

# Transformational Leadership Influence On Job Engagement: Case Study In Indonesian Lecturers

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**Abstract:** The purpose of this study is to analyze the direct and indirect influences of transformational leadership style on job engagement mediated by job satisfaction and remuneration. This study is included in a type of positivist research. The data analysis tool used was based on the Structural Equation Modeling (SEM) approach that commonly known as Partial Least Square (PLS) Smart Program Version 2.0.PLS. This research was conducted in Indonesia, especially at the Malang State Polytechnic. The population was 182 lecturers. The sampling technique used was the census (saturated sample) with 182 respondents. The results show that transformational leadership does not have a significant effect on work engagement. Furthermore, job satisfaction has mediated the effect of transformational leadership on work engagement significantly, and remuneration does not mediate the effect of transformational leadership on work engagement significantly.

**Index Terms:** Transformational Leadership, Work Engagement, Job Satisfaction, Remuneration, Credit Unions, Model, Indonesia

## 1 INTRODUCTION

Various leadership problems, such as (1) inadequate compensation, (2) educator motivation that has not been increased, (3) job satisfaction that has not been achieved, or low work engagement, show that education in Indonesia has not been able to create as well as to build quality human resources. Related to the phenomena, lecturers as professional educators have essential roles in handling the problems. As scientists with main task to convey, develop, as well as disseminate science and technology through education, research, and community service, lecturers play an essential roles which should be manifested in high work engagement practices. In the other hand, work engagement is also essential. It is a job that is carried out with full responsibility, hard work, and pleasure (Schaufeli and Bakker, 2001). In order to increase work engagement and lecturers' productivity, it is necessary to have a transformational leadership. Several studies have revealed the influence of transformational leadership on work engagement. There are studies conducted by Raja (2012); Gozukara and Simsek (2015); Tims, et al., (2011); and Vincent, et al., (2012). They argue that transformational leadership styles, that are well implemented, can increase employee work involvement. It has impact on the field of service companies, tertiary education/public and private universities. Various research results confirm that transformational leadership has a positive effect on work engagement. However, Soleman and Perry (2016); Evelyn and Elegwa (2015); Evelyn and Hazel (2015); Stewart (2012) proved that transformational leadership has not been able to increase work engagement significantly. From previous researchers above, viewed from the influence of transformational leadership on work engagement, it is known that there are gaps in research results.

Therefore, the current research is conducted to examine further to filling the gap with mediating variables, namely job satisfaction and remuneration. Ali (2016) states that transformational leadership style, namely charismatic, inspirational, individualized consideration and intellectual stimulation, has a significant effect on employee job satisfaction at Malaysian Higher Education. Jaiswal et al. (2017) state that there is a significant relationship between employee involvement and job satisfaction among lecturers in various universities at Gwalior region. Next, Malhotra (2014) argues that there is a positive relationship between employee involvement and job satisfaction. Next, Raja (2012); Gozukara and Simsek (2015); Tims et al. (2011); Soleman and Perry (2016); Yalabik et al. (2017); Malhotra (2014), argue that job satisfaction has a mediating role. Moreover, Kulikowski and Piotr (2017) state that there is enough evidence to claim that payments, benefits, and bonuses are related to the level of employee involvement. Several previous studies have also examined the effect of transformational leadership on work engagement through remuneration. The studies were conducted by Schaufeli et al. (2002), Raja (2012); Gozukara and Simsek (2015); Tims et al. (2011); Soleman and Perry (2016); Evelyn and Elegwa (2015). They revealed that remuneration has a role as mediation. The purpose of this study is to analyze the direct influence of transformational leadership style on work engagement and the indirect effect of transformational leadership on work engagement mediated by job satisfaction and remuneration in the State Polytechnic of Malang.

## 2 LITERATURE REVIEW

### 2.1 Transformational Leadership Style

Robbins and Judge (2008) argue that transformational leadership is a kind of leadership, in which a leader has an extraordinary ability to influence. Rafferty and Griffin (2004) state that transformational leaders can unite all of their subordinates and can change subordinates' personal beliefs, attitudes, and goals. The leadership model is applied in order to achieve the goals set. According to Bass (1990), in McCleskey & Jim Allen (2014), the transformational leader is related to the context of the influence of superiors on subordinates. Subordinates will have trust, admiration, pride, loyalty, and respect for superiors, and therefore, they are motivated to do something more than expected, when they are

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lead by a transformational leader. Thus, it can be stated that transformational leadership has an orientation towards subordinates or employees.

