

Transformational Leadership, Organizational Culture, and Employee Performance: The Mediating Role of Job Satisfaction at PT Mulia Solusindo

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ABSTRACT

This study examines the influence of transformational leadership and organizational culture on employee performance through job satisfaction in an oil and gas supporting service company. Using a quantitative approach, census sampling was applied to 60 employees of PT Mulia Solusindo. Data were analyzed using Partial Least Squares-Structural Equation Modeling (PLS-SEM). The findings indicate that transformational leadership and organizational culture significantly affect job satisfaction and employee performance. Job satisfaction partially mediates the relationship between both independent variables and employee performance. The results highlight the importance of adaptive leadership practices and supportive organizational culture in maintaining employee performance within fluctuating industrial environments.

INTRODUCTION

The Indonesian oil and gas industry has undergone significant structural changes over the past decades, shifting from being a major contributor to national revenue toward a sector facing declining production and global market volatility (Hill, 1996). This instability has directly affected oil and gas supporting service companies whose sustainability depends on exploration and production activities. In such uncertain environments, maintaining employee performance becomes a strategic challenge. Performance, defined as the effectiveness of employees in achieving quality, quantity, timeliness, and efficiency standards (Robbins & Judge, 2023), is not solely influenced by technical capability but also by internal organizational mechanisms such as leadership style and organizational culture.

Transformational leadership theory emphasizes the leader's ability to inspire, intellectually stimulate, and provide individualized consideration to followers, thereby enhancing intrinsic motivation and commitment (Jung et al., 2003). Simultaneously, organizational culture shapes shared values and behavioral norms that guide employee actions and reinforce coordination and adaptability (Gibson, 2013). Previous empirical studies confirm that transformational leadership and organizational culture significantly influence job satisfaction and employee performance (Hassanah, 2023; Hendriawan & Nurjanah, 2024). However, most prior research has focused on manufacturing or public institutions, leaving limited empirical evidence from oil and gas supporting service firms operating in highly volatile and project-based contexts.

This study addresses that gap by examining employees of an oil and gas supporting service company and integrating job satisfaction as a mediating mechanism that explains how transformational leadership and organizational culture translate into performance outcomes. By capturing organizational dynamics within a niche industrial setting characterized by operational fluctuation, this research contributes to knowledge enrichment in organizational behavior and human resource management. The objective of this study is to analyze the direct effects of transformational leadership and organizational culture on employee performance, to examine their influence on job satisfaction, and to evaluate the mediating role of job satisfaction in explaining employee performance within a volatile industrial environment.

LITERATURE REVIEW

1. Transformational Leadership

Transformational leadership refers to a leadership approach that inspires followers to transcend personal interests for collective organizational goals. Bass and Avolio (1994) conceptualize transformational leadership through four dimensions: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. Leaders exhibiting idealized influence act as role models and build trust, while inspirational motivation involves articulating a compelling vision. Intellectual stimulation encourages innovation and creativity, whereas individualized consideration reflects personal attention to employee development.

Previous studies consistently confirm the relevance of transformational leadership in organizational settings. Suherlan (2022) reported that transformational leadership enhances motivation and employee engagement. Hassanah (2023) also found that transformational leadership significantly contributes to positive employee attitudes in public sector organizations. These findings reinforce the argument that transformational leadership plays a crucial role in shaping employee behavior and organizational dynamics.

2. Organizational Culture

Organizational culture represents shared values, beliefs, norms, and behavioral expectations that guide members within an organization. Gibson et al. (2013) describe culture through dimensions such as innovation and risk-taking, attention to detail, outcome orientation, people orientation, team orientation, aggressiveness, and stability. A strong organizational culture provides identity, promotes consistency, and establishes standards for acceptable behavior.

Empirical evidence highlights the importance of organizational culture in shaping organizational effectiveness. Hendriawan and Nurjanah (2024) emphasize that shared cultural values strengthen collective commitment and discipline. Rivai (2020) similarly notes that organizational culture contributes to structured work behavior and improved coordination. These studies underline that organizational culture functions as a strategic organizational asset that influences how employees interpret and respond to their work environment.

3. Job Satisfaction

Job satisfaction is defined as an individual's affective response toward their job and work environment. It encompasses satisfaction with the work itself, compensation, promotion opportunities, supervision, and co-workers. Job satisfaction reflects employees' emotional evaluation of their work experiences and organizational treatment.

