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## Job satisfaction and organizational commitment effect in the transformational leadership towards employee performance

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### ABSTRACT

This research focuses on the discussion regarding antecedent variable of transformational leadership with its effect to work performance of the middle-level leaders at the organization of Pelabuhan Indonesia III Inc. The samples used in this study are 30 respondents as 75% of the population. The technique used to collect the data from the respondents is questionnaires to minimize any interpretation differences between respondents and the researcher. Further, analysis model used is structural equation model (SEM) with the basis of theory and concept, from the package of Partial Least Square (PLS) program so that the results are accurate. This study found that transformational leadership has direct significant effect on job satisfaction and organizational commitment. However transformational leadership cannot give significant impact to work performance when it is intervened by the organizational commitment as well as it cannot give direct impact on work performance.

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### 1. Introduction

Optimal employees' work performance can only happen if the leaders in a company are able to manage their human resources into reliable human resources (Mosadeghrad, 2003). Leaders are individuals with important contributions for creating conducive and supportive situations in working environment (Raelin, 2003). Every leader is unique with different talents, a company needs to have a talent mapping for selected structural positions. The talent mapping is used to identify leader candidates who have competencies and fit into the culture and work environment in the company, so that it is hoped that they improve employees' work performance. This is in line with the opinion of Winston (2008), that talent management is extremely needed in the era of business competition that getting tighter. Not only the results of the mapping can be used to develop the employees, but also identify the configurations of human resources in Pelabuhan Indonesia III Inc.

Leadership style is broadly being researched with the relation to work performance, known as transformational and transactional leadership (Advani & Abbas, 2015; Baltaci, Kara, Tascan, & Avsali, 2012; Riaz & Haider, 2010). Transformational leadership is a system of changing and transforming people (Hall, Johnson, Wysocki, & Kepner, 2008). Some previous studies showed that there is a significant effect between transformational leadership to employees' work performance (Al-Amin, 2017; Ali, Ali, Ahsan, Rahman, & Kakakhel, 2014; Mangkunegara & Miftahuddin, 2016), on the other research Almutairi (2016) found that there is a mediation effect of organizational commitment on the relationship between leadership styles of transformational leadership with the employees' work performance. Besides, Advani and Abbas (2015), Bass, Avolio, and Jung (2003), Sundi (2015), Paracha, Qamar, Mirza, Hassan, and Waqas (2012) and Albion and Gagliardi (2007) and Pastor and Mayo (2006), stated that transformational leadership has an effect to motivate employees' work performance effectively.

In addition, organizational commitment also became a variable that has a significant impact to the work performance. Tolentino (2013) in his research studied about organizational commitment between administration and academic personnel at the selected university. The results showed that commitment has a correlation with work performance of the academic personnel affectively and significantly. As well as the results found by Ahmad, Ahmad, and Shah (2010), Hettiarachchi and Jayaeathua (2014) in their study.

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## 2. Theories and hypotheses

### 2.1. Transformational leadership

Transformational leadership theory starts with the concept by Burns (1978) and Bass (1985). According to Bass, transformational leaders stimulate the underlings to make perceptions of leadership with new perspectives since there is intellectual stimulation. Leaders are able to make perceptions as the individuals who can support and give cares to the underlings with individualized consideration, through inspirational motivation and charisma (Bass, 1985). While transactional leadership according to Mepor and Dartey-Baah (2017) is a leadership style known as a managerial leadership, which prioritizes of the supervising, organizing, assigning, controlling and monitoring of each individual performance. Leaders in transactional leadership styles will give direct rewards to outstanding employees, monitor employee jobs and provide warnings and punishments to employees who deviate from predefined standards.

### 2.2. Job satisfaction

Furnham, Eracleou, and Chamorro-Premuzic (2009) defined job satisfaction as how far the employees are satisfied with their work. This matter often happens in which two concepts are discussed together, since it is said that an individual is satisfied in the workplace as there is a factor and condition that motivate him or her. Robbins (2006) stated that job satisfaction is a common behavior to work performance while there are awards and achievements appropriately. Theoretically, job satisfaction has a relationship with work performance. An organization with more satisfied employees tends to be more effective and productive. Besides, employees with high level of satisfaction will have a low number of turnovers (Chen, 2006).