## 2.2 Work Involvement

Related to work involvement, Brown (1996) indicated that a state of involvement implies a positive and relatively complete state of engagement of core aspects of the self in the job. Brown (1996) concluded that job involvement is an antecedent of organizational commitment rather than a consequence. He based his conclusion on the fact that the relationship between involvement and various work outcomes is typically weak, yet the relationship between involvement and commitment is quite strong. Brown further concluded that organizational withdrawal decisions are less related to job involvement than to organizational commitment. Meanwhile, Schaufeli et al. (2002) state that work involvement is a job relationship to meet the needs of life in doing a work. Furthermore, Kahn (1990) state that work involvement is related to the action of organizational members in doing their work for the organization. Similar to the statement, Bakker and Leiter (2010) argue that work engagement illustrates the ability of employees in using their capacity to solve problems, connect with people, and develop innovative services.

## 2.3 Job satisfaction

Kreitner and Kinicki (2006) in Malik et al. (2010) state that job satisfaction, as an emotional, response to various aspects of work. Robbins and Judge (2008) state that employee's job satisfaction is a positive feeling about one's work which is the result of an evaluation of its characteristics. Mathis and Jackson (2000) in Muhammad (2014) argue that employee job satisfaction as positive/ negative emotions arises from the evaluation of one work experience. Based on the description above, it is concluded that job satisfaction is an emotional state of work that is felt by employees to get a sense of satisfaction or dissatisfaction. The feeling is based on the psychological state of affective, cognitive, and behavioural.

## 2.4 Remuneration

Remuneration is the total compensation received by employees in return for the services they have done. Usually, remuneration is associated with monetary rewards, or it can be interpreted as wages or salaries (Milkovich and Newman, 1999). Performance-based remuneration is a payment system that links rewards with work performance. This concept implies that someone who performs well will get a higher reward and vice versa. It means that the higher the employee's performance the higher the rewards.

## 2.5 Transformational Leadership Style on Work Engagement

Troena et al. (2014) state that transformational leadership is positively and significantly related to work involvement. It is also confirmed by Park et al. (2016) who conducted a study of teachers in Korea. By using elements of transformational leadership proposed by Bass, et al. (1987), namely: 1) ideal influence, 2) inspirational motivation, 3) intellectual stimulation, and, 4) individual consideration, Korean teachers have shown a transformational leadership style on work engagement. Furthermore, the results showed that the relationship between transformational leadership and teacher involvement are stronger when teachers feel the distance of power, harmony,

and informal social ties are well established. Related to the result, Henkel (2017) states that the relationship between the leadership style of the campus academic director and faculty involvement is essential. The results of the study showed the positive relationship between the five attributes of transformational leadership styles and academic directors action.

**Hypothesis 1:** Transformational Leadership Styles directly influence Work Engagement.

### 2.6

## 2.7 Transformational Leadership Style on Work Involvement Mediated by Job Satisfaction

Hussain et al. (2014) state that there is a significant relationship of transformational leadership in both organizational innovation in job satisfaction among academic staff from ten state universities across Iraq. The same thing was expressed by Mujkic et al. (2014); Transformational leadership compared to other leadership styles, contributes to a higher level in terms of employee job satisfaction. Kahn (1990); leaders who use members of the organization to play a role in their work, and choose employees who are involved. Schaufeli, et al. (2002), developed the concept of engagement, namely work engagement refers to work. Yalabik, et al. all aspects of satisfaction "satisfaction by working alone" are the main drivers of all elements of work engagement.

**Hypothesis 2:** Transformational Leadership Styles indirectly influence Work Engagement through Job Satisfaction.

### 2.8

## 2.9 Transformational Leadership Style on Work Involvement mediated by Remuneration

Kulikowski (2018) shows a direct relationship between Pay Individual For Performance (PIFP) and Work Engagement (WE). Furthermore, it has an indirect relationship between PFIP and satisfaction, and a direct relationship between PFIP and WE through payment levels and payment satisfaction. Meanwhile, Kulikowski and Piotr (2017) argue that the relationship between financial rewards and involvement, in the form of salaries, additional benefits, and bonuses, increase work engagement. Unfortunately, it does not lead to a significant increase in the suitability of the model and all new insignificant predictors. These results offer information concerning financial management and work management, as well as suggestions that there is enough evidence to claim that payments, benefits, and bonuses are related to the level of employee involvement. Related to the issue presented above, Hoole and Hotz (2016) propose that if the organization wants to include total rewards as part of an employee's work engagement strategy, then employees must understand the complex nature of the reward relationship with work engagement. Following the result, Ludvika and Kalvina (2016) arguer that there is a relationship between job satisfaction, work engagement and loyalty.

