINARY

PT. Daya Dinamika Klinik is a manifestation of the latest transformation of health services in Dompot Dhuafa. PT. Daya Dinamika Klinik is a holding group that brings together basic health business units owned by Dompot Dhuafa. With the presence of PT. Daya Dinamika Klinik, Dompot Dhuafa emphasizes not only being committed to utilizing community funds for the community through professional health services, but also providing comprehensive and integrated services. The business units that are gathered under the banner of PT. Daya Dinamika Klinik are DD Clinics spread across several regions, DD Farma which is engaged in the supply of drugs and medical devices including optics, and DD Diagnostics in charge of laboratories and their services.

Of course, there have been some changes made, both at the central management level and at the level of the health facility itself. However, in terms of the management transformation from a non-profit clinic to an independent one, this is quite a challenge. Apart from the Dompot Dhuafa brand which is quite well-known as a humanitarian organization (not a business institution/company), services that tend to be simple also require transformation, starting from the clinical appearance, structurally to functional Clinical Human Resources, and of course

with more modern management. Adapt to today's digital environment. These changes certainly require a process so that employees can really internalize it and then provide performance that is in line with company expectations.

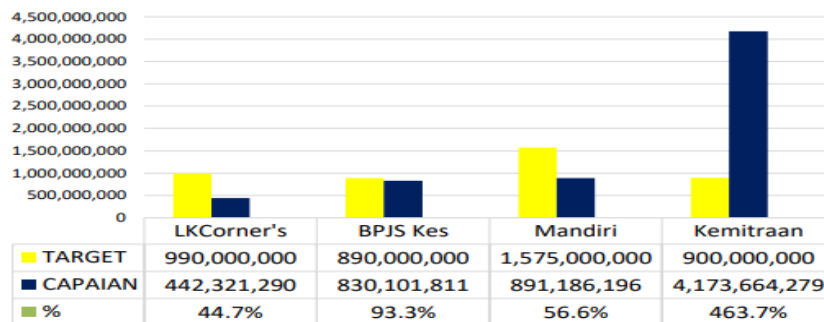


Figure 1: Target Dan Realisasi Capaian Pt. Daya Dinamika Klinik Tahun 2020

From the description above, the target achievement of PT. Daya Dinamika Klinik Overall it has been achieved. But the disparity between the existing parts looks very clear. To note, the Partnership section is clinical collaboration with third parties, including the Swab-Test and CPR-Test examinations for the Covid-19 virus. Even though we all know that Covid-19 is a pandemic that will eventually subside, so that it can no longer contribute revenue to the company. With insufficient target achievements in the self-medication sector as well as BPJS and LKC Corner, the company's future is clearly threatened.

These results encourage researchers to find out more about the condition of PT. Daya Dinamika Klinik. In nearly three years of transformation that has been carried out, PT. Daya Dinamika Klinik wants to know the effectiveness of leadership and management applied in this company to improve employee performance. Of course, various factors can also affect employee performance, including the organizational culture developed by PT. Daya Dinamika Klinik itself as well as employee engagement in their respective jobs. With organizational culture serving as a mediator, this study aims to understand how transformational leadership affects employee performance and the elements that affect it. The findings of this study will likely be put to use by firm management to boost worker productivity and progress the business so that it can benefit as many people as possible.

LITERATURE REVIEW AND HYPOTHESIS

Employee performance

Work that can be accomplished inside an organization by a person or group in line with their respective rights and obligations to achieve organizational goals is known as employee performance in a way that is legal and does not violate any laws, moral or ethical principles, or other ethical or morally righteous principles (Afandi, 2018). The consequence of someone's quality and quantity of work in carrying out their commitments in accordance with the tasks allocated to them is what is known as performance (Mangkunegara, 2017).

Transformational Leadership

Rivai V & Mulyadi D (2011) define leadership as a process of directing and influencing activities related to the work of group members. D. Katz and R. L. Kahn (1978) in Setiawan (2019) which states that leadership is a gradual increase in influence on and above mechanical compliance with routine organizational directives.

Organizational culture

The theory of organizational culture by Stephen Robbins (2010) is a common perception of the members of the organization, a system of shared meanings. According to Mangkunegara (2008), organizational culture is the foundation or system of beliefs, values and habits that develop in an organization that serves as a guide of behavior for members to deal with problems in internal and external.

