Predictors of Employee Performance at Electronic Manufacturing Company: Job Satisfaction as Mediation

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ABSTRACT

Performance results can ensure a long-term business sustainability. Performance can be achieved with key factors in the scope of leadership, culture, and motivation. The research analyzed the effects of work motivation, transformational leadership, and organizational culture on employee performance, mediated by job satisfaction. The research focused on examining both direct and indirect implications within the model. The research was conducted in automotive manufacturing companies. The sampling technique employed purposive sampling, targeting employees with at least one year of tenure and those directly involved in business processes. Data collection was carried out using a questionnaire distributed via Google Forms, with a total of 177 respondents. Then, Structural Equation Modeling - Partial Least Squares (SEM-PLS) was used for hypothesis testing within the research model. The findings reveal that work motivation and organizational culture significantly affect job satisfaction, whereas transformational leadership does not. Job satisfaction positively influences employee performance. Then, work motivation and organizational culture indirectly impact employee performance through job satisfaction. However, transformational leadership does not have an indirect effect on employee performance through job satisfaction. The formation of job satisfaction can act as a generator for achieving high-quality performance. The implementation of transformational leadership should be evaluated against leadership styles that meet organizational needs. Motivation and culture should be considered key factors in enhancing employee performance.

Keywords: employee performance, electronic manufacturing company, job satisfaction, work motivation, transformational leadership, organizational culture

INTRODUCTION

Companies today face complex management challenges, including the integration of information systems and holistic adaptability to address evolving market and technological changes (Johansson, 2018). Organizational capabilities must align with the increasing digitalization and automation of production processes (Sonntag et al., 2021). The key to managing a business in a competitive market is achieving customer satisfaction, sustainability, efficiency, product quality, and employee satisfaction and development. Optimal human resource management enhances job satisfaction and ultimately improves organizational performance (Reiman et al., 2021). Organizations aim not only

to achieve optimal profitability but also to enhance customer satisfaction and employee performance. The ultimate outcome of performance is the delivery of quality products and services that meet consumer expectations.

The automotive industry is a major force in the global economy, contributing significantly to economic growth and serving as a center for innovation and technological advancement (Gebler et al., 2020). Automotive manufacturing firms contribute to the transportation sector from vehicle design and manufacturing to distribution and sales. Currently, automotive companies face increasingly intense competition. They must adapt by implementing systems such as Total Quality Management (TQM),

continuous improvement culture, waste reduction, Just In Time, 5S, and Value Stream Mapping (VSM) (Santos et al., 2018). Moreover, the growth of the automotive industry in Indonesia is driven by a large population and a growing middle class.

Organizations achieve performance outcomes through processes driven by employees and by setting goals aligned with business targets. Global challenges to becoming a leading and top-performing company depend on human resources, specifically the support and contributions of employees working effectively to advance the company (Virakul & Russ-Eft, 2020). Organizational performance is significantly influenced by the effectiveness of employee performance management (Jaleha & Machuki, 2018). In manufacturing companies, particularly in the automotive sector, three critical strategies for enhancing performance are delivery, quality, and cost (Kamal et al., 2020). Delivery strategy involves meeting customer demands quickly and accurately to avoid penalties for late deliveries or contract termination. Quality and cost strategies are essential for maintaining business contracts with clients.

Factors affecting employee performance include work motivation, transformational leadership, and organizational culture (Paais & Pattiruhu, 2020; Qalati et al., 2022). Individual, environmental, and task-related factors impact employee performance. The sustainability of a company is heavily influenced by human resource management. Companies must ensure that employees possess the necessary skills and competencies through training programs, career development, and organizational performance improvement initiatives. Real support from employees to enhance organizational performance comes from high-performing employees who are engaged in various necessary factors. Key contributors to employee performance and increased productivity include motivation, training, job satisfaction, rewards, and organizational culture (Andika & Darmanto, 2020; Lin & Huang, 2020).

Employees are valuable assets and play a crucial role in the production process. High motivation among employees is reflected in their work performance, enthusiasm, and dedication (Dachner et al., 2021). High motivation perceived by employees can be observed in the execution of their tasks, reflecting enthusiasm and a high level of dedication. Work motivation drives employees to achieve better performance and is influenced by factors such as salary, health benefits, job safety, and leadership policies (Ryan & Deci, 2020). Organizations should focus on improving working conditions to enhance job satisfaction (Dziuba et al., 2020).

Business transformation will alter organizational conditions and work patterns. Transformational leadership sets an example for subordinates in terms of trust, loyalty, and admiration while motivating the team to achieve the organization's vision and mission (Portela Maquieira et al., 2020). Transformational leaders are perceived by employees as role models,

inspirational, and idealistic, influencing their work (Nhat Vuong et al., 2023). The implementation of transformational leadership fosters innovation, creativity, work productivity, company reputation, and job satisfaction (Nguon, 2022). Previous research supports that transformational leadership positively affects employee performance and job satisfaction (Alwali & Alwali, 2022; Siswanto & Yuliana, 2022), although some studies find no impact on employee performance (Prabowo et al., 2018).

Organizational culture is a critical determinant of employee performance (Miao & Zhang, 2024). The strength of organizational culture can significantly impact individuals and their performance (Davidson et al., 2007). It also affects employee satisfaction and is a variable influencing both performance and job satisfaction. Previous research shows that organizational culture positively impacts performance and job satisfaction (AlShehhi et al., 2021; Park & Doo, 2020). However, previous researchers indicate no effect between organizational culture and these outcomes (Paais & Pattiruhu, 2020; Sapta et al., 2021; Tran, 2021; Widarko & Anwarodin, 2022).