### 2.3. Organizational commitment

Robbins (2006) defined organizational commitment as a stage in which the employee recognizes a certain group with the goals, and hopes to maintain the status as the group member. Moreover, Luthans (2002) define as: 1. Strong willingness to stay as a group member; 2. Willingness to hard work as the organizational aspiration; 3. A certain willingness to accept the values and goals of the organization. In other words, these are behaviors that reflect employees' loyalty to the organization and the next stage in which the organizational members express cares to the organization, success, and the further development. Organizational commitment has strong and positive relationship to work performance (Ahmad et al., 2010; Hettiarachchi & Jayaeathua, 2014). In other study Shahab and Nisa (2014) claimed that there is a positive and significant effect of work satisfaction to organizational commitment, and also from organizational commitment to work performance.

### 2.4. Work performance

Performance is a stage of achievement of accomplishing certain work (Simanjuntak, 2011). It means that work performance is an achievement stage as a work accomplishment by an individual from the organization. Work performance in organization is extremely affected by three main factors: organizational support, abilities or management effectiveness and work performance of every individual working at that organization, in which each unit in a organization has several divisions in which there are some individuals in each division (Simanjuntak, 2011). Whereas, according to Rivai, Sagala, Murni, and Abdullah (2008), work performance is about working and achievements from that work, and also what to

do and how to do. While Santis, Neto, and Verwaal (2018) defined work performance is a person's ability to carry out activities that contribute to the development of the organization's technical core.

## 3. Methodology

This study is a quantitative study, designed to explain the effect among variables or the relationship that affects between variables through hypothesis testing. The population are 30 middle-level leaders in Pelabuhan Indonesia III Inc. The percentage of the total respondents from 40 persons in total is 75% in which another 25% cannot be involved in this study. The variables in this study can be classified into exogenous and endogenous variables. Transformational leadership variable ( $X_1$ ) is an exogenous variable. Work performance ( $Y_3$ ) is an endogenous variable, and work satisfaction ( $Y_1$ ) and organizational commitment ( $Y_2$ ) are intervening endogenous variables that become the focus of this study.

The measurement of transformational leadership, we used 15 items of multifactors leadership scale based on (Bass et al., 2003). To asses Job satisfaction in this study used 20 items of the Minnesota Satisfaction Questionnaire (Chen, 2006). While organizational commitment, we used 18 items of the Mowday et al.'s (Chen, 2006) organizational commitment questionnaire. Furthermore, to asses work performance, we used 20 items of individual work performance based on (Koopmans et al., 2012). All measurement of four variables rated on 5-point Likert type scale ranging from 1 (strongly disagree) to 5 (strongly agree). All of the variable items have validity score up to 0.6.

Data collection is done with the technique of direct submitting from respondents and guiding respondents to fill out questionnaires. Score in determining the respondent's answer, using a Likert scale. After that, validity and reliability tests were carried out. The next step is to process the data to answer the problem statement. Analysis model used is structural equation model (SEM) with the basis of theories and concepts, with Partial Least Square (PLS) package program because of the number of the respondents that are only 30 respondents.

### 3.1. Conceptual framework

Further, according to the strong relationship from theoretical and empiric study from the variables that become the focus of this study, so that conceptual framework in this study has showed in Fig. 1. Based on the explanation above, not only the problems in the contexts of having been supported by some theoretical studies and also empiric studies, the hypotheses in this study are: Hypothesis 1 is to measuring of the affect of transformational leadership on work satisfaction of the middle-level leaders; Hypothesis 2 is to measuring of the affect of transformational leadership on organizational commitment of the middle-level leaders; Hypothesis 3 is to measuring of the affect of transformational leadership affect on work performance of the middle-level leaders; Hypothesis 4 is to measuring of the affect of work satisfaction on work performance of the middle-level leaders; Hypothesis 5 is to measuring of the affect of organizational commitment on work performance of the middle-level leaders.