Work Engagement

According to Brown (Robbins, 2010), an employee is said to be engaged at work if he or she can psychologically relate with it and believes that, in addition to the organization, his or her success is vital for himself. According to Bakker (A. B. Bakker et al., 2012) Work engagement is how workers carry out their work so that they spend their time and energy (vigor), make their work a form of pursuit (dedication), and work is made something fun so that concentration is focused on work (absorption).

Framework

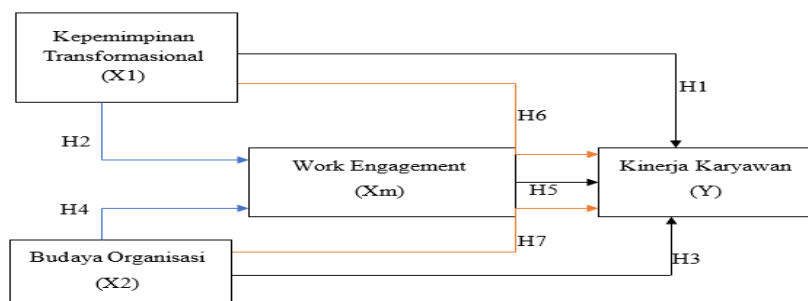


Figure 2 : Framework

Research Hypothesis

H 1: Transformational leadership has a favorable and significant impact on employee performance.

H 2: Transformational leadership has a good and considerable impact on work engagement.

H 3: Organizational culture has a favorable and considerable influence on employees' performance.

H 4: Organizational culture has a favorable and considerable impact on work engagement.

H 5: Work Engagement has a positive and considerable influence on employee performance.

H 6: In the relationship between transformative leadership and employee performance, work engagement acts as a mediating factor.

H 7: The relationship between company culture and employee performance can be mediated by work engagement.

METHODOLOGY

Quantitative research method used in this study. The population that is used as the object of research is the employees of PT. Daya Dinamika Clinic, with a total population of 75 people. In this study used saturated sampling method using a sample of 75 respondents taken from the entire population. The survey method was used for this study, Sugiyono (2016: 6) who stated "The survey method is a method used to obtain data from certain natural (not artificial) places, but researchers carry out treatments in data collection, for example by distributing questionnaires, interviews and so on". Partial least squares (PLS), a covariance-based SEM, was used as an analytical technique.

RESULTS AND RESEARCH

Data Quality Examination Outcomes

Measurement (outer) Model Evaluation

The outer loading value, also known as the loading factor, is based on the convergent validity value. If the outer loading value is more than 0.7, an indicator is considered to have achieved convergent validity with a good category.

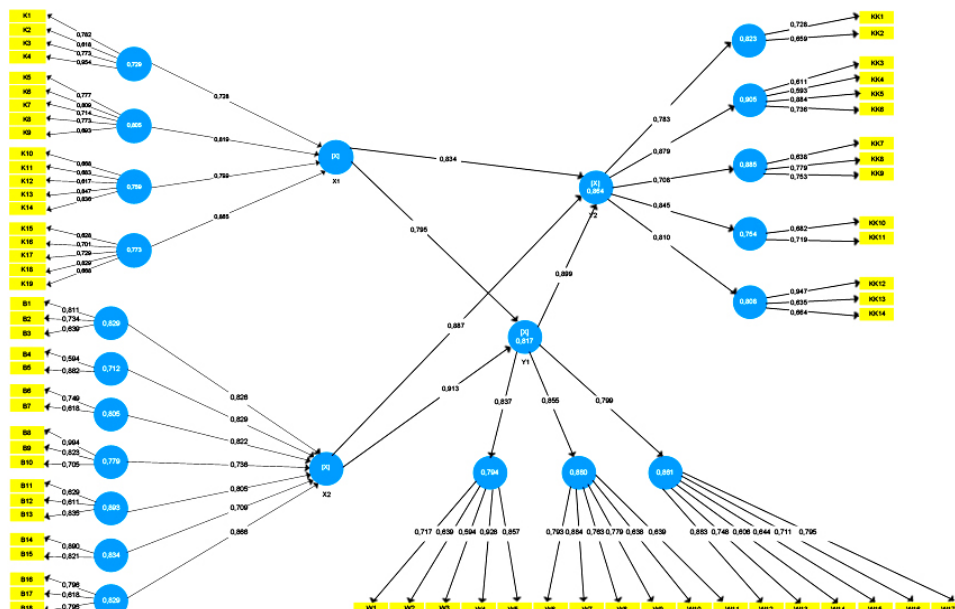


Figure 3: Interconstruct Value Model and Dimensional Research Model using Smart PLS 3.0

