ABSTRACT

This study aimed to examine the effect of transformational leadership style and psychological empowerment on organizational commitment in improving the performance of employees at PT. Banks in Semarang, Central Java. The samples in this study were employees who worked at PT. Bank of Central Java Semarang 150 respondents. In the present study used the method of Structural Equation Modeling (SEM) through AMOS software to analyze the data. The analysis showed that the effect of organizational commitment on employee performance.

The empirical findings indicate that the transformational leadership style significantly influence the organizational commitment correlation value of 0.515; psychological empowerment significantly influence the organizational commitment correlation value of 0.208; transformational leadership styles have a significant effect on the performance of employees with a correlation value of 0.258; affect psychological empowerment significant impact on the performance of employees with a correlation value of 0.248; organizational commitment have a significant effect on the performance of employees with a correlation value of 0.287.

Keywords : *transformational leadership, psychological empowerment, organizational commitment, and employee performance*

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