**Hypothesis 3:** Transformational Leadership Styles indirectly influence Work Engagement through Remuneration.

## 3 METHODOLOGY

### Research Samples and Procedures

The population in this study was 182 Malang State Polytechnic

lecturers in Indonesia. The sampling technique used census techniques in which all populations are used as research samples. Research respondents are lecturers with Masters and Doctoral education levels who have functional positions as Associate Professor.

### Sample Demographics

- 1) Gender: 76% male and 24% female
- 2) Age of respondents: 66% aged 51 years - 60 years; 18% are 60 years old; 15% are 30-50 years old; 1% aged 31-40 years
- 3) Educational level: 63% of Masters education and 37% have Doctoral education
- 4) Length of service: 97.8% have a service life > 12 years; 1.7% between 9 to 11 years and 1% ≤ 3 years.
- 5) Salary: 74.5% of them earn 5 million; 23.8% of them earn 4- 5 million rupiah; 1.1% of them earn 3-4 million, and 0.6% of them earn 2-3 million.

### Measurement Instruments

The measurement instrument of transformational leadership was applied based on the proposal of Avolio and Bass (1990). Based on their proposal, the measurement indicators namely 1) ideal influence, 2) inspirational, 3) intellectual stimulation, 4) individualized consideration. Measurement of job satisfaction was conducted based on the proposal of Robbins and Judge (2008) models. They propose that the measurement must be based on 1) self-employment, 2) promotion opportunities, boss support, and 4) coworkers. Next, measurement of work engagement adopts Kahn's (1990) proposal. It consists of 1) passion, 2) dedication and 3) absorption. Furthermore, the measurement of remuneration adopts the proposal of the Tri Dharma Principal tasks of the Higher Education Ministry and Higher Education (2010) of Indonesia. The indicators including; 1) research performance, 2) teaching / lecture-performance, 3) community service performance, 4) supporting performance, and 5) indirect reward performance.

### Data analysis

The data source of primary data (questionnaire) were analyzed using descriptive statistics on the average response of respondents. Next, the data is processed using the Structural Equation Modeling (SEM) model using SmartPLS version 2.0.

## 4 RESULT

### Statistic Descriptive Analysis

Descriptive analysis of each research variable using the average answers to each research item is shown in Table 1 below.

**Table 1. Average Results of Respondents' Responses to Transformational Leadership, Job Satisfaction, Work Engagement and Remuneration**

Variable	Item	Average Variable Score	Category
Transformational leadership	1-11	3,92-3,98	Good
Job satisfaction	12-18	3,87-4,30	Good
Work Involvement	19-25	4,09-4,19	Good
Remuneration	26-34	3,53-3,82	Good

Source: Primary Data, December 2019.

Based on Table 1 above, the results of the descriptive analysis of each study variable indicate that the average score of the variables is in the good category with an average score of 3.35-4.30. Thus it is concluded that each statement item on the indicators, according to respondents' perceptions, is included in good categories. Instrument testing used several methods, including; discriminant validity, composite reliability, convergent validity, R-square measurement, and goodness of fit (GoF) index, as well as Loading Factor and an average score of each indicator. As for each of the instrument testing stages, the SEM model applied SmartPLS version 2.0. The result is presented in tables 2,3,4,5,6 and table 7 below.

**Table 2. Discriminant Validity**

Variables	Transformational Leadership	Job Satisfaction	Remuneration	Work Involvement
Transformational Leadership	0.910			
Job Satisfaction	0.513	0.766		
Remuneration	0.453	0.356	0.847	
Work Involvement	0.427	0.505	0.328	0.886

Source: Primary Data, December 2019.

The construction of transformational leadership has an AVE value of 0.828, and the root of AVE is 0.910. The correlation coefficient of the transformational leadership with other ranges from 0.427 to 0.513. Therefore, it is stated that there is a reasonably good discriminant validity.

**Table 3. Composite Reliability results**

Variable	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)	Result
Transformational Leadership	0.931	0.950	0.828	Reliable
Job Satisfaction	0.766	0.849	0.587	Reliable
Remuneration	0.900	0.927	0.718	Reliable
Work Involvement	0.863	0.916	0.785	Reliable

Source: Primary Data, December 2019.