Research findings show that job satisfaction remains a central construct in organizational behavior studies. Hassanah (2023) identifies job satisfaction as a key indicator of employee well-being and organizational stability. Judge et al. (2001) further demonstrate that job satisfaction is consistently examined as an essential psychological construct in management research. These studies confirm that job satisfaction represents an important dimension of employee attitudes in both public and private sector organizations.

4. Employee Performance

Employee performance refers to the level of achievement attained by employees in carrying out their assigned duties in accordance with organizational standards. Performance indicators generally include quality, quantity, timeliness, effectiveness, and independence. Performance measurement is essential for evaluating organizational productivity and strategic goal attainment.

Suherlan (2022) describes employee performance as the realization of work outcomes influenced by competence and organizational systems. Meanwhile,

Hassanah (2023) emphasizes that performance reflects employees' ability to meet institutional targets in dynamic work environments. These perspectives indicate that employee performance remains a central focus in human resource management and organizational research.

H1. Transformational leadership positively affects employee performance.

H2. Transformational leadership positively affects job satisfaction.

H3. Organizational culture positively affects employee performance.

H4. Organizational culture positively affects job satisfaction.

H5. Job satisfaction positively affects employee performance.

H6. Job satisfaction mediates the relationship between transformational leadership and employee performance.

H7. Job satisfaction mediates the relationship between organizational culture and employee performance.