## 4. Findings

The respondents in this study are 30 employees at Pelabuhan Indonesia III Inc., with some characteristics according to gender, age, and work period. The major sample characteristics are described as follows: 24 (80%) are male and 6 (20%) are female. Respondents are under 30, between 30 and 41, between 41 and 50, and above 51 are 10%, 40%, 43.3%, and 6.7% respectively. 3.3%

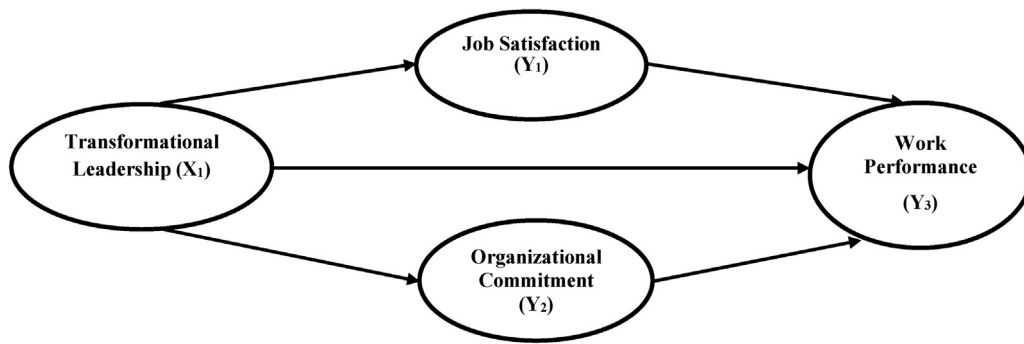


Fig. 1. Conceptual framework.

Source: data processed.

Table 1  
Descriptive statistics and scoring categories based on scales.

Variable	Mean	Standard deviation	Scoring interval scales				
			1.00–1.80	1.81–2.60	2.61–3.40	3.41–4.20	4.21–5.00
Transformational leadership (X <sub>1</sub> )	4.13	0.38	Very Low	Low	High Enough	High	Very High
Work satisfaction (Y <sub>1</sub> )	4.00	0.51	Very Low	Low	High Enough	High	Very High
Organizational commitment (Y <sub>2</sub> )	3.95	0.67	Very Low	Low	High Enough	High	Very High
Work performance (Y <sub>3</sub> )	4.26	0.40	Very Low	Low	High Enough	High	Very High

Source: data processed.

complete high school education, 6.7% graduate from Diploma and 90% are Bachelor. Work period between 1 and 5 years (s), between 5 and 10 years, and above 10 years are 6.7%, 40% and 53.3%. 56.7% held positions as Ass. Manager, 40% as Supervisor, and 3.3% as Others. Position Period between 1 and 3 years (s), between 3 and 6 years, and above 6 years are distributed as follows: 53.3%, 30%, and 16.7%.

4.1. Descriptive statistics

In order to do the descriptive scoring on each variable in this study, categorizing is used based on interval scales with the average scores. Categories of the scores for each variable based on interval scales can be identified in Table 1. Based on Table 1, it can be scored on each variable as the followings: (1) The results of descriptive statistics for the mean score of variable X<sub>1</sub> is high (4.13). In this high condition of the mean score, standard deviation score of X<sub>1</sub> variable of the middle-level leaders at Pelabuhan Indonesia Inc. is 0.38. (2) The result of Y<sub>1</sub> showed that the average score is 4.01 (high). In this high condition of the average score, standard deviation score of Y<sub>1</sub> variable of the middle-level leaders at Pelabuhan Indonesia Inc. is 0.51. (3) The results of Y<sub>2</sub> variable showed that the mean score is 3.95 (high). In this high condition of the average score, standard deviation score of Y<sub>2</sub> variable of the middle-level leaders at Pelabuhan Indonesia Inc. is 0.67. (4) The results of Y<sub>3</sub> variable showed that the average score is 4.26 (very high). In this very high condition of the average score, standard deviation score of Y<sub>3</sub> variable of the middle-level leaders at Pelabuhan Indonesia Inc. is 0.40.