The reliability test results showed that all constructs had composite reliability coefficients ranging from 0.849 to 0.950 (more than 0.70) and AVE ranged from 0.587 to 0.828 (more than 0.50). Thus, the results of all outer models used in this study are stated have high reliability. Therefore, further analysis could be conducted by examining the model's goodness of fit by evaluating the inner model.

**Table 4. Loading Factor Convergent Validity**

Variable	Indicator	Label	Loading Factor
Transformational Leadership	X11	Ideal Influence	0.925
	X12	Inspirational Motivation	0.904

	X13	Intellectual stimulation	0.901
	X14	Individual Considerations	0.908
Job Satisfaction	Z11	The job itself	0.779
	Z12	Promotion Opportunities	0.856
	Z13	Superior Support	0.782
	Z14	Relationship with Colleagues	0.630
Remuneration	Z21	Teaching / Lecture Performance	0.860
	Z22	Research Performance	0.910
	Z23	Community Service Performance	0.740
	Z24	Supporting Activity Performance	0.890
	Z25	Indirect Rewards	0.826
Work Involvement	Y11	Spirit	0.890
	Y12	Dedication	0.938
	Y13	Absorption	0.826

Source: Data Processing Results, 2019

The value of R2 for variable job satisfaction is 0.263. This value indicates that the contribution of transformational leadership to job satisfaction is 26.3%, while other variables explain the rest. The value of R2 for the remuneration variable is 0.206. This value indicates that the contribution of transformational leadership to remuneration is 20.6%, while other variables explain the rest. The value of R2 for the work engagement variable is 0.422. This value indicates that the contribution of transformational leadership, job satisfaction, and remuneration to work involvement is 42.2%, while other variables explain the rest.

**Table 5. Results of R-Square Measurements**

Dependent Variable	R <sup>2</sup>
Job satisfaction	0,263
Remuneration	0,206
Work involvement	0,422

Source: Researcher's processed data, 2019

**Table 6. Indeks Goodness of Fit (GoF) Result**

Variable	Communality	R <sup>2</sup>
Transformational leadership	0.828	-
Job satisfaction	0.587	0,263
Remuneration	0.718	0,206
Work involvement	0.785	0,422
amount	3.724	1.129
Average	0.745	0.282
Index (GoF)	0.459	

Source: Researcher's processed data, 2019

**Table 7. Loading Factor and Indicator Average**

Variable	Indicator	Lable	Loading Factor	Average
Leadership Transformational	X11	Ideal Influence	0.925*)	3.92
	X12	Inspirational Motivation	0.904	3.98*)

	X13	Intellectual stimulation	0.901	3.83
	X14	Individual Considerations	0.908	3.77
Job satisfaction	Z11	The job itself	0.779	4.17
	Z12	Promotion Opportunities	0.856*)	4.22
	Z13	Superior Support	0.782	3.87
	Z14	Relationship with Colleagues	0.630	4.30*)
Remuneration	Z21	Teaching / Lecture Performance	0.860	3.77
	Z22	Research Performance	0.910*)	3.66
	Z23	Community Service Performance	0.740	3.82*)
	Z24	Supporting Activity Performance	0.890	3.55
	Z25	Indirect Rewards	0.826	3.64
Work involvement	Y11	Spirit	0.890	4.19*)
	Y12	Dedication	0.938*)	4.14
	Y13	Absorption	0.826	4.09

Note: \*) = the highest value

Source: Data Processing Results (2019)

Transformational leadership has the highest loading factor (0.925) on the ideal influence indicator and the highest average (3.98) on inspirational motivation indicators. Next, high job satisfaction has four characteristics, and the main one is the indicator of promotion opportunities with a loading factor of 0.856. Moreover, job satisfaction is based on lecturers assumption that the entire process of promotion opportunities can go well, namely the opportunity to get a promotion for lecturers in return for work performance. Furthermore, promotion is based on competence, skills, experience and education. Next, the research performance indicator is 0.910, while dedication has the highest loading factor on work involvement (0.938).

**Inner Model Examination**

Hypothesis models were calculated using SmartPLS version 3.2.7 to determine the significance of the path coefficients that exist in the model or the significance of hypothesis support (Hartono and Abdillah, 2009; Ghozali, 2008). The path coefficient is significant if p is less than 0.05. The summary of the inner model results is explained in Figure 1 below. It illustrates the interpretation of the relationship between variables as follows. The illustration is also shown in table 8.