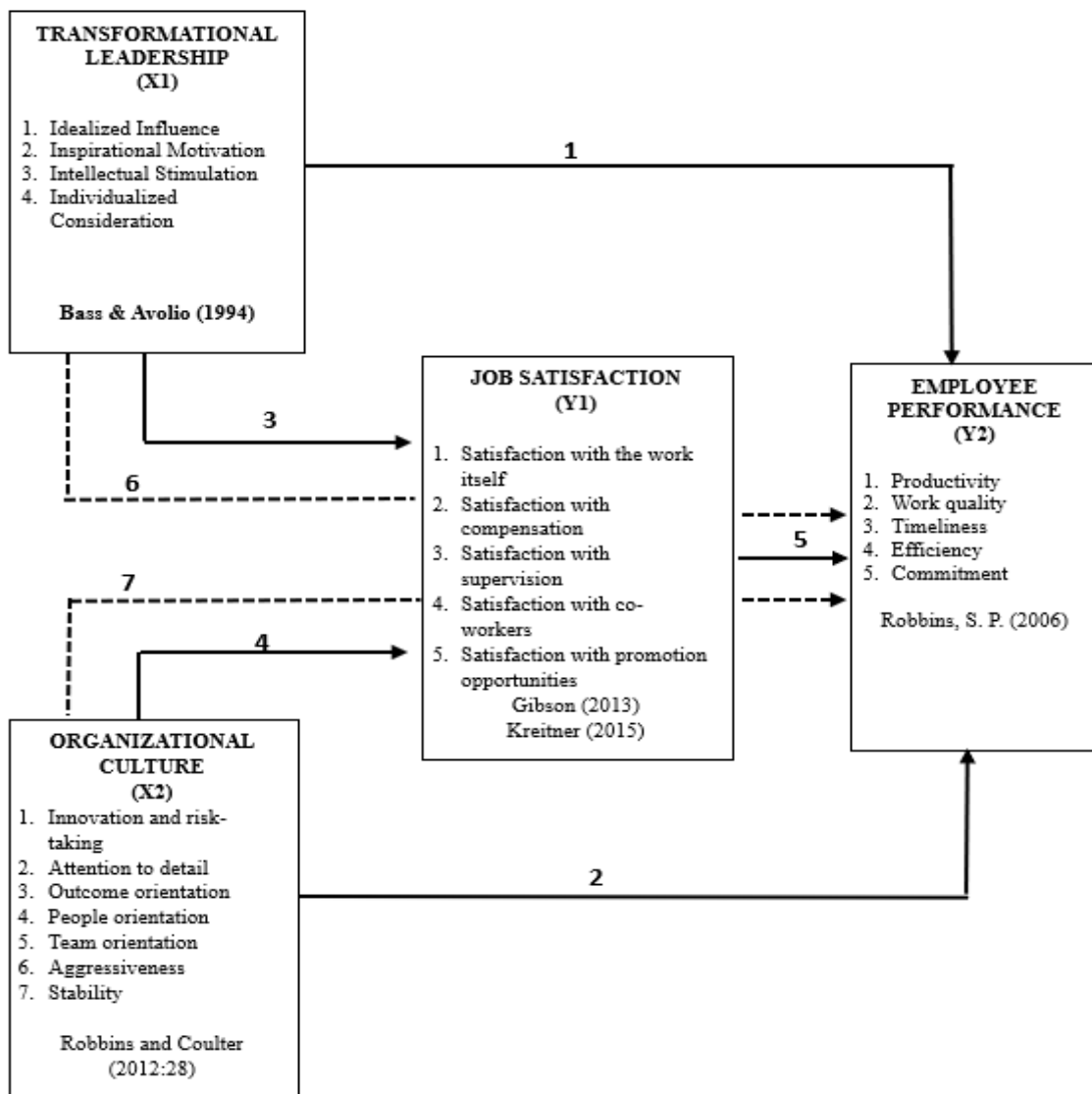


Figure 1 Conceptual Framework

METHODOLOGY

This study employed a quantitative explanatory design. The population consisted of 60 employees of PT Mulia Solusindo, and census sampling was applied.

Data were collected through structured questionnaires using a five-point Likert scale. Data were analyzed using Partial Least Squares–Structural Equation Modeling (PLS-SEM). Outer model testing assessed validity and reliability (AVE, composite reliability, Cronbach’s alpha). Inner model testing evaluated R-square, F-square, Q-square, and bootstrapping significance.

RESEARCH RESULT

1. Research Design and Data Collection

This study employed a quantitative explanatory research design to examine the structural relationships among transformational leadership, organizational culture, job satisfaction, and employee performance. Data were collected using structured questionnaires distributed to employees of an oil and gas supporting service company. The sampling technique used was proportional random sampling to ensure representation across organizational units.

The measurement instrument adopted established indicators derived from prior validated studies, operationalized using a five-point Likert scale (1 = strongly disagree to 5 = strongly agree). Data analysis was conducted using Structural Equation Modeling (SEM) with Partial Least Squares (PLS) to simultaneously assess the measurement model (outer model) and structural model (inner model).

2. Measurement Model Evaluation (Outer Model)

The outer model evaluation was conducted to assess construct validity and reliability through convergent validity, discriminant validity, and internal consistency reliability.

2.1 Convergent Validity

Convergent validity was evaluated using factor loadings and Average Variance Extracted (AVE). All indicator loadings exceeded the minimum threshold of 0.70, indicating strong item reliability. The AVE values for all constructs were above 0.50, confirming adequate convergent validity.

Table 1 Outer Loading

Statement	Transformational Leadership	Organizational Culture	Job Satisfaction	Employee Performance	Description
X1.1	0.958				Valid
X1.2	0.955				Valid
X1.3	0.955				Valid
X1.4	0.944				Valid
X2.1		0.926			Valid
X2.2		0.940			Valid
X2.3		0.226			Invalid
X2.4		0.946			Valid
X2.5		0.965			Valid

Statement	Transformational Leadership	Organizational Culture	Job Satisfaction	Employee Performance	Description
X2.6		0.946			Valid
X2.7		0.925			Valid
Y1.1			0.962		Valid
Y1.2			0.936		Valid
Y1.3			0.958		Valid
Y1.4			0.974		Valid
Y1.5			0.963		Valid
Y2.1				0.945	Valid
Y2.2				0.952	Valid
Y2.3				0.939	Valid
Y2.4				0.958	Valid
Y2.5				0.935	Valid

Based on the results of the outer model testing in Table 1, it can be seen that all indicators in the research variables generally meet the criteria for convergent validity, with outer loading values above 0.70. This indicates that the indicators used are able to represent the latent constructs being measured well. The Transformational Leadership Style variable (X1), consisting of four indicators (X1.1 to X1.4), shows very high outer loading values, ranging from 0.944 to 0.958, far exceeding the minimum limit of 0.70. Similarly, the Job Satisfaction variable (Z/Y1), with five indicators (Y1.1 to Y1.5), has outer loadings between 0.936 and 0.974, and the Employee Performance variable (Y2), with five indicators (Y2.1 to Y2.5), has values ranging from 0.935 to 0.958, confirming that all indicators for these three variables are valid and strongly represent their respective constructs.