Another predictor of job satisfaction and employee performance is work motivation. Work motivation influences job satisfaction and employee performance (Alrawahi et al., 2020; Chien et al., 2020; Paais & Pattiruhu, 2020). However, work motivation has a negative impact on both job satisfaction and employee performance (Hajiali et al., 2022; Niam & Syah, 2019). It is due to weak needs for achievement, affiliation, and power, where employee performance is not mediated by job satisfaction as a result of a weak correlation between work motivation and job satisfaction. Such failures in causality are often attributed to mismatches in business processes and internal organizational factors.

The research focuses on variables that can improve employee performance in manufacturing companies. Work motivation, transformational leadership, and organizational culture are independent variables. Meanwhile, job satisfaction is used as a mediator to analyze indirect effects.

A positive organizational culture that creates a supportive and conducive work environment can enhance employee satisfaction and comfort in their roles. Organizational culture plays a crucial role in fostering a comfortable and productive work environment. A culture committed to clear goals positively impacts employee performance, helping them achieve targets. Then, job satisfaction refers to the pleasure or contentment that employees feel after performing their work. Employees who enjoy their work are more likely to achieve better performance. Job satisfaction is a variable that positively influences employee performance and is essential for improving individual performance. It is often used as a mediator in the context of performance, organizational behavior, and spirituality (Asgari et al., 2020; Asutay et al., 2022; Jufrizen et al., 2023). Employee satisfaction with colleagues significantly affects team cooperation,

and overall job satisfaction contributes to both the quantity and quality of work outcomes and teamwork.

Work motivation originates from a strong desire for personal development and high enthusiasm for achieving optimal results (Jolly et al., 2021). It is essential for employees to achieve high job satisfaction (Dorta-Afonso et al., 2021). Motivational capacity tends to direct employees toward clear goals and aligns with the company's business orientation. Positive attitudes and behaviors can influence the work environment and lead to high-quality performance (Kanfer et al., 2017). Internal factors affecting motivation include perceptions, self-esteem, expectations, needs, desires, satisfaction, and achievements (Morris et al., 2022). External factors influencing work motivation may be related to the nature of the job, work environment, situational contexts, and compensation systems (Morris et al., 2022). Motivation serves as a driving force or action that propels individuals toward goal achievement. Every individual has specific goals that contribute to organizational expectations. Organizational performance can be achieved through high commitment and motivation from employees. Work motivation fosters a full commitment to the work process. Key measures of work motivation include the appropriateness of bonuses, career advancement opportunities, fulfillment of family needs, organizational support, balance between rewards and punishments, and effectiveness of employee training systems (Paais & Pattiruhu, 2020). Motivation can guide the potential and talents of employees. Productivity and collaboration are necessary for performance stability.

Leadership involves influencing others to achieve organizational goals (By, 2021). The success of an organization is closely linked to effective leadership. Leaders impact their subordinates to complete tasks optimally. Transformational leadership provides inspiration and a strong influence on followers, focusing on nurturing and developing their qualities (Deng et al., 2023). Such leaders prioritize the organization's interests and exert significant influence on their followers. Modern leaders must understand business processes, organizational dynamics, and psychology (Legutko, 2020). Transformational leadership emphasizes the development of superior-subordinate relationships, organizational vision, positive change, and guiding employees toward optimal performance aligned with organizational success (Thompson et al., 2021). Transformational leadership skills can enhance teamwork to achieve the company's vision and mission (Alegbeleye & Kaufman, 2022). Transformational leadership allows flexibility and freedom for employees to innovate in work patterns to maximize performance. Key traits of transformational leadership include responsibility, networking with employees, fairness, professionalism, creativity, and high attention. Transformational leadership encompasses four dimensions: inspirational motivation, idealized influence, individual consideration, and intellectual stimulation (Antonakis & House, 2014).

A positive work culture is established based on rules, behavioral standards, and values that encompass the company's culture, social needs, external and spiritual values, and entrepreneurial spirit (Polyanska et al., 2019). Organizational culture emerges from a system of internal values, beliefs, and habits that interact with the formal structure to create behavioral norms (Chatman & O'Reilly, 2016). Organizational leaders must manage both internal and external aspects of organizational culture. Effective management of culture aims to create values and rules that guide behavior within the organization. Organizational culture plays a strategic role in supporting and enhancing performance effectiveness. Operationally, it begins with individuals forming a group, collectively creating the organization. Measures of organizational culture include personal development, innovation growth, fairness, environmental concern, cooperation, employee care, and diversity (Heritage et al., 2014). Organizations foster an integrative culture to produce work behavior aligned with business values. Cultural alignment is reflected in adherence to vision and mission, trust in leadership, work professionalism, and a conducive work environment (Aboramadan et al., 2020). An organization's vision is measured through future goal formulation. Companies with strong organizational cultures typically show a correlation with employee work patterns, which supports the achievement of goals from a strategic and performance effectiveness perspective.