Figure 1. Result of Path Coefficient Examination

Table 8. Test Results for Path Coefficients on the Inner Model

Variable Relationship	Path coefficient	Error Standard	Statistic	P
Transformational leadership -> Work Involvement	0.067	0.079	0.857	0.392
Transformational leadership -> Job satisfaction	0.513	0.056	9.168	0.000
Transformational leadership -> Remuneration	0.453	0.064	7.107	0.000
Job satisfaction -> Work Involvement	0.278	0.098	2.833	0.005
Remuneration -> Work Involvement	0.033	0.067	0.483	0.629

Source: Data Processing Results (2019)

Figure 1 and Table 8 above reveal several points as follows:

1. Transformational leadership towards job involvement has a coefficient in a positive direction. The calculation results show that the path coefficient of 0.067, with a t-statistic of 0.857 (p = 0.392), provides a decision that transformational leadership has no significant effect on job involvement.
2. Transformational leadership on job satisfaction has a coefficient in a positive direction. The calculation results show that the path coefficient of 0.513, with a t-statistic of 9.168 (p = 0.000), provides a decision that transformational leadership has a significant effect on job satisfaction.
3. Transformational leadership towards remuneration has a coefficient in a positive direction. The calculation results show that the path coefficient of 0.453, with a t-statistic of 7.107 (p = 0.000), provides a decision that transformational leadership has a significant effect on remuneration.
4. Job satisfaction with job involvement has a coefficient in a positive direction. The calculation results show that the path coefficient of 0.278, with a t-statistic of 2.833 (p = 0.005), provides a decision that job satisfaction has a significant effect on job engagement.
5. Remuneration for job involvement has a coefficient in a positive direction. The calculation results show that the path coefficient of 0.033, with a t-statistic of 0.483 (p = 0.629), provides the decision that remuneration has no significant effect on job involvement.

**Indirect Effect Test Results**

The results of the examination of the indirect effects are

presented in Table 9 below.

Table 9. Test results for indirect effects

	The coefficient of the indirect effect	Error Standard	Statistic	P
Transformational leadership -> Job satisfaction -> Job Involvement	0.143	0.048	2.964	0.003
Transformational leadership -> Remuneration -> Job Involvement	0.015	0.032	0.466	0.641

Source: Data Processing Results (2019)

The indirect effect of transformational leadership on job involvement, through job satisfaction of 0.143 (p = 0.003), obtained from the product of 0.513 x 0.278 is examined significantly. The contribution of this high indirect effect reveals that high job involvement is a positive effect of high job satisfaction caused by the application of good transformational leadership from the leadership of the organization. Next, the indirect effect of transformational leadership on job involvement, through job satisfaction of 0.143 (p = 0.003), obtained from the product of 0.513 x 0.278, is examined significantly. The contribution of this high indirect effect reveals that high job involvement has a positive effect on the high level of job satisfaction. Furthermore, the indirect effect of transformational leadership on job involvement through the remuneration of 0.015 (p = 0.641) obtained from the product of 0.453 x 0.033. It has been proved insignificant. The contribution of this profound indirect effect reveals that high job involvement can occur for lecturers. The test results of these three indirect effects explain the existence of a significant mediating role of job satisfaction in transformational leadership in its relationships on job engagement. The lecturers are believed to have high job involvement due to high job satisfaction that is built from the application of good transformational leadership.

**Direct, Indirect and Total Effects**

Analysis of direct, indirect and total effects is presented in table 10 below.

Table 10. Results of Direct, Indirect and Total Effects

Variable relationship	Direct effect	Indirect effect	Total effect	P
Transformational leadership->Job involvement	0.067	0.360	0.427	0.000
Transformational leadership -> Job satisfaction	0.513	-	0.513	0.000
Transformational leadership -> Remuneration	0.453	-	0.453	0.000
Job satisfaction -> Job involvement	0.278	-	0.278	0.005
Remuneration -> Job involvement	0.033	-	0.033	0.629

Source: Data Processing Results (2019)

There are four pathways to job engagement, and the total magnitude for each is (1) transformational leadership towards job engagement as much as 0.427; (2) job satisfaction with job involvement as much as 0.278; (3) remuneration for job involvement as much as 0.033; and The most significant total influence is on transformational leadership on job involvement, namely a direct influence of 0.067 and an indirect effect of 0.360. The indirect effect is calculated from the sum of the three indirect effects in Table 11.

**Nature of Mediation**

The nature of mediation on the variables is presented in Table 11 below.