For the Organizational Culture variable (X2), measured using seven indicators (X2.1 to X2.7), six indicators (X2.1, X2.2, X2.4, X2.5, X2.6, and X2.7) demonstrate very high outer loadings, ranging from 0.925 to 0.965, and are therefore declared valid. However, one indicator, X2.3, has an outer loading value of only 0.226, which is far below the minimum threshold of 0.70. Consequently, indicator X2.3 is declared invalid and should be eliminated from the measurement model, followed by a re-estimation of the model. The results of this second-stage calculation are presented in Table 2.

Table 2 Stage 2 Outer Loadings

Statement	Transformational Leadership	Organizational Culture	Job Satisfaction	Employee Performance	Description
X1.1	0.958				Valid
X1.2	0.955				Valid
X1.3	0.955				Valid
X1.4	0.944				Valid
X2.1		0.940			Valid
X2.2		0.952			Valid
X2.4		0.956			Valid
X2.5		0.972			Valid
X2.6		0.956			Valid
X2.7		0.956			Valid
Y1.1			0.962		Valid
Y1.2			0.936		Valid

Statement	Transformational Leadership	Organizational Culture	Job Satisfaction	Employee Performance	Description
Y1.3			0.958		Valid
Y1.4			0.974		Valid
Y1.5			0.963		Valid
Y2.1				0.945	Valid
Y2.2				0.952	Valid
Y2.3				0.939	Valid
Y2.4				0.958	Valid
Y2.5				0.935	Valid

The results of the outer model recalculation, as shown in Table 2, indicate that all remaining indicators have met the criteria for convergent validity, with all outer loading values now above the minimum threshold of 0.70. This demonstrates that each indicator possesses a strong ability to represent its respective latent construct. Following the elimination of the invalid indicator from the previous stage, the measurement model has been refined, and all items now show a strong and significant correlation with their constructs.

Therefore, it can be concluded that after the recalculation, all indicators in this study have satisfied the convergent validity criteria. Consequently, the measurement model (outer model) is declared fit, stable, and suitable for proceeding to the next stage of analysis, namely the evaluation of the inner model and hypothesis testing.

Table 3 Average Variance Extracted (AVE)

Variable	Average Variance Extracted (AVE)
Transformational Leadership	0.908
Organizational Culture	0.913
Job Satisfaction	0.919
Employee Performance	0.894

Convergent validity in the measurement model of this study was assessed using the Average Variance Extracted (AVE) value. AVE indicates the extent to which a latent construct explains the variance of its indicators. A construct is considered to meet convergent validity if it has an AVE value greater than 0.50.

Based on the data processing results presented in Table 3, the AVE values for each variable are as follows: Transformational Leadership (X1) is 0.908, Organizational Culture (X2) is 0.913, Job Satisfaction (Y1) is 0.919, and Employee Performance (Y2) is 0.894. All of these AVE values are significantly above the minimum threshold of 0.50. This indicates that each latent variable is able to explain more than 89% of the variance in its indicators. Therefore, it can be concluded that all constructs in this research model have met the criteria for convergent validity.

2.2 Discriminant Validity

Discriminant validity was assessed using cross-loading analysis. The square root of AVE for each construct was higher than its correlation with other constructs, confirming that each variable is empirically distinct.

Table 4 Cross Loading

Statement	Transformational Leadership	Organizational Culture	Job Satisfaction	Employee Performance
X1.1	0.958	0.003	0.653	0.623
X1.2	0.955	-0.037	0.609	0.569
X1.3	0.955	0.059	0.660	0.599
X1.4	0.944	0.117	0.756	0.678
X2.1	0.052	0.940	0.602	0.627
X2.2	0.078	0.952	0.654	0.687
X2.4	0.064	0.972	0.658	0.674
X2.5	0.054	0.956	0.661	0.649
X2.6	-0.077	0.956	0.561	0.587
X2.7	0.672	0.653	0.962	0.914
Y1.1	0.670	0.617	0.936	0.858
Y1.2	0.654	0.649	0.958	0.883
Y1.3	0.705	0.621	0.974	0.898
Y1.4	0.688	0.624	0.963	0.921
Y1.5	0.643	0.606	0.885	0.945
Y2.1	0.665	0.596	0.870	0.952
Y2.2	0.629	0.632	0.891	0.939
Y2.3	0.568	0.672	0.889	0.958
Y2.4	0.573	0.697	0.878	0.935
Y2.5	0.573	0.697	0.878	0.935