4.2. Model analysis measuring or outer model

4.2.1. Convergent validity

Validity testing is used to measure whether a questionnaire is valid or invalid (Ghozali, 2009: p. 49). Ferdinand (2006: p. 276) 'valid' has a meaning of 'good'. So that validity is aimed to measure what should be measured. The validity test in this study is known through Cross Loading results from a number of variable indicators which showed that the scores of X<sub>1,1</sub>, X<sub>1,3</sub> and X<sub>1,4</sub> are 0.6881, 0.7863 and 0.8744 respectively. Scores for indicators Y<sub>1,1</sub>, Y<sub>1,2</sub>, Y<sub>1,3</sub>,

Y<sub>1,4</sub>, and Y<sub>1,5</sub> are 0.9102, 0.7592, 0.7627, 0.8427, and 0.9111 respectively. On the other hand, Y<sub>2,1</sub>, Y<sub>2,2</sub>, and Y<sub>2,3</sub> obtained scores of 0.904, 0.9274, and 0.8638 respectively. While indicators Y<sub>3,1</sub>, Y<sub>3,2</sub>, Y<sub>3,3</sub>, Y<sub>3,4</sub> and Y<sub>3,5</sub> are 8147, 0.5894, 0.7821, 0.8362 and 0.745 respectively (Fig. 2).

The cross loading analysis after eliminating some indicators, it can be identified that all indicators that measure their latent variables are higher than loading factors from other latent variables. This can be identified that those indicators are good related to measuring their latent variables (Ghozali, 2009). Based on Table 2, it can be identified that the square root scores of AVE of each latent variable are actually bigger than the correlation with the other variables. This can be identified that those latent variables have indicators with good discriminating validity (Fornell & Lacker, 1981).

4.2.2. Reliability

The results for reliability testing in this study, namely for the Composite Reliability score and Cronbach Alpha are (X<sub>1</sub>; 0.8699 and 0.8200), (Y<sub>1</sub>; 0.9224 and 0.8944), (Y<sub>2</sub>; 0.9265 and 0.8810), and (Y<sub>3</sub>; 0.8283 and 0.6855) respectively. This results, shown that almost all variables have composite reliability and cronbach alpha scores that fulfill the rule of thumb >0.70 (Ghozali, 2009). However, only one variable has less cronbach alpha score 0.6855 namely work performance variable.

4.2.3. Structural model analysis (inner model)

In doing inner model testing, structural model is evaluated using R-Square for dependent variable, and then, path coefficient scores or T-values in each path aims to test the significance between construct in structural model. The R-Square scores are used to measure the levels of varieties of changing independent variables to the dependent variables. In this study, the scores of R-Square can be explained that the R-Square scores 0.3530 (moderating) for work performance variable mean that the effect of changing work performance can be explained by transformational leadership, works satisfaction and organizational commitment 35.30%, besides, the rest can be explained by other variables outside the model that is measured in this study.

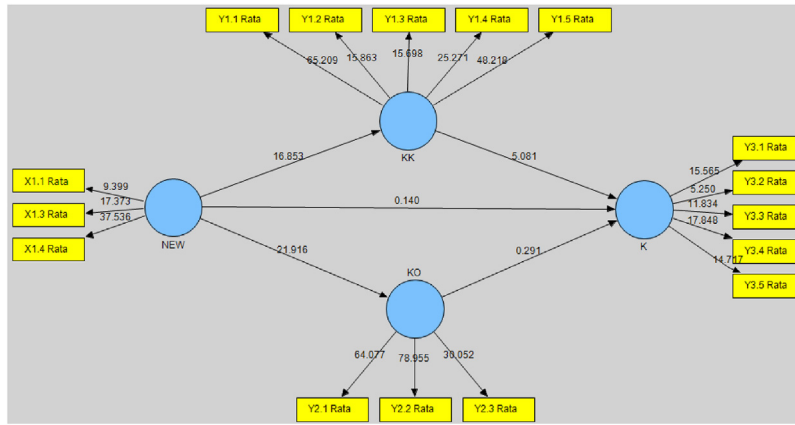


Fig. 2. SmartPLS Bootstrapping results.