**Table 11. Nature of Mediation**

	Indirect effect	Total effect	VAF	Nature
Transformational leadership-> Job satisfaction -> Job Involvement	0.143	0.427	33.5%	Partial Mediation
Transformational leadership -> Remuneration -> Job Involvement	0.015	0.427	3.5%	Non Mediation

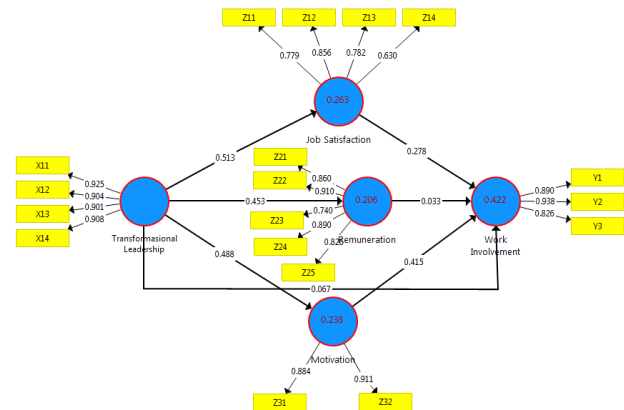
Based on the calculation of the mediation nature of job satisfaction is partial mediation because the VAF value is less than 80%.

**Hypothesis Testing Results**

The H1 hypothesis states that transformational leadership has a significant effect on job engagement. The calculation results show that the path coefficient of 0.067 (p = 0.392) of transformational leadership, on job involvement, presents the decision that there is no significant effect. Next, the results of this test explain that H1 is not supported. Furthermore, related to H2 hypothesis that states that job satisfaction mediates the effect of transformational leadership on job engagement significantly, it is found as follows. The calculation results show that the coefficient of the indirect effect of 0.143 (p = 0.003) of transformational leadership, on job involvement through job satisfaction shows the significant influence. The results of this test explain that H2 is supported. Hypothesis H3 states that remuneration mediates the effect of transformational leadership on job engagement significantly. The calculation results show that the coefficient of the indirect effect 0.015 (p = 0.641) of transformational leadership on job engagement through remuneration. It provides a decision for insignificant influence. In other words, the results of this test explain that H3 is not supported.

**Model of Findings**

The hypothetical model of this research is as follows. Seven paths and two coefficients have been examined. The comparison model is displayed by removing both paths with insignificant coefficients. The loading factor value of the outer evaluation model in Figure 2 does not change much compared to the results of the outer model based on the hypothetical model in Figure 1. The results of the modelling confirm that the two paths removed do not have a high effect.



**Figure 2. Evaluation Model**

The results of the path coefficient test on the evaluation model have been tested significantly in a positive direction. The application of transformational leadership has high relevance in increasing job satisfaction and achieving remuneration. Transformational leadership cannot directly increase job engagement but can be an indirect motivating factor by first increasing job satisfaction.

**5 DISCUSSION**

**The Effect of Transformational Leadership on Job Involvement**

Hypothesis modelling explains the absence of a significant influence directly on transformational leadership and job engagement. The results of this test are interpreted in four ways, including; 1) The high involvement of lecturers' work can occur either in lecturers in the job environment with transformational leadership or non-transformational leadership leader; 2) High job involvement is explained more directly by other determinants. The other determinant is more significant on job satisfaction; 3) The direct effect of transformational leadership on job engagement occurs on specific lecturer characteristics, and 4) The correlation coefficient on job engagement is the weakest compared to other determinants. The path coefficient of transformational leadership to job involvement, that is examined as insignificant, is not in line with the arguments of Dowton (1973), Bass (1990) in McCleskey, Jim Allen. (2014); and Robbins & Judge (2008). The role of a leader through the leadership used is vital in organizations because it gives influence to subordinates (Bass, 1990). Transformational leadership is a leadership style in which leaders encourage, inspire and motivate employees to innovate and create change that will help grow and shape the future success of the company. (Robbins and Judge, 2008). Furthermore, this study is not in line with the results of previous studies which found that transformational leadership will influence job engagement (Raja, 2015; Gozukara and Simsek, 2015; Tims, et al., 2011; Vincent et al., 2012; Troena, et. al. , 2014; Chan, et al., 2016; Henkel, 2017). Transformational leadership that is often experienced by lecturers is in terms of inspirational motivation that is the leader continues to foster a spirit to remain actively committed. The effect of this leadership model, based on the results of modeling, is believed to impact work involvement. Related to the statement, Gozukara and Simsek (2015); Tims et al. (2011) state that the contribution of transformational leadership