Discriminant Validity Testing Results

Table 1: Discriminant Validity Testing Results (Cross loadings)

	Transformational leadership	Organizational culture	Work Engagement	Employee performance
K1	0,782	0,421	0,443	-0,096
K2	0,618	0,688	0,714	0,062
K3	0,773	0,128	0,609	0,161
K4	0,954	0,198	0,382	0,268
K5	0,777	0,566	0,612	0,165
K6	0,809	0,789	0,138	0,161
K7	0,714	0,152	0,232	0,268
K8	0,773	0,537	0,104	0,276
K9	0,693	0,554	0,284	0,062
K10	0,668	0,055	0,366	0,096
K11	0,683	0,203	0,254	0,596
K12	0,617	0,107	0,293	0,541
K13	0,847	0,628	0,617	0,573
K14	0,836	0,551	0,719	0,632
K15	0,628	0,135	0,216	0,264
K16	0,701	0,336	0,423	0,563
K17	0,729	0,635	0,624	0,429
K18	0,829	0,638	0,351	0,511
K19	0,668	0,650	0,317	0,587
B1	0,409	0,811	0,428	0,255
B2	0,588	0,734	0,623	0,233
B3	0,510	0,639	0,194	0,057
B4	0,411	0,594	0,631	0,218
B5	0,539	0,882	0,711	0,150
B6	0,547	0,749	0,551	0,508
B7	0,444	0,618	0,324	0,445
B8	0,122	0,994	0,255	0,202
B9	0,571	0,823	0,627	0,536
B10	0,284	0,705	0,608	0,251
B11	0,509	0,629	0,413	0,519
B12	0,357	0,611	0,426	0,544
B13	0,528	0,835	0,499	0,422
B14	0,413	0,890	0,368	0,223
B15	0,518	0,821	0,573	0,280
B16	0,294	0,796	0,492	0,492
B17	0,026	0,618	0,237	0,295
B18	0,190	0,795	0,592	0,601
W1	0,185	0,014	0,717	0,557
W2	0,492	0,311	0,639	0,611
W3	0,301	0,148	0,594	0,481
W4	0,250	0,055	0,928	0,346
W5	0,379	0,499	0,857	0,224
W6	0,416	0,479	0,793	0,132
W7	0,447	0,403	0,884	0,143

W8	0,115	0,337	0,763	0,259
W9	0,402	0,601	0,779	0,659
W10	0,457	0,491	0,638	0,458
W11	0,172	0,280	0,639	0,362
W12	0,227	0,273	0,883	0,807
W13	0,325	0,016	0,748	0,611
W14	0,574	0,228	0,606	0,121
W15	0,327	0,426	0,644	0,169
W16	0,296	0,263	0,711	0,375
W17	0,664	0,283	0,795	0,310
KK1	0,643	0,299	0,228	0,728
KK2	0,646	0,151	0,033	0,659
KK3	0,342	0,506	0,053	0,611
KK4	0,354	0,391	0,143	0,593
KK5	0,563	0,678	0,280	0,884
KK6	0,173	0,513	0,273	0,736
KK7	0,514	0,427	0,016	0,638
KK8	0,589	0,493	0,228	0,779
KK9	0,842	-0,739	0,426	0,753
KK10	0,557	0,442	0,132	0,682
KK11	0,611	0,337	0,143	0,719
KK12	0,481	0,206	0,259	0,947
KK13	0,346	0,458	0,286	0,635
KK14	0,224	0,339	0,140	0,664

Source: Processing and Outcomes of Smart PLS 3, 0

Examining each construct's squared average variance (AVE) and the connections between its structures and other structures in the model are additional ways to confirm discrimination. Positive classification accuracy is defined as a value greater than 0.5.

