

**THE EFFECT OF TRANSFORMATIONAL LEADERSHIP AND INTERNAL MARKETING ORIENTATION ON EMPLOYEE PERFORMANCE WITH ORGANIZATIONAL COMMITMENTS AS INTERVENING VARIABLES IN EMPLOYEES PT.TUJUH IMPIAN BERSAMA AMDK ALQODIRI JEMBER****Fauzul Adhim Aufa Ahmad\*, Andi Sularso & Diana Sulianti K.Tobing**

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**Keywords:** Transformational Leadership, Internal Marketing Orientation, Organizational Commitment, Employee Performance.**Abstract**

The purpose of this study is to determine the effect of transformational leadership and internal marketing orientation on employee performance through organizational commitment. This type of this study is a literature review. The result of this study showed that transformational leadership and internal marketing orientation have a positive and significant effect on employee performance, transformational leadership and internal marketing orientation have a positive and significant effect on company performance through organizational commitment.

**Introduction**

The company that runs its business is very important in managing its human resources, namely employees so that the company's performance and goals are achieved in quality and quantity, according to Hasibuan (2013: 94). for skills, experience, and sincerity as well as time. To maintain employee performance is very necessary organizational commitment in the work. the higher the level of organizational commitment the higher the performance of employees. As with Akbar et al (2017), Lydia et al (2018) which shows organizational commitment has a positive and significant effect on employee performance, meaning that the higher the level of organizational commitment, the higher the performance of employees. Unlike the Istiani research (2017) which shows the results of negative and not significant organizational commitment to employee performance, meaning that the lower the organizational commitment, the lower the employee's performance.

Factors that influence employee performance in addition to organizational commitment are transformational leadership because theoretical constructs until the relationship between employees and leaders can vary such as (a) differences between teams (differences between teams), (b) differences in teams (differences within teams), or ( C) differences between belief in their team (differences between followers independent of their teams) (Chun et al., 2009; Klein, Conn, Smith, & Sorra, 2001; Klein, Dansereau, & Hall, 1994). These differences can damage the relationship between employees and the team, causing a decrease in employee performance. The emergence of problems that exist because of the emotional bond between low employees that require transformational leadership. Bass & Steidmejer (1999) describes a transformational leader as someone who motivates followers to do more than initially expected. In previous studies Tatilu et al (2014) and Gita and Yuniawan (2016) which stated a positive and significant influence on employee performance, meaning The higher the Transformational leadership, the higher the employee's performance. On the contrary Cahyono et al (2014) transformational leadership is negative and not significant towards employee performance. This means that the lower the transformational leadership, the lower the employee's performance.

Other factors are also found in the internal marketing orientation that affect employee performance. There are various meanings about Internal marketing orientation in many literature, from the issue of what, how and who should do these activities (Ahmed & Rafiq: xiii). One of them according to Ballantyne et al in (Varey & Lewis, 2000: 47) internal marketing is all forms of marketing in organizations that focus staff attention on internal activities that need to be changed to improve external marketing. So employees between divisions are required to solve the problems and needs of marketers in serving their customers. The results of the study of Lings et al (2015) and Schulz et al (2017) which showed a positive and significant influence on employee performance,



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meaning that the higher the internal marketing orientation, the higher the employee's performance otherwise the lower the employee's performance the lower the employee's performance. No negative results have been found from previous studies.

The overall variable factor shows that both transformational leadership and internal marketing orientation variables both influence organizational commitment and employee performance, as well as organizational commitment as an intervening variable that has a positive and significant effect on employee performance, Indica (2013).

### Conceptual Framework

The purpose of this study was to study the transformational influence and internal marketing on employee performance through organizational commitment. Based on this conceptual planning needed directly and indirectly, namely transformational leadership variables (X.1), internal marketing orientation (X.2), organizational commitment (Z), and employee performance (Y).