Source: Data processed.

Table 2  
Scores of AVE and AVE roots and latent scores of variable correlation after elimination.

Variable	Statistic scores of AVE and AVE roots after elimination		Latent scores of variable correlation after elimination			
	AVE	AVE roots	KT (X <sub>1</sub> )	KK (X <sub>2</sub> )	KO (X <sub>3</sub> )	K (Y <sub>2</sub> )
Transformational leadership (X <sub>1</sub> )	0.5754	0.7586	1.0000	0.0000	0.0000	0.0000
Work satisfaction (Y <sub>1</sub> )	0.7054	0.8890	0.5931	1.0000	0.0000	0.0000
Organizational commitment (Y <sub>2</sub> )	0.8087	0.8993	0.4649	0.8153	1.0000	0.0000
Work performance (Y <sub>3</sub> )	0.6188	0.7866	0.4311	0.7550	0.7799	1.0000

Source: data processed.

Then, for R-Square score 0.5700 (good), it means that the variety of changing work satisfaction can be explained by transformational leadership 57%, and the rest can be explained by other variables outside the model that is measured in this study. Finally, variable with the highest R-Square score between other variable is organizational commitment with the R-Square score 0.6083 in which it means that varieties of changing organizational commitment can be explained by transformational leadership 60.83, and the rest can be explained by other variables outside the model that is measured in this study.

After doing the scoring for R-Square scores, it is not an absolute parameter in measuring the accuracy of model prediction. Next testing can be done by identifying coefficient scores of path or inner model that shows the level of significance in hypothesis testing. In terms of identifying significance of relationship between constructs, the tool used is *t*-test analysis from path coefficient. Path relationship between variables is significant in the level of significance  $\alpha$  1% if having *t*-statistics more than 2.1. From the path coefficient, there is a path relationship fulfilling significance  $\alpha$  1%, in which it is work satisfaction to work performance with *t*-statistic result 5.0814 and coefficient score 0.6461. Next, X<sub>1</sub> variable to Y<sub>1</sub> with high enough *t*-statistic score 16.8526 and coefficient score 0.7550.

After that, the last variable with the highest significance score in the variable relationship of this study is X<sub>1</sub> variable to Y<sub>2</sub> with the result of *t*-statistic 21.9157 and coefficient score 0.7799. In the other hand, the relationship between other variables, for instance Y<sub>2</sub> to Y<sub>3</sub> and X<sub>1</sub> to Y<sub>3</sub> cannot be seen in a significant relationship; these both relationships can only create path relationship with low scores 0.2905 and 0.1399, moreover, these both relationships between variables come out with weak significance score as well with negative coefficient score, in which in this case, if one variable has positive score, the other variables are in the other way around. However, since these both variables are not significant, the results of the coefficient are not included to be considered. There are two significant relationships and three insignificant enough relationships to be explained in Section 5.

#### 4.2.4. Hypothesis testing

First Hypothesis in this results of the Partial Least Square shows that path coefficient score of transformational leadership variable to work satisfaction has a positive affect with positive beta ( $\beta$ ) coefficient score 0.7550 and high enough *t*-statistic score, more than the minimum score  $\alpha$  1% (2.1), which is 16.8526, this case means that the first hypothesis is proven *has affected*. Second Hypothesis shows that path coefficient score of transformational leadership variable to organizational commitment has a positive affect with positive beta ( $\beta$ ) coefficient score 0.7799 and *t*-statistic score also more than 2.1, which is 16.8526, this case means that the second hypothesis is proven *has affected*. Third Hypothesis with the results of Partial Least Square shows that path coefficient score of transformational leadership variable to work performance has a negative effect with insignificant beta ( $\beta$ ) coefficient score -0.0217 and *t*-statistic score less than 2.1, which is 0.1399, this case means that the third hypothesis is proven *has not affected*. Forth Hypothesis shows that path coefficient score of work satisfaction variable to work performance has a positive effect with positive beta ( $\beta$ ) coefficient score 0.6461 and *t*-statistic score more than 2.1, which is 5.0815, this case means that the forth hypothesis is proven *has affected*. Similarly, Fifth Hypothesis or last hypothesis of Partial Least Square shows that path coefficient score of organizational commitment variable to work performance has a negative effect with beta ( $\beta$ ) coefficient score -0.449 and *t*-statistic score less than 2.1, which is 0.2905, this case means that the fifth hypothesis is proven *has not affected*.

