

ABSTRACT

This study aims to analyze the impact of transformational leadership and job satisfaction on employee performance. The variables used in this study are transformational leadership as independent variable, employee performance as dependent variable, and job satisfaction as intervening variable.

The amounts of samples used in this study were 163 respondents representing Indonesian SMEs employees in Central Java province. The sampling method used in this study is non-probability sampling method with a purposive sampling technique. The method of collecting the data is completed by using both offline and online questionnaires. The research analysis tool used in this study is Partial Least Square (PLS) analysis technique with SmartPLS 3.0 version.

The results of this study indicate that transformational leadership has a positive and significant effect on employee performance, transformational leadership has a positive and significant effect on job satisfaction, and job satisfaction has a positive and significant effect on employee performance as well as job satisfaction mediation effect between transformational leadership has a positive and significant effect on employee performance.

Keywords: Transformational Leadership, Job Satisfaction, Employee Performance, SMEs.