Based on the results of the cross-loading test in Table 4, it can be seen that all indicators for each variable have their highest loading values on the construct they are intended to measure compared to other constructs. This indicates that each indicator has a stronger correlation with its original variable, thereby meeting the criteria for discriminant validity. For the Transformational Leadership variable (X1), all indicators (X1.1 to X1.4) show the highest loadings on the X1 construct, ranging from 0.944 to 0.958, which are consistently higher than their loadings on Organizational Culture (X2), Job Satisfaction (Y1), and Employee Performance (Y2). Similarly, for the Organizational Culture variable (X2), all indicators (X2.1 to X2.6) have their highest loadings on the X2 construct, with values ranging from 0.940 to 0.972.

Furthermore, for the Job Satisfaction variable (Y1), all indicators (Y1.1 to Y1.5) demonstrate the highest loadings on the Y1 construct, with values between 0.936 and 0.974, which are higher than their loadings on other variables. Likewise, for the Employee Performance variable (Y2), all indicators (Y2.1 to Y2.5) show the highest loadings on the Y2 construct, ranging from 0.935 to 0.958, consistently exceeding their loadings on other constructs. These findings indicate that the indicators for each variable are specific to their respective constructs. Therefore, based on the cross-loading test results, it can be concluded that all indicators in this research model have met the discriminant validity criteria, as each indicator correlates most strongly with its intended construct.

2.3 Composite reliability dan Cronbach's alpha

In the PLS-SEM approach, composite reliability is used to measure the level of internal consistency among the indicators that form a latent variable. A construct is considered to have adequate reliability if the Composite Reliability (CR) value is greater than 0.60. In addition, Cronbach's Alpha is also used to assess the internal consistency of indicators within a variable, where an acceptable value is generally above 0.60. If these criteria are met, the indicators forming the construct are declared reliable.

Table 5 Composite reliability dan Cronbach's alpha

Variable	Cronbach's Alpha	Composite Reliability (rho_a)	Composite Reliability (rho_c)
Organizational Culture (X2)	0.981	0.982	0.984
Job Satisfaction (Y1)	0.966	0.971	0.975
Transformational Leadership (X1)	0.978	0.978	0.983
Employee Performance (Y2)	0.970	0.970	0.977

The construct reliability testing in this study was conducted using three main indicators: Cronbach's Alpha, Composite Reliability (rho_a), and Composite Reliability (rho_c). Reliability testing aims to assess the level of internal consistency among indicators in measuring latent constructs. Based on the data processing results presented in Table 5, it can be seen that all research variables have excellent reliability values. The Organizational Culture variable (X2) obtained a Cronbach's Alpha value of 0.981, a Composite Reliability (rho_a) value of 0.982, and a Composite Reliability (rho_c) value of 0.984. The Job Satisfaction variable (Y1) showed a Cronbach's Alpha value of 0.966, a rho_a value of 0.971, and a rho_c value of 0.975.

Furthermore, the Transformational Leadership variable (X1) had a Cronbach's Alpha value of 0.978, a rho_a value of 0.978, and a rho_c value of 0.983, while the Employee Performance variable (Y2) obtained a Cronbach's Alpha value of 0.970, a rho_a value of 0.970, and a rho_c value of 0.977. All Cronbach's Alpha and Composite Reliability values obtained are far above the recommended minimum threshold of ≥ 0.60 , indicating that each construct in the research model possesses a very strong level of internal consistency. Therefore, it can be concluded that all variables used in this study have met the reliability criteria, based on both Cronbach's Alpha and Composite Reliability. Consequently, the research instrument used is declared reliable, consistent, and trustworthy for measuring each variable and is suitable for further analysis in the structural model (inner model) evaluation stage.

3. Structural Model Evaluation (Inner Model)

After establishing that the measurement model met all required criteria, the study proceeded to evaluate the structural (inner) model. This stage aimed to test the predictive capability of the model by examining the coefficient of determination (R^2) for the endogenous constructs. Additionally, the effect size (f^2)

was calculated to quantify the substantive impact of each predictor variable on the overall model fit.