Performance is the ultimate result of executing business processes (Anakpo et al., 2023). The continuous growth of a company's business is driven by superior performance and high-quality human resources (Van Beurden et al., 2021). Employee performance represents the final outcome of work processes, reflecting the achievement of business targets set by the company (Ployhart, 2021). Employee performance is assessed based on several criteria: quality, quantity, effectiveness, timeliness, independence, and commitment (Robbins & Judge, 2021). Each indicator is measured individually, considering the varying abilities of employees in completing tasks. Managers play a critical role as leaders in ensuring that employee performance aligns with organizational goals and customer satisfaction. Performance measurement results assist organizations in making decisions to enhance customer service. Then, customer satisfaction reflects the organization's quality in creating a comfortable and satisfying work environment for employees. Employee performance serves as a measure of the company's target achievement. It can be evaluated through the implementation of rules, transparent assessments, bonus enhancements, training and development, high attendance, target optimization, and company profitability (Paais & Pattiruhu, 2020). Employees who feel comfortable in a positive work culture tend to exhibit better performance. Performance is crucial for the sustainability of a company's business. Moreover, quantitative measurement can demonstrate an

organization's ability to direct employee performance achievement.

Job satisfaction is a positive or pleasant feeling arising from job evaluation, success in work achievements, or work experiences (Gul et al., 2018). It has implications for setting rewards and job achievements. Employees who are satisfied with their work tend to be more effective and productive and have lower turnover rates (Zivnuska et al., 2016). Satisfaction in the workplace occurs when the organization provides mental, physiological, and financial fulfillment. Job satisfaction is measured by rewards, interesting work, career opportunities, comfort, and relationships with colleagues (Luthans & Thomas, 1989). Satisfaction is achievable when factors like work motivation, leadership, and organizational culture are well-managed, creating a satisfying work environment. Job satisfaction can mediate contexts such as job burnout, employee retention, and organizational citizenship behavior (Khaskheli et al., 2020; Loan, 2020; Wu et al., 2021). It is also used as a mediator for employee performance (Curado & Santos, 2022; Na-Nan et al., 2020). The success of an organization is largely determined by the quality and commitment of its leadership, impacting the job satisfaction of subordinates. Employees feel job satisfaction through positive work outcomes, appropriate placement, fair treatment, proper tools, and a conducive work environment. Employees will focus more on their tasks when job satisfaction factors are met.

High-quality work results bring a sense of satisfaction. Employees have personal reasons for achieving job targets aligned with company expectations. Previous research indicates that work motivation positively contributes to job satisfaction (Idris et al., 2024; Stefurak et al., 2020). An organization must provide motivational stimuli through compensation, improved work environment quality, career promotion, and freedom of job responsibilities (Krishernawan et al., 2023). Motivation can be offered in both financial and non-financial forms. Enthusiasm and work motivation reflect employee engagement in work quality. Organizational attention can be perceived as enhancing employee job satisfaction. The research assumes that motivation is inherent in every performance achievement activity. The foundational premise is that work motivation positively influences job satisfaction. Job success heavily depends on the motivation and satisfaction experienced by employees. Thus, the hypothesis formulation must demonstrate that work motivation drives job satisfaction, leading to optimal performance. The first hypothesis is as follows.

H1:   Work motivation has a positive effect on job satisfaction.

Transformational leadership is expected to enhance work experience and job satisfaction (Hussain & Khayat, 2021). Competitive business organizations require leaders with high responsiveness and market opportunity awareness (Jensen et al., 2020). Businesses continually need swift and precise transformation by recognizing various opportunities. Leaders with a strong sense of transformation understand that job satisfaction must balance with job demands. It becomes apparent that job targets must align with fulfilling both financial and non-financial needs, recognizing employees as executors of business plans. Previous research shows that transformational leadership can improve job satisfaction (Moin et al., 2021; Siswanto & Yuliana, 2022). Transformational leadership emphasizes building strong superior-subordinate relationships, disseminating organizational vision, empowering, and showing positive change (Siangchokyoo et al., 2020). Communicating optimal performance achievement to subordinates is crucial. Leaders' efforts in directing mindset and work according to organizational business needs are significant. Hence, enhancing job satisfaction through transformational leadership contributes to high-quality performance. The following is the formulated hypothesis.

H2:   Transformational leadership has a positive effect on job satisfaction.

Organizational culture can be integrated into every work process undertaken by employees (Isensee et al., 2020). Companies can shape organizational culture through rules, policies, or work guidelines that regulate employee behavior (Hanelt et al., 2021). Organizational culture contributes positively to supporting business plans and enhancing performance effectiveness. Previous research shows that organizational culture positively influences job satisfaction (Fidyah & Setiawati, 2020; Park & Doo, 2020). A company's culture can establish a structured work pattern, providing employees with clear information and guidelines on how to perform their tasks according to company directives. This form of attention and character-building can be perceived positively by employees. The perception of organizational culture as a source of job satisfaction is built on a psychological level. The orderly work processes are viewed as the company's way of demonstrating care in implementing tasks through its employees. Therefore, the next hypothesis is formulated as follows.

H3:   Organizational culture has a positive effect on job satisfaction.

Job satisfaction is crucial in supporting employee performance (Katebi et al., 2022). Companies understand that optimizing employee quality can be achieved through enhancing job satisfaction, which correlates with performance quality (Bowling & Sessa, 2020). Research has demonstrated the positive implications of job satisfaction on employee performance (Ngwenya & Pelser, 2020; Riyanto et al., 2021). The driving forces

of job satisfaction must be established by the company to ensure employee performance achievement. All factors that drive job satisfaction can stem from motivation, leadership, and organizational culture that support a comfortable working environment. The key to improving organizational performance lies in retaining employees by treating them in a manner that ensures their satisfaction and recognizes them as valuable assets. As shown in the following hypothesis, the assumption is that ensuring job satisfaction can enhance the desired performance quality.

H4:   Job satisfaction has a positive effect on employee performance.