## 5. Discussion

### 5.1. The effect of transformational leadership on work satisfaction (H1)

Empirically, the results of the study that show the relationship between transformational leadership and work performance by Almutairi (2016), analyzing about the mediation effect of organizational commitment in the relationship of transformational



leadership and work performance which the results of this study showed identification that positive transformational leadership style had related to work performance. According to [Mangkunegara and Miftahuddin \(2016\)](#), transformational leadership affected work performance partly or as a whole positively and significantly.

From the results of testing the relationship between two variables, which are transformational leadership and work satisfaction are discussed above. Based on the order of indicators adopted from a study by [Jones and George \(2008\)](#) and according to the interview results with the respondents, middle-level leaders in Pelabuhan Indonesia III Inc. think that this company has leaders with good transformational leadership style, and this leadership style can give significant impacts to work satisfaction that the employees have.

### 5.2. The effect of transformational leadership on organizational commitment (H2)

Empirically, the results of testing show the relationship between transformational leadership and organizational commitment by [Alamir \(2010\)](#), the mediation effect of organizational commitment to the relationship between transformational leadership style and work satisfaction which the results showed that transformational leadership style affected organizational commitment significantly and positively. [Keskes, Sallan, Simo, and Fernandez \(2018\)](#), [Nguni, Slegers, and Denessen \(2016\)](#) and [Wang, Ma, and Zhang \(2014\)](#) have a goal of analyzing the effect of transformational leadership style on organizational commitment. The results of the study showed that organizational leadership style strongly affects employees' organizational commitment. The descriptive answers, inner model, and hypothesis testing in this study showed that middle-level leaders in Pelabuhan Indonesia III Inc. think that actually their leadership style is transformational leadership style, in which this leadership style can affect to organizational commitment significantly that they have.

### 5.3. The effect of transformational leadership to work satisfaction (H3)

Empirically, the study results that show the relationship between transformational leadership and work performance by [Almutairi \(2016\)](#), analyzed the mediation effect of organizational commitment in the relationship between transformational leadership style and work performance which the results in the study showed that positive transformational leadership style had related to work performance. [Mangkunegara and Miftahuddin \(2016\)](#) studied about the effect of transformational leadership to work satisfaction and work performance which the results showed that transformational leadership affected the employees' work performance partly and as a whole positively and significantly.

In other that, [Ali et al. \(2014\)](#) studied about the effect of leadership style to work satisfaction, commitment and willingness to resign which the study results showed that transformational leadership affected work performance positively and significantly. Characteristics of transformational leadership (especially individualized consideration) has a significant relationship with high level of contributions in employees' work performance ([Long, Yusoof, Kowang, & Heng, 2014](#)). Next, a study by [Advani and Abbas \(2015\)](#) showed that transformational leadership affects to motivate work performance effectively which the results in this study were not in line with the previous studies, transformational leadership of organizational leaders could give impact on work performance. This can happen because of many factors, however, in this case, it can be stated that transformational leadership variable is not enough to be able to give significant impacts on the variables of middle-level leaders' work performance in Pelabuhan Indonesia III Inc.