Table 2: AVE Testing Results

Variable	AVE
Transformational leadership	0,723
Organizational culture	0,839
Work Engagement	0,882
Employee performance	0,864

Source: Processing and Outcomes of Smart PLS 3, 0

Table 3: Discriminant Validity Testing Results (Fornell Larcker Criterion)

	Transformational leadership	Transformational leadership	Work Engagement	Employee performance
Transformational Leadership	0, 832			
Organizational Culture	0, 712	0,849		
Work Engagement	0, 638	0,648	0,858	
Employee Performance	0,5 39	0,739	0,747	0,896

Source: Processing and Outcomes of Smart PLS 3.0

Composite Reliability & Cronbach's Alpha Results

The reliability test with a composite reliability value and Cronbach's alpha $\geq 0,7$ can be said to be fulfilling or reliable.

Table 4: Composite Reliability and Cronbach's Alpha Testing Results

Variable	Composite Reliability	Cronbach's Alpha	Information
Transformational leadership	0,849	0,811	Reliable
Organizational culture	0,808	0,728	Reliable
Work Engagement	0,794	0,889	Reliable
Employee performance	0,837	0,826	Reliable

Source: Processing and Outcomes of Smart PLS 3, 0

Hypothesis Testing (Inner Model) or Structural Model Testing

R-square Value Testing Results

Table 5: R2 Value

Variable	R-Square value
Work Engagement	0,856
Employee performance	0,879

Source: Processing and Outcomes of Smart PLS 3, 0

Results of Testing the Goodness of Fit Model

The predicted value of relevance (Q^2) is used to test the structural Goodness of Fit Model on the inner model. $Q^2 > 0$ (zero) indicates the model has a predictive relevance value. The R-squared value for each endogenous variable can be seen in the following calculation, where the value related to the prediction is given by Eq:

$$Q^2 = 1 - (1 - R_1)(1 - R_p)$$

$$Q^2 = 1 - (1 - 0,856)(1 - 0,879)$$

$$Q^2 = 1 - (0,144)(0,121)$$

$$Q^2 = 0,982$$

Hypothesis Testing Results (Estimated Path Coefficient)

Table 6: Hypothesis Testing Results

	Original Sample	Standard Deviation	T Statistics	P Values	Information
Transformational Leadership > Employee Performance	0,282	0,361	2,723	0,002	Positive Significant –
Organizational Culture > Employee Performance	0,375	0,309	2,849	0,001	Positive Significant –
Work Engagement > Employee Performance	0,298	0,354	2,503	0,001	Positive Significant –
Transformational Leadership > Work Engagement	0,337	0,297	3,093	0,004	Positive Significant –
Organizational Culture > Work Engagement	0,384	0,276	3,375	0,002	Positive Significant –