Success in performance is achieved through the accumulation of job satisfaction experienced by employees (Beuren et al., 2022). The quality of job satisfaction is reflected in the benefits provided by the company as part of its treatment of employees. Previous research has shown that work motivation has an indirect effect on employee performance through job crafting and employee engagement (Moon et al., 2020; Riyanto et al., 2021). Previous studies have also demonstrated that work motivation influences employee performance through job satisfaction (Irwan et al., 2020; Kumari et al., 2021). Employees are motivated and inspired by their performance achievements. Performance quality can be enhanced through changes implemented by leaders. Businesses can adapt quickly to current conditions. Every problem faced by employees has solutions according to leadership direction. Leaders must provide inspiration and problem-solving support for every obstacle encountered by employees. Previous research has proven that transformational leadership positively affects employee performance through mediators like Organizational Citizenship Behavior (OCB) and work engagement (Budur & Demir, 2022; Lai et al., 2020). Previous studies also confirm that job satisfaction mediates the relationship between transformational leadership and employee performance (Curado & Santos, 2022; Rawashdeh et al., 2020).

Additionally, organizational culture is shown to have an indirect effect on employee performance through job satisfaction (Wahjoedi, 2021). Organizational culture is expected to improve job effectiveness. Employees follow standard procedures in every production and service process. Job satisfaction is not only formed through regulations or benefit programs for employees but also organizational culture as a guiding principle that aligns with the organization's values understood by employees. Hence, there are three hypotheses as follows.

H5:   Work motivation positively affects employee performance mediated by job satisfaction

H6:   Transformational leadership positively affects employee performance mediated by job satisfaction.

H7:   Organizational culture positively affects employee performance mediated by job satisfaction.

Figure 1 presents work motivation, transformational leadership, and organizational culture as predictors of employee performance and job satisfaction as mediators in proving indirect influence. The research model is designed to analyze the implications presented in the psychological aspects of motivation, leadership, and organization, focusing on improving performance. Employees are assumed to be the driving factor and main actor in achieving the company's business targets. The model explains the direction of the arrows on direct and indirect influences. The mediating variable is a link with the highest implication proof of direct or indirect influence. The research is expected to be the main source of information for companies on factors with the highest implications on employee performance.

The research analyzes the effects of work motivation, transformational leadership, and organizational culture on employee performance, with job satisfaction serving as a mediator to test indirect effects. The research assumes that work motivation,
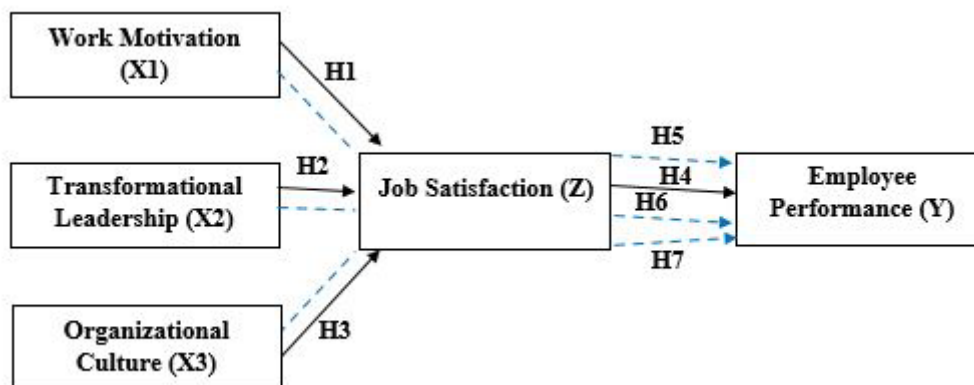

Figure 1 Research Model

transformational leadership, and organizational culture can enhance job satisfaction, which in turn indirectly improves employee performance. The research aims to provide recommendations for companies to stabilize performance. It seeks to demonstrate that the alignment of motivation, leadership, and culture can balance the quality of job satisfaction experienced by employees. The findings are expected to strengthen existing research and contribute to the differentiation of job satisfaction as a mediator in assessing the implications of these variables. The research also adds references and supports in the field of human resource management. Employees who feel motivated, are led by transformational leaders, and work within a positive organizational culture are likely to experience higher job satisfaction and better performance. A supportive organizational culture can enhance employee motivation, thereby improving performance. Managers and leaders should focus on motivating employees, applying transformational leadership styles, and fostering a positive organizational culture to boost job satisfaction and performance.

The research results are also expected to strengthen the information on supporting components in improving employee performance. The role of transformational leadership is responsiveness to business changes and motivational encouragement for employees. Meanwhile, the formation of organizational culture refers to the effectiveness of the work process executed by employees. The novelty of the research is the job satisfaction as a mediator and object of research in manufacturing companies. Hence, the results can be used as a stimulator for companies to pay attention to three factors in improving employee performance, in terms of leadership, motivation, and work culture of the organization internally. The novelty can be compared with previous studies so that in manufacturing companies, it can strengthen information in the context of employee performance.

METHODS

The research applies an exploratory quantitative approach to investigate the effects, implications, and relationships among variables within a research model (Tan, 2022). The analysis focuses on independent variables impacting a dependent variable through a mediator. Work motivation, transformational leadership, and organizational culture are independent predictors, while job satisfaction is a mediator, and employee performance is the dependent variable. The research context involves a quantitative analysis. It is posited that employee performance can be enhanced through work motivation, transformational leadership, and organizational culture. However, the research aims to demonstrate the indirect effects mediated by job satisfaction. The research assumption is that improving aspects of motivation, leadership, and culture can generate job satisfaction among employees, which in turn will lead to optimal employee performance.