Table 6 R-Square

Variable	R-square	R-square adjusted
Job Satisfaction (Y1)	0.905	0.902
Employee Performance (Y2)	0.891	0.885

To determine the extent to which the independent variables in the structural model can explain the variability of the dependent variables, the coefficient of determination (R-square, R^2) was used. Based on the analysis results, the Job Satisfaction (Y1) variable has an R-square value of 0.905. This indicates that Transformational Leadership Style (X1) and Organizational Culture (X2) jointly explain 90.5% of the variance in Job Satisfaction, while the remaining 9.5% is influenced by other factors outside the research model. The Employee Performance (Y2) variable has an R-square value of 0.891, indicating that the combined influence of Transformational Leadership Style (X1), Organizational Culture (X2), and Job Satisfaction (Y1) explains 89.1% of the variance in Employee Performance, with only 10.9% explained by other variables outside the model.

The adjusted R-square values for Job Satisfaction (Y1) of 0.902 and for Employee Performance (Y2) of 0.885 are not substantially different from the R-square values. This indicates that the structural model possesses a high level of stability and does not experience overfitting issues, despite involving multiple independent variables. Overall, the results of the coefficient of determination analysis demonstrate that the research model has very strong predictive capability, as most of the variance in the dependent variables can be explained by the independent variables within the model. This reinforces the conclusion that the causal relationships established in this study are substantial and empirically relevant.

Table 7 Effect size (F Square)

Relationship between variables	f-square
Organizational Culture -> Job Satisfaction	4.284
Organizational Culture -> Employee Performance	0.129
Transformational Leadership -> Job Satisfaction	3.892
Transformational Leadership -> Employee Performance	0.067
Job Satisfaction -> Employee Performance	0.311

To determine the relative contribution of each independent variable to the dependent variables in the structural model, the f-square (f^2) value was used, as shown in the table above. The f^2 value illustrates the extent to which an exogenous construct influences an endogenous construct when included in the model compared to when it is excluded. The analysis results show that Organizational Culture (X2) has a very large influence on Job Satisfaction (Y1) with an f^2 value of 4.284. Referring to Chin's (1998) criteria, this value far exceeds the threshold for a large effect ($f^2 \geq 0.35$), indicating that organizational values,

norms, and work practices play a dominant role in shaping employee job satisfaction. Transformational Leadership Style (X1) also demonstrates a very large influence on Job Satisfaction (Y1) with an f^2 value of 3.892, which falls into the large effect category. This finding confirms that leadership capable of providing inspiration, motivation, and individual attention to employees contributes significantly to increasing job satisfaction.

The influence of Job Satisfaction (Y1) on Employee Performance (Y2) falls into the medium category with an f^2 value of 0.311, indicating that job satisfaction plays an important role in driving employee performance improvement. Conversely, the direct influence of Organizational Culture (X2) on Employee Performance (Y2) is relatively small, with an f^2 value of 0.129, and the direct influence of Transformational Leadership Style (X1) on Employee Performance (Y2) is also in the small category, with an f^2 value of 0.067. This suggests that although both variables are important, their direct contribution to performance is relatively limited without going through increased job satisfaction. Overall, the f -square analysis results indicate that Organizational Culture and Transformational Leadership are dominant factors in shaping Job Satisfaction, while Job Satisfaction serves as the main mediator bridging the influence of these two variables on Employee Performance. Therefore, improving employee performance will be more effective if organizations focus their strategies on strengthening organizational culture and implementing transformational leadership that can enhance job satisfaction.

4. Path Coefficient and Hypothesis Testing

Hypothesis testing was conducted using bootstrapping procedures to assess the significance of path coefficients. The significance level used was 5% (t -statistic > 1.96; p -value < 0.05).