Source: Processing and Outcomes of Smart PLS 3, 0

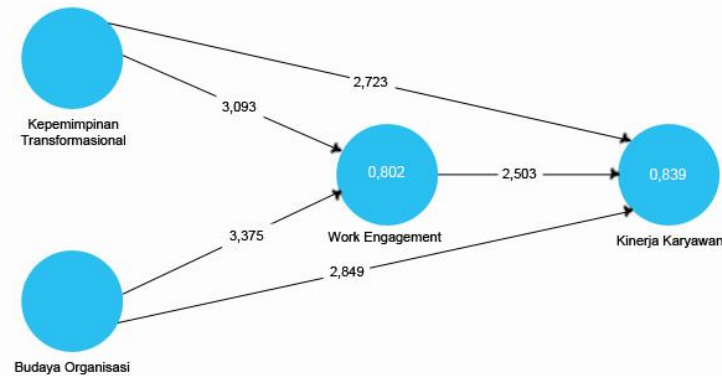


Figure 4: Path coefficient model t statistics structural research model

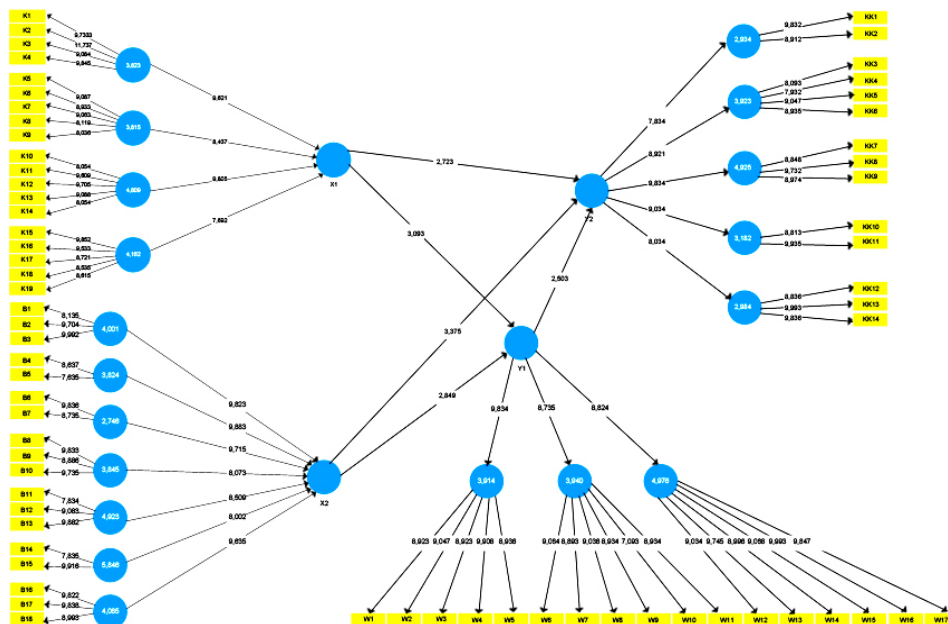


Figure 5: Bootstrapping Test Result

Table 7: Indirect Effect value

	Original Sample	Standard Deviation	T Statistics	P Values	Information
Indirect influence					
Transformational leadership > Work Engagement > Employee performance	0,329	0,374	2,483	0,003	Positive Significant -
Organizational culture > Work Engagement > Employee performance	0,375	0,316	3,188	0,001	Positive Significant -

Source: Processing and Outcomes of Smart PLS 3, 0

RESULTS DISCUSSION

1. Transformational Leadership has an impact on Employee Performance

From the results of the calculation of the T-statistic = $2.723 > 1.96$ and P Values = $0.004 < 0.05$. Then H1 is accepted. The path coefficient value = 0.282, which means that there is a significant positive relationship between Transformational Leadership and Employee Performance at PT. Daya Dinamika Klinik, as supported by the statements of Kenneth D. Wijaya, Riane Johnly, Pio Dolina L. Tampi (2020) and Arifin, H. Sullaida & Nurmala. (2018), where Transformational Leadership has a positive and significant effect on Employee Performance

2. Organizational Culture has an influence on Employee Performance

From the results of the calculation of the T-statistic = $2.849 > 1.96$ and P Values = $0.001 < 0.05$. Therefore, H2 is accepted. The path coefficient value = 0.375, indicating that organizational culture has a positive and significant effect on employee performance at PT. Daya Dinamika Klinik. As supported by the statements of Hafni Ratna Indah, Aryana Satrya, Etty Puji Lestari (2022) and Lenny Risma Ulin Sinabariba, Rahmy Fahmi (2021), where Organizational Culture influences positive and significant Employee Performance.

3. Work Engagement has an influence on Employee Performance

The research results obtained T-statistic values = $2.503 > 1.96$ and P Values = $0.001 < 0.05$. Therefore, H3 is accepted. Path coefficient = 0.298, indicating that this result indicates that Work Engagement has a positive and favorable impact on Employee Employees at PT. Daya Dinamika Klinik. As supported by the statements of Nadya Puspita, Natsir Nugroho, Agusdini Banun (2020) and Asipola Rohana Manalu, Rinandar Thamrin, Muridha Hasan, Deny Syahputra (2021), where Work Engagement has a positive and significant effect on Employee Performance.

4. Transformational Leadership has an influence on Work Engagement

According to the study's findings, H4 is acceptable since T-statistic = $3.093 > 1.96$ and P Values = $0.004 < 0.05$ were achieved. Work Engagement is positively and significantly impacted by transformational leadership at PT. Daya Dinamika Klinik., according to the path coefficient of 0.337. According to Arifin, H4. Sullaida, and Nurmala's remark, additional research also demonstrates a strong beneficial association between transformational leadership and work engagement. (2018) and Fullchis Nurtjahjani, Ridolof Wenand Batilmurik, Joni Dwi Pribadi (2021), where Work Engagement is positively and significantly impacted by Transformational Leadership.