needs to be mediated by other variables. It is needed to influence job engagement. The mediating variable in Gozukara and Simsek (2015) used job autonomy in the relationship between transformational leadership and job involvement. Job involvement for lecturers in Indonesia, either directly or indirectly, will be related to 4 things including; 1) Teaching and lectures, 2) research, 3) community service and, 4) supporting activities. These four things are the degree of job involvement. It includes enthusiasm, dedication and absorption. The results of the modelling reveal the significant influence of transformational leadership on job satisfaction and remuneration performance. The modelling is in line with the study of Rawung (2013) and Ali (2016). They argue that transformational leadership has a significant effect on job motivation and job satisfaction. Ali (2016) states that transformational leadership style has a significant effect on employee job satisfaction in tertiary institutions. The practical implementation of transformational leadership requires leaders to interact directly with subordinates (Nguyen et al., 2018). Leaders must also pay attention to the gender side (Vincent et al., 2012). The conclusion is that transformational leadership does not directly determine the level of job involvement of lecturers but through job satisfaction. It reveals that the leaders of universities in Indonesia, especially in Malang-Java, Indonesia, need to implement transformational leadership with the characteristics of ideal influence, inspirational motivation, intellectual stimulations and individual considerations.

#### **The Effect of Mediation on Job Satisfaction on the Effect of Transformational Leadership on Job Engagement**

The results of the second test path coefficients that are significant in connecting the three variables show that job satisfaction is proven as a mediating variable. The mediating nature of job satisfaction is partial mediation because the value of the variance account for VAF is below 80%. This partial mediation, in determining the high involvement of lecturers, explains that the substantial contribution of job satisfaction, is due to the encouragement of organizational. Therefore, in this analysis, transformational leadership has an indirect effect on the job involvement of lecturers through job satisfaction. The results of the current research that prove the positive and significant influence of transformational leadership on job satisfaction support the research's result of Hazel and Evelyn (2015), Stewart (2012), Hussain et al. (2014), Mujkic, et al. (2014), Jaiswal and Kumari (2017), Yalabik, et al. (2017), and Malhotra (2014). In the other part, the positive relationship of job satisfaction with job involvement has supported the study of Evelyn and Elegwa (2015), Hazel and Evelyn (2015), Stewart (2012), Hussain et al. (2014), Mujkic, et al. (2014), Long, et al. (2014), Jaiswal and Kumari, (2017), Yalabik, et al. (2017), and Malhotra (2014). Next, related to the indirect effect through two mediating variables, it is found that job satisfaction contributes the most. This relationship reveals that high job satisfaction caused by transformational leadership will lead to higher involvement of lecturers. The high job satisfaction of lecturers is explained by the high satisfaction with the job itself, promotion opportunities, support for and relationships with co-workers. Lecturer profession is a profession that has career opportunity opportunities with clear stages. Every lecturer has the opportunity for career promotion but not all lecturers will be able to achieve it. In this section, there is the role of a leader. Referring to the Goal Theory, the leader's task is to help his

followers achieve their goals. In addition, leaders also provide the direction and support needed to ensure that their goals are aligned or following the goals of the group or organization. The election mechanism for the leadership, chairperson and secretary of the department, in principle, prioritizes the principle of consensus agreement. The expectation for prospective leaders is that there are four attributes of transformational leadership, including 1) The ideal influence that places leaders as figures that are admired, respected and trusted by lecturers; 2) Leaders must have inspirational motivation capabilities that refer to the capacity to motivate lecturers to achieve high expectations; 3) The leader has intellectual stimulation that places the leader as someone who can easily direct the lecturer to be innovative in problem-solving; and 4) Individual considerations, namely the leadership can describe and develop each lecturer's demands. The contribution of leadership roles to job satisfaction of lecturers is in line with the research of Hussain et al. (2014). In the education sector, transformational leadership has influenced that is good for lecturers and the progress of the institution. Indicators of job satisfaction are intrinsic job satisfaction and extrinsic job satisfaction. Leaders with transformational leadership are the right choice in many forms of organization both in educational services or in companies. Similar to the research of Mujkic et al. (2014), which examined employees in companies in Bosnia and Herzegovina and Germany, the current study states that transformational leadership, compared to other leadership styles, contributes to a higher level in terms of employee job satisfaction. The indicators of transformational leadership in this study also have many similarities such as intellectual stimulation and individual considerations as elements that measure transformational leadership. Changes in job satisfaction must pay attention to some indicators as shown in the research of Malhotra (2014) and Yalabik (2017). Factors such as job, benefits, recognition, cooperation, fair treatment, healthy company policies, team spirit, and performance management systems can increase employee job satisfaction. This increase will lead to employee involvement. This level of involvement can be maintained and enhanced when management maintains employee participation in development activities and monetary benefits. Lecturers with high job satisfaction will be able to influence job involvement if the job carried out by employees is impressive, get opportunities to learn, and have the opportunity to accept responsibility. In addition, another influential factor is the amount of financial remuneration received and the extent to which it is seen as fair by others in the organization. Furthermore, there will undoubtedly be a sense of satisfaction among the lecturers if they have the opportunity to participate in advancing educational organizations, as well as having good relations with colleagues. Thus, it can be concluded that if a lecturer feels satisfied with his job then he will be more and more involved in his job. The application of good leadership from department heads and department secretaries in an organization provide great motivation for lecturers to be actively involved in works (Jaiswal et al., 2017). This study shows a significant relationship between job engagement and job satisfaction in both the male and female groups. The results of Malhotra's research (2014) show that factors such as job, benefits, recognition, cooperation, fair treatment, healthy policies, team spirit, and performance management systems can improve employee job satisfaction which leads to increasingly high job