The research is designed to be explanatory, aiming to elucidate the effects among variables. It is tailored to the context or research problem (Schindler, 2022). The research model is structured to validate the direct and indirect implications of all variables. The variables include independent variables (work motivation, transformational leadership, and organizational culture), dependent variable (employee performance), and mediating variable (job satisfaction). Work motivation is measured through the alignment of bonuses, career advancement, fulfillment of family needs, organizational support, balance between rewards and punishments, and appropriateness of training systems for employees (Paais & Pattiruhu, 2020). Next, transformational leadership is assessed using idealized influence, inspirational motivation, intellectual stimulation, and individual consideration (Antonakis & House, 2014). Meanwhile, organizational culture is measured through innovation and risk-taking, attention to detail, outcome orientation, people orientation, team orientation, aggressiveness, and stability (Robbins & Judge, 2021). As a mediator, job satisfaction is evaluated based on work-life balance, job pride, organizational inspiration, good team collectivism, employee involvement, and company enthusiasm (Luthans & Thomas, 1989). Last, as the dependent variable, employee performance is measured by rule application, transparent assessment, bonus improvement, training and development, high attendance, target optimization, and company profitability (Paais & Pattiruhu, 2020).

The research employs a purposive sampling approach based on data availability. A questionnaire is used as the data collection method. The total number of respondents is 177. Respondents are selected based on their employment in manufacturing companies, minimum tenure of one year, and placement in units directly involved with the company's business processes.

The data analysis method used is Structural Equation Modelling (SEM) based on Partial Least Squares (PLS). The SEM method is chosen for its capability to analyze the effects of latent (unobserved) variables measured through indicators (observed variables) (Hair et al., 2022). PLS-SEM is selected because it does not require data to meet classical assumptions and is suitable for complex variable relationships (Purwanto & Sudargini, 2021). PLS-SEM is a multivariate statistical analysis technique that simultaneously estimates the effects between variables, aiming at prediction, exploration, or model development (Hair et al., 2019).

Model evaluation in PLS includes assessing measurement models, structural models, and model fit and quality. The first stage involves checking indicator items for all research variables, with an outer loading value of at least 0.7. The second stage assesses validity and reliability through Cronbach's alpha, composite reliability, and rho_A, with values above 0.7. The third stage evaluates discriminant validity by comparing the Fornell-Larcker criterion values to the

Average Variance Extracted (AVE) values, ensuring all variables pass validity and reliability tests. The fourth stage is model fit testing using Q-square, Standardized Root Mean Square Residual (SRMR), and the R-square coefficient, with indicators based on (Chin et al., 2008). The fifth stage tests hypotheses using t-tests. Hypothesis testing is conducted to assess the magnitude of the effects of work motivation, transformational leadership, and organizational culture on employee performance, with job satisfaction as the mediator.

RESULTS AND DISCUSSION

The research involves 177 respondents. Table 1 (see Appendices) presents the respondents' profiles. According to gender, the majority of respondents are male (58.8%), while the remaining 41.2% are female employees. It indicates that the research is predominantly composed of male respondents. The age classification is dominated by the 26−30 year category, with 51 people (29%). Then, the result is followed by the 31−35 year category with 28 people (16%), 36−40 year category with 29 people (16%), 41−46 year age category with 26 people (15%), 18−25 year age category with 25 people (14%), 46−50 year age category with 13 people (7%), and over 50 year age category with 5 people (3%). The representative age of respondents is dominated by high productivity and is needed as a research database.

Regarding job level, most respondents hold positions as operators/staff (76.3%), with the remaining 8.5% as supervisors, 7.9% as managers, and 7.3% as assistant managers. The result indicates that most respondents are at the operator/staff level compared to other positions. For work unit classification, the majority of respondents are in the production division (56.5%). The others are 13.6% in quality control, 10.2% in human resources and general affairs, 9.6% in other divisions, 5.6% in accounting, 3.4% in production control, and 1.1% in technology.

In terms of education, most respondents have completed senior high school (66%), followed by bachelor's degrees (18%), junior high school (6%), diploma (6%), and master's degrees (4%). Finally, regarding length of service, most respondents have worked for 1−5 years (39.5%). The result is followed by 19.8% with 6−10 years of service, 18.1% with 11−15 years of service, 16.4% with 16−20 years of service, and 6.2% with 21−25 years of service.

The first step in the analysis is to test the convergent validity, with the minimum outer loading of 0.7. The result is presented in Table 2 (see Appendices). It shows that the evaluation results for the loading factor values and AVE for each construct indicate that all constructs are valid, with AVE values greater than 0.5. It means that in terms of loading factor values and AVE, all constructs meet the required criteria for convergent validity. Similarly, all variables show that the composite reliability and Cronbach's alpha

values for all constructs exceed 0.7. It indicates that all constructs meet the required reliability standards.

The next step is to test the discriminant validity. Table 3 (see Appendices) shows that the Fornell-Larcker criterion values are greater than the AVE values (Rönkkö & Cho, 2022). The figures with bold font in Table 3 are the Fornell-Larcker criterion which shows sufficient validity and is greater than AVE in Table 2 (see Appendices). It indicates that all variables in the research model meet the standards for discriminant validity.