5. Organizational Culture influences Work Engagement

According to the calculations, the coefficient value for H5 is set at 0.384 because the T-statistic is $3.375 > 1.96$ and the P values are $0.002 < 0.05$. These findings show that Work Engagement is positively and significantly impacted by Organizational Culture. According to claims made by Vivin Rosvita, Endang Setyowati Zaenal Fanani (2017) and Nadya Puspita, Natsir Nugroho,

and Agusdini Banun (2020), organizational culture has a favorable impact and is crucial to work engagement. Additional research has also demonstrated this association.

6. Transformational Leadership affects Employee Performance through Work Engagement as a Mediation Variable

According to the study's findings, H6 is acceptable because T-statistic = 2.483 > 1.96, P Values = 0.003 (0.05), and coefficient value = 0.329. These results imply that transformative Work engagement serves as a mediating variable in the relationship between leadership and employee performance, which is favorable and significant at PT. Daya Dinamika Klinik,

7. Organizational Culture influences Employee Performance through Work Engagement as a Mediation Variable

From this research, the results obtained are T-statistics = 3.188 > 1.96, and P Values = 0.001 which is <0.05. It can be stated that H7 is accepted. with a coefficient value = 0.375. These results indicate that Organizational Culture has a positive and significant effect on Employee Performance through Work Engagement as a Mediation variable at PT. Daya Dinamika Klinik,