involvement. The current level of involvement can be maintained and improved when management maintains lecturer participation in development activities and monetary (financial) benefits. In other words, job satisfaction is an important driver for the job involvement of lecturers. In the relationship between these three variables, namely transformational leadership, job satisfaction and job involvement, it turns out that, in order to achieve rapid progress, the mechanism in the selection of leaders is an essential part for educational organizations. In this case, it is expected that transformational leadership can have a tremendous impact on job engagement. The hypothesis model explains that high job involvement arises due to high job satisfaction from lecturers. High job satisfaction has four characteristics, and the most essential one is indicators of promotion opportunities. Job satisfaction is high if the lecturer can feel that the entire process of promotion opportunities runs well, namely the opportunity to get a promotion for lecturers in return for job performance. The foremost job satisfaction with promotion is different from the research of Yalabik, et al. (2017). Their research shows that satisfaction of a job is the only element of job engagement. Satisfaction with conditions is negatively related to the absorption of employees in their job. It means that their job may not absorb employees with high workloads.

#### **Effects of Remuneration Mediation on the Effects of Transformational Leadership on Job Involvement**

Hypothesis models explain the significant influence of transformational leadership directly on remuneration. However, in other parts of the test results, it reveals that there is no significant effect of remuneration on job involvement. The test results in both cases are related to the remuneration variable, which in this case is a mediating variable. One of the two path coefficients is not significant to conclude that remuneration is not proven as a mediating variable. These results reveal that the role of remuneration is weak (low) in determining the high involvement of lecturers' work. The implementation of remuneration for Indonesian lecturers aims to motivate lecturers to improve their performance. This condition is influenced by the perception of remuneration compatibility with the workload. However, based on the results of the analysis, the lecturers' positive perception of the implementation of remuneration has not got any direct impact on the work involvement. This illustrates that high job involvement can occur either in lecturers who provide positive or negative responses to the implementation of remuneration. Remuneration reflects the level of responsibility of lecturers. Therefore, the performance must be valued accordingly. As performance-based remuneration is a payment system that links rewards with job performance, lecturers who perform well will get higher rewards and vice versa. The higher the performance achieved the higher the rewards given. With this concept, employees will be increasingly involved with their job.

## **6 CONCLUSION AND SUGGESTION**

### **Conclusion**

Transformational leadership has no significant effect on job involvement. The high level of job involvement of lecturers in Indonesia can occur in the job environment of lecturers. The impetus for high job involvement is explained more directly by other determinants whose more enormous contribution. Next,

job satisfaction mediates the effect of transformational leadership on job engagement significantly. This job satisfaction mediation explains that the substantial contribution of job satisfaction occurs due to the encouragement of organizational situations. Remuneration does not mediate the effect of transformational leadership on job engagement significantly. These results reveal that the role of remuneration is weak in determining the high involvement of lecturers' job.

### **Suggestion**

Based on the conclusion, it is suggested several essential points as follows. First, promotion, as part of the job satisfaction of lecturers, is considered problematic in terms of administrative processes, socialization of changes in regulations, et cetera. Therefore, leaders in Indonesia, especially in State Polytechnic of Malang-Java, should provide periodic technical guidance to get a promotion. Second, the implementation of remuneration should be implemented correctly.

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