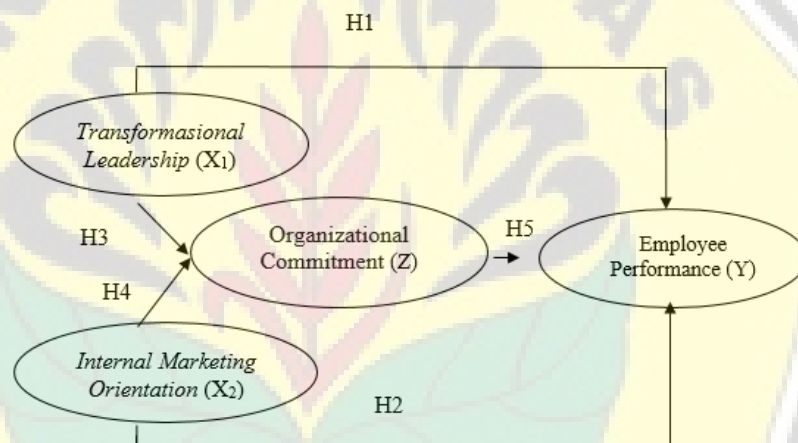


Figure 2. Conceptual Framework

### Discussion

#### 1. The Effects of Transformational Leadership on Organizational Commitment

Robbins (2010: 473) states transformational leadership, namely leaders who devote their attention to the problems faced by their followers and the development needs of each of their followers by giving enthusiasm and encouragement to achieve their goals. It is this transformational leadership that truly means true leadership because this leadership really works towards the goal of directing the organization to a goal that was never achieved before. Research Wibowo (2006), Ye Hoon Lee (2017); Rahayu (2017) states that leadership has a positive and significant effect on organizational commitment and employee performance. Transformational leaders also express their confidence that the team will achieve their goals, towards a higher level of team potential (Bass et al., 2003; Schaubroeck, Lam, & Cha, 2007). Furthermore, transformational leaders encourage a higher level of team cohesion (Bass et al., 2003), which facilitates coordination and cooperation between member groups.

#### 2. The Effects of Internal Marketing Orientation on Organizational Commitments

Internal marketing is introduced as a tool to improve the quality of services provided (Mainardes and Cerqueira, 2015) and visualized as employees (internal) and customers who become external and their activities represent products in the organization so that one emphasis on the organizational field must be on providing internal products that meet customer needs and desires, given organizational goals (Berry, 1981). Based on the studies mentioned above (for example, Backet et al., 2011; Clampitt and Downs, 1993; Conduit and Mavondo, 2001; Jaworski and Kohli, 1993; Kim et al., 2001; Lux et al., 1996), this study expects to find positive effects from the



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internal marketing component (i.e., the quality of the welfare system, training, compensation, communication, and management support) on organizational commitment within the company. The study of Farzad et al (2008) found that relationships supported by employees among Iranian financial services organizations Hung and Lin (2008) supported a positive relationship between employees in the Taiwan International Hotel industry. Hall et al (2016) found that frontline employee perceptions of product and service quality in their business-to-US service companies were positively related to organizational identification, meaning internal marketing orientation had a positive effect on employee organizational commitment as well as Evelyn and Yanti (2017).

### 3. The Effect of Transformational Leadership on Employee Performance

Leary (1999) in Anikmah (2008: 11), transformational leadership is a leadership style that is used by an individual manager if he wants his group to develop rapidly and has gone through the status quo performance or reaches a full set of organizational goals. Transformational leadership in principle motivates subordinates to do better than what can be done, in other words, can increase optimism or subordinate confidence that will affect performance improvement. The results of the study Jacqueline Lomanjayaet. al. (2014) showed that the consistency between transformational leadership and transactional leadership style partially had no significant effect on employee performance. Leaders are a strong source of organizational chains and consequently improve performance through sustainable competitive advantage and managerial performance of Nguyen et al (2017). This perspective shows transformational leadership will generate many attachments, responsibilities, beliefs, motivations, and performance in new matters in organizational situations, job satisfaction, employee involvement, and work involvement. Previous empirical studies have shown that transformational leadership has a positive and significant effect on employee performance of Howell and Hall-Merenda, (1999) and Tatilu et al (2014).

### 4. The Effect of Internal Marketing Orientation on Employee Performance

Internal marketing orientation is a way of promoting the company and its products to its employees, involving involvement and commitment to the organization's strategic program as a prerequisite for targeting that can lead to successful results for the company. While the orientation of internal marketing is a set of managerial behavior in relation to employees who are proposed to have both internal and external consequences (Lings & Greenley, 2005). Companies with an internal market orientation level are believed to be companies that have highly motivated and conscious customer employees that produce satisfied customers and superior market performance. Past research shows a positive effect of internal marketing orientation on employee performance (Lings, 2000; 2002; Lings and Greenley, 2005; Hwang and Chi, 2005). Internal marketing organization must function as a continuous improvement process (Ballantyne, 2003), aligning organizational goals with stimulated employee behavior that leads to performance and assumes a higher level of responsibility so as to improve employee performance.

### 5. The Effect of Organizational Commitment on Employee Performance

Organizational commitment as the relative strength of individual identification and involvement in specific organizations, including trust, support for organizational goals and values, and a strong desire to use genuine efforts for the benefit of the organization, and a strong willingness to maintain membership in the organization. Stanley (2002) argues that low ongoing commitment will not make employees want to leave the organization if it is not balanced by low affective and normative commitments. The level of organizational commitment of employees will ensure that employees feel more suitable to receive extrinsic rewards (including benefits and benefits) and psychological benefits (including job satisfaction and cooperative relationships) from the organization; Organizational commitment is generally considered a subject to reduce employee bad behavior towards laziness that includes the organization and desire to leave the organization. The results of the Nadapdap (2017) study, Nining et al (2018), and Lydia et al (2018) show that organizational commitment has a positive effect on employee performance.

## Conclusion

The results of the above study indicate that the first transformational leadership has a positive and significant effect on organizational commitment, both internal marketing orientation have a positive and significant effect on organizational commitment, the three transformational leadership have a positive and significant effect on



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employee performance, all four internal marketing orientations have a positive and significant effect on performance employees, and the five organizational commitments have a positive and significant effect on employee performance.

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