Table 8 Path Coefficients

Relationship	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Organizational Culture (X2) → Job Satisfaction (Y1)	0.644	0.647	0.062	10.351	0.000
Organizational Culture (X2) → Employee Performance (Y2)	0.275	0.282	0.087	3.162	0.002
Transformational Leadership (X1) → Job Satisfaction (Y1)	0.613	0.612	0.055	11.124	0.000
Transformational Leadership (X1) → Employee Performance (Y2)	0.191	0.198	0.091	2.115	0.035
Job Satisfaction (Y1) → Employee Performance (Y2)	0.599	0.588	0.129	4.633	0.000

Table 9 Specific Indirect Effects

Relationship	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Organizational Culture (X2) → Job Satisfaction (Y1) → Employee Performance (Y2)	0.442	0.443	0.105	4.219	0.000
Transformational Leadership (X1) → Job Satisfaction (Y1) → Employee Performance (Y2)	0.491	0.490	0.116	4.230	0.000

The bootstrapping results for the direct effects indicate that all hypothesized relationships are statistically significant at the 0.05. Organizational culture demonstrates a strong positive effect on job satisfaction ($\beta = 0.644$, $t = 10.351$, $p < 0.001$), suggesting that shared values, norms, and behavioral expectations substantially enhance employees' affective evaluation of their work. Transformational leadership also exerts a significant positive influence on job satisfaction ($\beta = 0.613$, $t = 11.124$, $p < 0.001$), confirming that inspirational motivation, individualized consideration, and intellectual stimulation contribute meaningfully to employees' psychological attachment to their jobs. Regarding employee performance, organizational culture ($\beta = 0.275$, $t = 3.162$, $p = 0.002$), transformational leadership ($\beta = 0.191$, $t = 2.115$, $p = 0.035$), and job satisfaction ($\beta = 0.599$, $t = 4.633$, $p < 0.001$) all show positive and significant effects. Among these predictors, job satisfaction exhibits the strongest direct influence on performance, indicating that employees' positive work attitudes play a central role in driving productive outcomes.

The specific indirect effects further confirm the mediating role of job satisfaction in the structural model. Organizational culture indirectly influences employee performance through job satisfaction ($\beta = 0.442$, $t = 4.219$, $p < 0.001$), while transformational leadership also shows a significant indirect effect via job satisfaction ($\beta = 0.491$, $t = 4.230$, $p < 0.001$). The significance of these indirect paths, combined with the remaining significant direct effects, indicates partial mediation. This finding implies that both leadership practices and organizational culture enhance employee performance not only through direct managerial and structural mechanisms but also by strengthening employees' internal satisfaction with their work. Consequently, job satisfaction functions as a critical psychological mechanism that translates organizational and leadership dynamics into measurable performance outcomes.

DISCUSSION

The findings of this study reinforce the central role of transformational leadership and organizational culture in shaping employee outcomes within the oil and gas supporting service industry. The positive influence of transformational leadership on job satisfaction and performance confirms the

theoretical premise proposed by Bass and Avolio that leaders who articulate a compelling vision, provide intellectual stimulation, and offer individualized consideration are capable of elevating employees' intrinsic motivation. In a highly volatile and project-based industrial environment such as oil and gas services, leadership that promotes inspiration and adaptability becomes particularly critical. Employees operating under fluctuating operational demands require clarity of direction and psychological encouragement, both of which are characteristic of transformational leadership. This finding aligns with prior empirical research demonstrating that transformational leadership enhances positive employee attitudes and strengthens organizational commitment in dynamic sectors.

Similarly, organizational culture emerged as a strong determinant of job satisfaction and performance. A culture that emphasizes shared values, coordination, and stability appears to create a structured yet supportive work environment. In the context of oil and gas supporting services where safety standards, precision, and teamwork are essential organizational culture functions as an informal control system that shapes employee behavior beyond formal regulations. The results support organizational behavior theory suggesting that strong cultures foster consistency, reduce ambiguity, and enhance collective identity. This study extends prior findings by demonstrating that in industries characterized by operational uncertainty, cultural alignment serves as a stabilizing force that sustains employee engagement and productivity.

The prominent role of job satisfaction in influencing performance highlights the psychological mechanism underlying organizational effectiveness. Employees who experience satisfaction with their tasks, supervision, and organizational climate tend to exhibit higher levels of dedication and output quality. This finding supports attitudinal-performance theory, which posits that positive affective evaluations of work contribute to discretionary effort and enhanced performance outcomes. In the oil and gas service sector, where operational efficiency and responsiveness are vital, satisfied employees are more likely to demonstrate proactive behavior and resilience under pressure. Therefore, job satisfaction is not merely an outcome variable but a strategic resource that converts leadership practices and cultural values into tangible performance improvements.