Analysis of Loading Factor of Inner Model

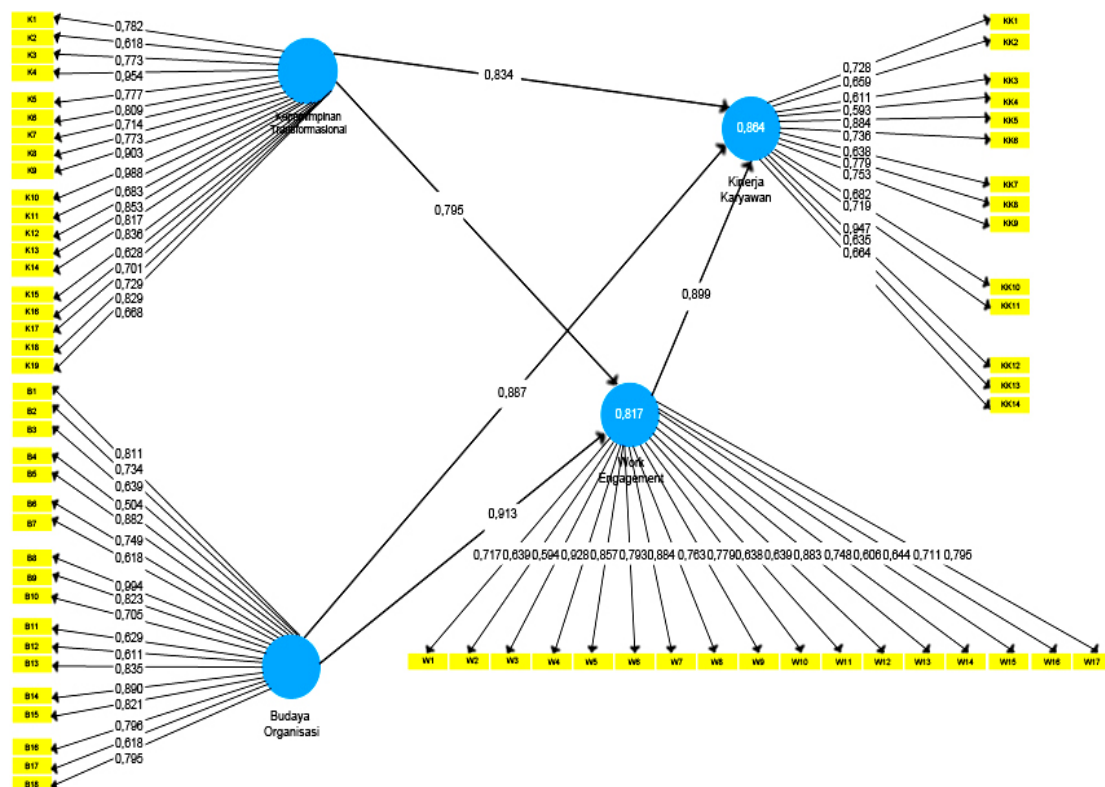


Figure 6: Bootstrapping the Inner Model

Table 8: Results of the Loading Factor of the Inner Model of Research Indicators

	Kepemimpinan Transformasional	Budaya Organisasi	Work Engagement	Kinerja Karyawan
K1	0,782			
K2	0,618			
K3	0,773			
K4	0,954			
K5	0,777			
K6	0,809			
K7	0,714			
K8	0,773			
K9	0,903			
K10	0,988			
K11	0,683			
K12	0,853			
K13	0,817			
K14	0,836			
K15	0,628			
K16	0,701			
K17	0,729			
K18	0,829			
K19	0,668			
B1		0,811		
B2		0,734		
B3		0,639		
B4		0,504		
B5		0,883		
B6		0,749		
B7		0,618		
B8		0,994		
B9		0,823		
B10		0,705		
B11		0,629		
B12		0,611		
B13		0,835		
B14		0,890		
B15		0,821		
B16		0,796		
B17		0,618		
B18		0,795		
W1			0,717	
W2			0,639	
W3			0,594	
W4			0,928	
W5			0,857	
W6			0,793	
W7			0,884	
W8			0,763	

W9			0,779	
W10			0,638	
W11			0,639	
W12			0,883	
W13			0,748	
W14			0,606	
W15			0,644	
W16			0,711	
W17			0,795	
KK1				0,728
KK2				0,659
KK3				0,611
KK4				0,593
KK5				0,884
KK6				0,736
KK7				0,638
KK8				0,779
KK9				0,753
KK10				0,682
KK11				0,719
KK12				0,947
KK13				0,635
KK14				0,664

Source: Results and processing of SmartPLS 3.0

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

1. Transformational leadership has a positive and favorable impact on employee performance at PT Daya Dinamika Klinik employees. This means that if the Transformational Leadership in the company goes well, then the extent of Employee Performance will also get better.
2. Organizational Culture has a positive and favorable impact on Employee Performance at PT Daya Dinamika Klinik Employees. This means that if the Organizational Culture in the company is running well then, the level of Employee Performance will also be better.
3. Work Engagement has a positive and favorable impact on Employee Performance at PT Daya Dinamika Klinik Employees. This means that if the employee's engagement with the company is good, then the level of employee performance will also be better.
4. Transformational leadership has an important and favorable impact on work engagement among PT Daya Dinamika Klinik employees. This implies that if Transformational Leadership in the organization is successful, Employee Engagement will also rise.
5. Organizational Culture has a positive and significant effect on Work Engagement at PT Daya Dinamika Klinik Employees. This means that if the Organizational Culture in the company is running well then it will increase Employee Engagement which will also be good.

6. Transformational leadership has a positive and significant effect on employee performance through work engagement as a mediating variable. This means that if Transformational Leadership and Work Engagement are going well, then the level of Employee Performance in a company is also getting better.
7. Using work engagement as a mediator, organizational culture has a favorable and considerable impact on employee performance. This means that if the Organizational Culture and Work Engagement are going well, then the level of Employee Performance in a company is also getting better.

SUGGESTION

Suggestions for Companies

1. Management, especially leaders, to maintain good relations with employees, such as in terms of communication with other employees, it is better to maintain coordination in work
2. Management, especially leaders, so that they can provide work that is not too excessive for their subordinates, if that happens it will cause excessive workload and result in an increase in employee work stress levels.
3. Management can appreciate employees who work well so that employees who work are proud to own or work for the company.
4. Management and leadership should be able to provide work to their subordinates in accordance with their respective portions, so that employees do not feel burdened at work, and this will result in the work not going well.

Suggestions for Further Researchers

For similar aspects, you can use this thesis as a reference, but you still need to reconsider the contents because it is very possible that some statements are incomplete or inappropriate. In addition, other researchers can redevelop other variables and indicators such as the variables Job Stress, Turnover Intention and Compensation

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