Then, the model is analyzed using R-square, Q-square, and SRMR, as detailed in Table 4. Table 4 (see Appendices) indicates that the R-square for employee performance is 0.608 (moderate) and job satisfaction is 0.681 (strong) (Chin et al., 2008). Work motivation, transformational leadership, and organizational culture account for 68.1% of the variance in job satisfaction, with the remaining variance attributed to factors outside the research model. Meanwhile, as a mediator, job satisfaction accounts for 60.8% of the variance in employee performance, with the others being outside the model. Moreover, the Q-square values demonstrate that work motivation, transformational leadership, and organizational culture predict job satisfaction with a predictive relevance of 44.9%. In addition, job satisfaction predicts employee performance with a predictive relevance of 36.4%. Q-square values greater than 0.35 indicate substantial predictive relevance of the model (Chin et al., 2008). In SRMR, the saturated model values for employee and job satisfaction are 0.067, below 0.08, suggesting that the model fits perfectly.

The research model can now proceed to hypothesis testing. Table 5 (see Appendices) indicates that H1 is accepted, demonstrating that work motivation positively and significantly affects job satisfaction. It shows a p-value of $0.000 < 0.05$ and a t-statistic of $4.007 > 1.96$. The coefficient for the positive path is 0.279. Meanwhile, H2 is rejected, indicating that transformational leadership does not have a significant effect on job satisfaction, as shown by a p-value of $0.088 > 0.05$ and a t-statistic of $1.3557 < 1.96$. Then, H3 is accepted, showing that organizational culture has a positive and significant effect on job satisfaction. The p-value is $0.000 < 0.05$, the t-statistic is $5.947 > 1.96$, and the coefficient for the positive path is 0.521. H4 is also accepted, indicating that job satisfaction has a positive and significant effect on employee performance. It has a p-value of $0.000 < 0.05$, a t-statistic of $23.568 > 1.96$, and a coefficient for the positive path of 0.780. Similarly, H5 is accepted, showing that work motivation indirectly affects employee performance mediated by job satisfaction. In this PLS model, job satisfaction is proven to mediate the indirect effect of work motivation on employee performance. The p-value is $0.000 < 0.05$, and the t-statistic is $3.929 > 1.96$.

Next, H6 is rejected, indicating that transformational leadership does not have an indirect effect on employee performance through job

satisfaction. In this PLS model, job satisfaction does not mediate the indirect effect of transformational leadership on employee performance. The p-value is 0.08 > 0.05, and the t-statistic is 1.350 < 1.96. On the other hand, H7 is accepted, demonstrating that organizational culture indirectly affects employee performance mediated by job satisfaction. In this PLS model, job satisfaction is proven to mediate the indirect effect of organizational culture on employee performance, with a p-value of 0.000 < 0.05, a t-statistic of 5.597 > 1.96, and a coefficient for the positive path of 0.406.

Work motivation can enhance job satisfaction by 27.9%. Previous studies have demonstrated that work motivation positively impacts job satisfaction (Aljumah, 2023; Popoola & Fagbola, 2023). Work motivation is closely related to employees' psychological conditions and work quality. Internal drive pushes employees to act towards achieving goals, and substantial work motivation fosters enthusiasm and dedication in their tasks. This drive leads to increased job satisfaction, as employees can perform meaningful and fulfilling tasks. Recognition and appreciation of employees' contributions are also crucial factors in enhancing motivation and job satisfaction. When individuals perceive that their efforts and achievements are acknowledged by supervisors or colleagues, it can elevate their motivation to perform better. Such recognition provides a deep sense of satisfaction, as employees feel valued and appreciated (Valk & Yousif, 2023). Therefore, work motivation encourages performance improvement and enhances employee satisfaction, which is influenced by leadership's role in optimizing and professionalizing the organizational environment.

Transformational leadership does not impact job satisfaction. If it has a positive implication, transformational leadership will be able to increase job satisfaction by 11.3%. The result is supported by previous studies, showing that transformational leadership does not affect job satisfaction (Puspitaria & Hendarsjah, 2022). Nonetheless, some research indicates that transformational leadership influences job satisfaction (Al Draj & Al Saed, 2023; Gebreheat et al., 2023). Transformational leadership is suitable for businesses that prioritize flexibility and freedom of innovation (Lei et al., 2020). The research is conducted at the staff level, which prioritizes the accuracy of work procedures and the certainty of product quality in accordance with the standards set by the company. The reality currently faced is that typical transformational leadership does not affect job satisfaction. Employees need precise direction and explanation when carrying out their work so that the quality of the products produced is by expectations and can meet consumer needs. The typical thing needed is a leader to ensure the correct work procedures and a high commitment to the certainty of rewards for employee contributions (Abbas & Ali, 2023). So, the practice can implement a transactional leadership type to ensure business quality. A leader must be able to

investigate environmental conditions and the accuracy of the leadership type. All of that is done to create an effective and efficient business process.

Organizational culture can increase job satisfaction by 52.1%. Previous studies support that organizational culture has a positive effect on enhancing job satisfaction (Dawson et al., 2023; Whitehead et al., 2023). Job satisfaction becomes more meaningful when job values align with organizational culture, reflecting performance achievements. Employees who feel recognized for their contributions and receive high attention from the company tend to be more satisfied with their work. An organizational culture that encourages collaboration, open communication, and recognition of individual achievements will likely enhance job satisfaction (Cherian et al., 2021). Consistency in implementing organizational culture in work processes ensures that employees feel secure and confident in their work environment, thereby directly fostering job satisfaction. However, the company has not yet succeeded in adapting to current business conditions and making necessary changes. Businesses must be flexible and responsive to market needs. Business changes are inevitable and must be addressed by the company. Moreover, sensitivity to business opportunities is based on the available opportunities and prospects.