The mediation analysis further provides theoretical enrichment by clarifying how leadership and culture translate into performance outcomes. Rather than operating solely through direct managerial mechanisms, transformational leadership and organizational culture exert their influence partly by strengthening employees' internal work attitudes. This indicates that organizational effectiveness in technical and high-risk industries cannot rely exclusively on structural systems or hierarchical control; it must also address employees' psychological well-being. The presence of partial mediation suggests that while leadership and culture independently affect performance, their impact becomes more substantial when employees perceive their work environment positively.

Overall, this study contributes to organizational behavior and human resource management literature by providing empirical evidence from a niche industrial setting that is rarely examined in prior studies. The oil and gas supporting service industry presents unique characteristics, including operational fluctuation, safety sensitivity, and project-based assignments. By situating the analysis within this specific context, the research enriches theoretical understanding of how transformational leadership, organizational culture, and job satisfaction interact to sustain performance in volatile environments.

CONCLUSIONS AND RECOMMENDATIONS

1. Conclusions

This study confirms that transformational leadership, organizational culture, and job satisfaction play significant roles in enhancing employee performance within the oil and gas supporting service industry. Transformational leadership contributes to improved employee attitudes and productivity by fostering inspiration, intellectual engagement, and individualized support. Organizational culture strengthens behavioral consistency and collective commitment, creating a structured environment that supports operational effectiveness. Job satisfaction emerges as a critical psychological factor that directly influences employee performance and partially mediates the influence of leadership and culture.

These findings demonstrate that employee performance in a volatile and project-based industrial environment is not determined solely by technical competence or formal systems. Instead, leadership quality, cultural alignment, and positive employee attitudes jointly determine organizational effectiveness. By examining a niche industrial context characterized by operational uncertainty, this study enriches organizational behavior literature and provides empirical evidence that psychological and structural factors must be integrated to sustain high performance.

2. Recommendations

2.1 Strengthening Transformational Leadership Practices

Organizations should invest in leadership development programs that emphasize vision articulation, intellectual stimulation, and individualized consideration. Training modules, executive coaching, and structured mentoring systems can enhance leaders' ability to motivate employees in high-pressure industrial settings.

2.2 Reinforcing Organizational Culture Alignment

Management should actively communicate and internalize core organizational values, particularly those related to teamwork, safety, innovation, and accountability. Cultural reinforcement can be implemented through performance evaluation systems, reward mechanisms, and internal communication strategies that consistently reflect organizational values.

2.3 Enhancing Job Satisfaction as a Strategic Priority

Since job satisfaction plays a pivotal role in improving performance, companies should improve work conditions, provide fair compensation structures, ensure transparent promotion systems, and strengthen supervisory support. Periodic employee satisfaction surveys can be conducted to monitor organizational climate and identify improvement areas.

2.4 Integrating Leadership, Culture, and HR Policies

Organizational policies should not treat leadership development, cultural strengthening, and employee well-being as separate initiatives. Instead, they should be integrated into a comprehensive human resource strategy designed to enhance long-term performance sustainability.

ADVANCED RESEARCH

This study has several limitations that should be acknowledged. First, the research was conducted within a single oil and gas supporting service company, which may limit the generalizability of the findings to other industrial sectors or organizational contexts. The characteristics of project-based operations, safety-sensitive environments, and fluctuating workloads may produce dynamics that differ from manufacturing, public administration, or service industries. Second, the study employed a cross-sectional design, capturing perceptions at one point in time. Such an approach restricts the ability to observe causal stability or changes in leadership effectiveness, cultural adaptation, and job satisfaction over longer operational cycles. Additionally, the reliance on self-reported questionnaire data may introduce common method bias and subjective evaluation tendencies.

Future research is encouraged to adopt longitudinal designs to examine how transformational leadership, organizational culture, and job satisfaction evolve over time, particularly during periods of economic volatility or organizational restructuring. Expanding the sample across multiple companies or different industrial sectors would enhance external validity and provide comparative insights. Further studies may also incorporate additional mediating or moderating variables such as organizational commitment, work engagement, psychological safety, or organizational resilience to enrich the structural model. Integrating mixed-method approaches, including qualitative interviews or case studies, could provide deeper contextual understanding of leadership practices and cultural mechanisms in high-risk industrial environments.

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