### 5.4. The effect of work satisfaction to work performance (H4)

Empirically, [Kertabudi and Aripin \(2015\)](#) studied about the effect of organizational effect of organizational commitment and work satisfaction to work performance which the results could be seen that it was important to improved the work satisfaction in the organization extremely. [Osiokalu, Pngunleye, and Effiong \(2015\)](#) and [Al-Ajouni \(2015\)](#) studied to investigate the relationship between work satisfaction and work performance which the results indicated that there was a positive and significant correlation between work satisfaction and work performance.

[Hutabarat \(2015\)](#) and [Hanzaeel and Mirvaisi \(2013\)](#), found in their research that work satisfaction has an impact on work performance positively and significantly. The next study results aim to find out the relationship between two variables, which are work satisfaction and work performance, in which both show significant and positive results on the middle-level leaders in Pelabuhan Indonesia III Inc., in which the results are in line with the previous studies that strengthen the concept of the relationship between two variables.

### 5.5. The effect of organizational commitment on work performance (H5)

Theoretically, work satisfaction has a relationship with work performance. [Hettiarachchi and Jayaeathua \(2014\)](#) stated that an individual with a high level of organizational commitment will show a positive behavior to the organization, give the best he or she can, sacrifice, and have a high level of loyalty to the organization, and also have a willingness to stay in the organization. This means that the individual with a high level of organizational commitment takes effort to show the good achievement (high level of work performance). On the other hand, an individual with low level of organizational commitment tends to show no care and irresponsibility to the accomplishment of the work (low level of work performance).

Based on the results in this study above, the variable of perceived organizational support gives perceptions that employees in the analysis, the highest indicator adopted from [Rhoades and Eisenberger \(2002\)](#) stated that Pos Indonesia Inc. Surabaya observes the employees' opinions in the work. After that, the results of the variable of organizational readiness for change having a perception based on the order of the highest indicator adopted from the research of [Holt, Armenakis, Field, and Harris \(2007\)](#) that full-timer employees in Pos Indonesia Inc. Surabaya worked maximally so that changed in the organization were running well. This findings had a meaning that the level of suitable supported for the employees of Pos Indonesia Inc. Surabaya by paying attention on the employees' opinions would affected the readiness of organizational employees in the changes by working maximally, so that the changes were running well, further, the directed involvement on the changed of Pos Indonesia Inc., and done every instruction for the changed affected the work based on the existing rules.

The relationship between last variables is explained in the relationship between the variables of organizational commitment and work performance, in which the hypotheses are unaccepted. This can happen because the middle-level leaders in Pelabuhan Indonesia III Inc. feel that the organizational commitment that they have do not have significant effect to work performance in the company.

## 6. Conclusion

In some previous researches, the variable of transformational leadership is stated to be able to give positive impacts on some output of human resources in an organization. Through this study, the

explanation and confirmation about this case strengthen the existing concept. With the other variables used in this study, including work satisfaction, organizational commitment, and work performance, and also Pelabuhan Indonesia III Inc. as the object, there are different varieties in terms of the results, in which organizational commitment and transformational leadership has not significant impacts on the middle-level leaders' work performance in this state owned company. Finally, this study aims to give contributions in the organizational context and also in more general discussion with the topic of transformational leadership theoretically and empirically.

### 6.1. Managerial implications and social implication

Based on the results of the study at Pelabuhan Indonesia III Inc. can manage the work performance of employees through a transformational leadership style that has a major influence on organizational commitment and job satisfaction of the employee. The formation of the job satisfaction and organizational commitment of the employees will form the best performance of employees of Pelabuhan Indonesia III Inc. The best of work performance is required by middle level employees at Pelabuhan Indonesia III Inc., indispensable to cascading regulations, policies and information of all works from top managers to junior managers internally.

Socially, good work performance can increase empowerment and welfare for the people around it. In addition, in practice this is important to continue to be applied and developed to facilitate the ongoing process of economic activity between users, especially the community in general. Less of the work performance than the employees of Pelabuhan Indonesia III Inc would disrupt the ports' duties in the supply and services of dock, passenger, warehouse and loading and unloading of goods.

### 6.2. Direction of future research

We recommend for the upcoming study to develop at a broader level of leadership in the organization, so that the research produced is better, concrete and comprehensive.

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