Job satisfaction can improve employee performance by 78%. Previous studies support that job satisfaction significantly impacts employee performance (Indrayani et al., 2024; Latifah et al., 2024). Ensuring that employees experience job satisfaction in their job execution is a key factor for performance stability (Kessler et al., 2020). A professional organization should have the ability to provide job satisfaction to all employees, both financially and non-financially. The significance observed suggests that the quality of performance can be attributed to the company's job satisfaction. Facilities, technology, health, and equipment should support the performance targets set by the company. Therefore, performance sustainability can be maintained over time. Employees feel confident and optimistic that each performance target can be achieved maximally. Thus, it can be concluded that job satisfaction is an integral element in achieving high-quality performance as expected by the company.

The indirect effects of work motivation and organizational culture positively impact employee performance through job satisfaction. Work motivation enhances employee performance by 21.8% via job satisfaction as a mediator. Several previous studies confirm that job satisfaction serves as a mediator between work motivation and employee performance (Pancasila et al., 2020; Riyanto et al., 2021). Achieving good performance requires motivation and enthusiasm. The company must provide financial and non-financial support to ensure optimal performance. The company's attention is perceived by employees as job satisfaction. Then, the work performed by employees is seen as a professional return to ensure

performance optimization. Job satisfaction as a mediator demonstrates that boosting motivation for employees indirectly affects their performance.

Similarly, organizational culture has a positive indirect impact of 40.6% on employee performance through job satisfaction. Various previous studies support that organizational culture indirectly influences employee performance positively through job satisfaction (Saban et al., 2020; Wahjoedi, 2021). Job satisfaction as a mediator confirms that organizational culture must be developed to ensure a clear and professional work pattern. The indirect correlation shows that a positive organizational culture can create a conducive, safe, and comfortable work environment for employees, which can be perceived as psychological job satisfaction. A positive culture encourages collaboration, innovation, support, and shared goals. High job satisfaction tends to improve employee performance because satisfied employees are generally more motivated, committed, and actively participate in their work.

The results indicate that transformational leadership does not have an indirect effect on employee performance through job satisfaction as a mediator. If there is an indirect effect, transformational leadership will only increase employee performance by 8%. Most previous studies demonstrate that transformational leadership positively impacts employee performance through work engagement, job satisfaction, and corporate social responsibility (Curado & Santos, 2022; K & Ranjit, 2020; Lai et al., 2020). This finding is anomalous as transformational leadership fails to enhance employee performance in the research. In the research context, the transformational leadership style appears unsuitable for improving employee performance. The process of achieving job satisfaction is hindered by the leader's inability to respond to employee needs. Business processes should adopt a transactional leadership style that emphasizes reward and punishment. The result can serve as a basis for updating the model in future research.

The research results emphasize that organizational culture and work motivation play an important role in creating job satisfaction felt by employees. The formation of a work culture starts with a comfortable, safe, and conducive work environment. The psychological effects felt by employees greatly support the quality of work since they are required to provide the best contribution to the sustainability of the company's business. Work motivation must be optimally instilled in all employees. Work motivation correlates with employee productivity, supported by financial and non-financial aspects. For example, the company provides rewards, benefits, or additional income for employee work results. Work motivation and organizational culture prove that creating job satisfaction is a part of improving employee performance. These two variables must be a shared concern by leaders from the middle level to top management. Organizational culture can be a shaper of quality work processes and motivation as a driving force for employee productivity from a psychological perspective.

Last, the application of transformational leadership is not always suitable for all types of business organizations. Moreover, changes in business processes cannot be carried out easily and quickly. The certainty of the right type of leadership can create an efficient organizational process. Transactional leadership emphasizes consistency of procedures and balance between rewards and employee contributions. The research results also prove that transformational leadership does not align with job satisfaction. Freedom to innovate and determine work processes is unsuitable for work conditions set with standard procedures. Managers and work unit leaders must be able to conduct investigations to determine appropriate leadership for the work conditions. The research shows that transformational leadership with job satisfaction as a mediator for improving employee performance has no effect. Therefore, a type of transactional leadership is needed to guarantee better the accuracy of procedures and policies implemented by employees.

CONCLUSIONS

The research proves that transformational leadership does not play a role in enhancing employee performance directly or indirectly. Achieving performance improvements should start with a company's ability to increase job satisfaction. Work motivation and organizational culture are crucial in achieving employee performance, with job satisfaction as a key driver. The research provides additional insights into how motivation and culture can be primary factors in shaping job satisfaction. However, the research is limited to manufacturing companies in the automotive sector. Thus, the model can be tested more in similar companies or different business sectors, such as education, government institutions, or the tourism industry.

The research results provide significance that cultural and motivational factors are always present in all company's business processes. As an organization, a business must be able to create a work culture that is in accordance with the company's business values. Job satisfaction is a measurement of the accumulation felt by employees for what is given by the company as work support. Moreover, the success of an organization is determined by the effectiveness of the type of leadership applied at the organizational level. The transformational leadership type is suitable for organizations that support employees' freedom to determine the work process and are not limited by standard procedures or rigid regulations. So, as a basis, organizational culture and work motivation play an important role in job satisfaction and employee performance.

Appropriate motivation and organizational culture can ensure the quality of work expected by

the company. Organizational culture is an indicator that supports the development and satisfaction of employees. Meanwhile, satisfaction is created based on the alignment between individual characteristics and organizational culture. Then, job satisfaction reflects a general attitude toward work, encompassing pleasant and unpleasant experiences and expectations for future experiences.

Leadership and job satisfaction within an organization rely on the provision of rewards. By rewarding both leaders and subordinates, they can work effectively according to the leadership style implemented, which fulfills subordinates' satisfaction. A positive organizational culture, through harmonious relationships between organizational members and the company, allows for effective work procedures and consequently enhances performance.

Future research can include additional variables consisting of mutual trust, psychological empowerment, or other variables supporting organizational performance. Transformational leadership can be replaced with other leadership types, and the model can be adapted to different research contexts. Recommendations for future models may involve responsible or technological leadership. Companies in the technology sector can test this model with slight modifications to the variables. Additionally, future research can incorporate moderation-mediation models using variables such as social loafing, innovative work behavior, and employee engagement. It is recommended that companies initiate job satisfaction development from motivation and organizational culture.

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APPENDICES

Table 1 Respondents' Characteristics

Characteristics	Category	Frequency	Percentage
Gender	Male	104	58.8%
	Female	73	41.2%
Age	18−25 years old	25	14.0%
	26−30 years old	51	29.0%
	31−35 years old	28	16.0%
	36−40 years old	29	16.0%
	41−46 years old	26	15.0%
	46−50 years old	13	7.0%
	>51 years old	5	3.0%
Position	Operator/Staff	135	76.3%
	Manager	14	7.9%
	Supervisor	15	8.5%
	Assistant Manager	13	7.3%
Work Unit	Quality Control (QC)	24	13.6%
	Production	100	56.5%
	Production Control	6	3.4%
	Technology	2	1.1%
	Accounting	10	5.6%
	Human Resources and General Affair (HRGA)	18	10.2%
	Others	17	9.6%
Education	Junior High School	10	6.0%
	Senior High School	117	66.0%
	Associate's Degree	10	6.0%
	Bachelor Degree	32	18.0%
	Master Degree	8	4.0%
Length of Service	1−5 years	70	39.5%
	6−10 years	35	19.8%
	11−15 years	32	18.1%
	16−20 years	29	16.4%
	21−25 years	11	6.2%

Table 2 Results of Measurement Indicator Variable

Variable	Indicator	Factor Loading	Cronbach's Alpha	AVE	Composite Reliability
Employee Performance	EP1 (Quality & quantity)	0.762	0.843	0.613	0.888
	EP2 (Effectiveness)	0.781			
	EP3 (Timeliness)	0.792			
	EP4 (Independence)	0.772			
	EP5 (Commitment)	0.808			
Job Satisfaction	JS1 (Rewards)	0.845	0.881	0.677	0.913
	JS2 (Interesting work)	0.829			
	JS3 (Career opportunities)	0.844			
	JS4 (Comfort)	0.808			
	JS5 (Relationship with colleagues)	0.788			
Organizational Culture	OC1 (Personal development)	0.754	0.859	0.587	0.895
	OC2 (Fairness & diversity)	0.732			
	OC3 (Environmental concern)	0.726			
	OC4 (Cooperation)	0.822			
	OC5 (Innovation growth)	0.790			
	OC6 (Employee care)	0.768			
Transformational Leadership	TL1 (Inspirational motivation)	0.803	0.952	0.654	0.958
	TL10 (Individual consideration)	0.706			
	TL11 (Intellectual stimulation)	0.811			
	TL12 (Intellectual stimulation)	0.865			
	TL2 (Inspirational motivation)	0.839			
	TL3 (Inspirational motivation)	0.810			
	TL4 (Inspirational motivation)	0.798			
	TL5 (Idealized influence)	0.781			
	TL6 (Idealized influence)	0.758			
	TL7 (Idealized influence)	0.848			
	TL8 (Individual consideration)	0.878			
	TL9 (Individual consideration)	0.792			
Work Motivation	WM1 (Compensation)	0.846	0.826	0.658	0.885
	WM2 (Improved work environment)	0.767			
	WM3 (Career opportunities)	0.848			
	WM4 (Freedom of job responsibilities)	0.779			

Table 3 Results of Discriminant Validity

Variables	Employee Performance	Job Satisfaction	Organizational Culture	Transformational Leadership	Work Motivation
Employee Performance	**0.799**				
Job Satisfaction	0.760	**0.823**			
Organizational Culture	0.734	0.787	**0.766**		
Transformational Leadership	0.679	0.705	0.785	**0.809**	
Work Motivation	0.631	0.685	0.637	0.657	**0.811**

Table 4 Results of Model Test

Variable	R-Square	Criteria	Q-Square	Criteria	Component	Standardized Root Mean Square Residual (SRMR)	Estimated Model
Employee Performance	0.608	Moderate	0.364	Big Predictive Relevance	Saturated Model	0.067	Perfect fit
Job Satisfaction	0.681	Strong	0.449	Big Predictive Relevance	Estimated Model	0.08	

Table 5 Results of Hypothesis Test

Variable	Original Sample	T-Statistic	P-Value	Information
Direct effect				
Work Motivation → Job Satisfaction	0.279	4.007	0.000	H1 is accepted
Transformational Leadership → Job Satisfaction	0.113	1.355	0.088	H2 is rejected
Organizational Culture → Job Satisfaction	0.521	5.947	0.000	H3 is accepted
Job Satisfaction → Employee Performance	0.780	23.568	0.000	H4 is accepted
Indirect Effect				
Work Motivation → Job Satisfaction → Employee Performance	0.218	3.929	0.000	H5 is accepted
Transformational Leadership → Job Satisfaction → Employee Performance	0.088	1.350	0.089	H6 is rejected
Organizational Culture → Job Satisfaction → Employee Performance	0.406	5.597	0.000	H7 is accepted