The Influence Of Transformational Leadership, Personal Value And Organizational Commitment To The Performance Of Millerial Employees In Digital Era In Companies Internet Services Provider (Isp) In City Batam With Motivation As An Intervening Variable

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Abstract

This study aims to analyze the effect of transformational leadership, personal value, and organizational commitment on the performance of millenial employees with motivation as an intervening variable on millenial employees of internet service provider companies in Batam. This type of research is associative causality. This research was conducted using a survey method by distributing questionnaires. The population of this research is three internet service provider companies domiciled in Batam Center. Data analysis methods used are descriptive statistical analysis and Partial Least Square (SEM-PLS) analysis. The analysis was assisted with the Smart PLS 3.0 program. The results of this study indicate that transformational leadership and organizational commitment significantly influence the performance of millenial employees of internet service provider companies in Batam while personal value has no significant effect. Transformational leadership has no significant effect on motivation, while personal values and organizational commitment have a significant effect on motivation. The transformational leadership, personal value, and organizational commitment indirectly have insignificant effect on the performance of millenial employees of internet service provider companies in Batam with motivation as an intervening variable. Transformational leadership has no significant effect on motivation, while personal values and organizational commitment have a significant effect on motivation. The transformational leadership, personal value, and organizational commitment indirectly have insignificant effect on the performance of millenial employees of internet service provider companies in Batam with motivation as an intervening variable.

Keywords: Transformational Leadership, Personal Value, Organizational Commitment, Motivation, Performance, Millenial Employees

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1. Introduction
1.1 Background

Digital technology that is happening now will bring many changes to human performance, where human labor is replaced by machines as a result of the development of digital technology and the internet as well as internet service provider companies in Batam. According to (Prof. Klaus Martin Schwab) states that at this time we are at the beginning of a revolution that fundamentally changes the way of life, work, and relate to one another. A work organization is an organization of broad commitments in efforts to build better human resources, work processes and work results. Work culture in the industrial revolution era 4.0 is able to change employee performance, due to technological developments. In the era of the industrial revolution 4.0 also influenced the leadership patterns needed, where the impact of
technological advances in the industrial revolution has changed the way work that originally used paper-based work, turned into digital-based [1].

Changes due to the era of the industrial revolution 4.0 will be felt by the millennial generation in which employees in various ISP companies more than 85% are millennial generation. One's leadership in a company is one of the factors that determine the steps of a company. One of the factors that can affect the performance of millennial employees is one of them is the way the leader leads. The success and failure of a company is determined by leadership, an effective form of leadership will have an impact on the progress of the company. A good leader is able to utilize the human resources in the company, so leadership is an important part in improving the performance of millennial employees. In addition, if an employee has high organizational commitment, it will affect the employee's performance [2].

Organizational commitment is a commitment created by all individual components in carrying out the organization's operations. That commitment can be created if someone in the organization, carrying out their rights and obligations based on their duties and functions within the organization. Besides that motivation is very important because motivation is a thing that causes, channels and supports human behavior, so that more enthusiastic and active work to achieve optimal results. Motivation is said to be a need that drives actions toward a particular goal. Motivation is important in improving employee performance so that organizational goals are achieved, the organization must be able to move and encourage employees to be more enthusiastic about working [3].

1.2 Problem Formulation

From the above background, the formulation of the problem in this study are:
1. Does transformational leadership affect the performance of millennial employees of the Internet Service Provider company in Batam City?
2. Does personal value affect the performance of millennial employees of Internet Service Provider companies in Batam City?
3. Does organizational commitment affect the performance of millennial employees of the Internet Service Provider company in Batam City?
4. Does motivation affect the performance of millennial employees of Internet Service Provider companies in Batam City?
5. Does transformational leadership affect the motivation of Internet Service Provider companies in Batam City?
6. Does personal value affect the motivation of Internet Service Provider companies in Batam City?
7. Does organizational commitment affect the motivation of Internet Service Provider companies in Batam City?

1.3 Research Objectives

The objectives to be achieved in this study are:
1. To find out whether transformational leadership affects the performance of millennial employees
2. To find out whether personal value affects the performance of millennial employees of the Internet Service Provider company in Batam City
3. To find out whether organizational commitment affects the performance of millennial employees of the Internet Service Provider company in Batam City
4. To find out whether motivation affects the performance of millennial employees of the Internet Service Provider company in Batam City
5. To find out whether transformational leadership affects the motivation of Internet Service Provider companies in Batam City
6. To find out whether personal value affects the motivation of Internet Service Provider companies in Batam City
7. To find out whether organizational commitment affects the motivation of Internet Service Provider companies in Batam City
2. Literature Review
2.1 Employee Performance

Suggests 5 dimensions that can be used as benchmarks in assessing performance, namely: Quality, namely: the level of error, damage, intelligence, quantity, namely: the amount of work produced, the use of time in work, namely: the level of absence, tardiness, effective working time or lost working hours., Cooperation in other people at work, Discipline in carrying out tasks or responsible for work provided by superiors. Some literature provides a definition of performance (performance) is almost similar, which is related to achievement, The degree of accomplishment or in other words, performance is the level of achievement of organizational goals. According to performance is a significant result of the performer or the level of employee achievement of job requirements [4].

2.2 Motivation

According to the theory of expectation put forward by Vroom in Handoko (1999) namely "Motivation is the result of a result to be achieved by someone and the estimates concerned that his actions will lead to the desired results. Human motivation has been developed by Maslow through the explanation that motivation is triggered by human efforts to meet needs. In this theory, Maslow classifies human needs into five categories. Maslow's hierarchy of needs consists of: (1) Physiological, including the need for clothing, food, shelter and other physical needs, (2) Security, including the need for safety and protection against physical and emotional loss, (3) Social, among others compassion, belongingness, welcome, friendship, (4) Appreciation includes, among others, self-respect factors such as self-esteem, autonomy, and achievement; and external self respect factors such as status, recognition and attention, (4) Self-actualization, is an impulse to be a person according to his ambitions which include growth, achieving potential, and fulfilling self-needs. ERG theory is a reflection of the names of three basic needs as explained by Mangkunegara in his book, namely: a. Existence needs. These needs are related to the physical existence of employees, such as eating, drinking, clothing, breathing, salary, security of working conditions, fringe benefits. b. Relatedness needs. Interpersonal needs, namely satisfaction in interacting in the work environment. c. Growth needs. The need to develop and improve personally [5].

2.3 Transformational Leadership

States that transformational leadership is often defined through its impact on how leaders strengthen mutual cooperation and trust, collective self-improvement, and team learning. With this transformational leadership style the followers feel the trust, admiration, loyalty and respect for the leader, and the followers are motivated to do more than originally expected. Transformational leadership further increases motivation and performance of followers. Yukl (2010, p.305) formulates four characteristics possessed by a transformational leader, namely: a. Ideal influence (Idealized influence) is behavior that evokes emotions and strong identification of followers towards leaders. b. Individualized consideration includes providing support, encouragement, and training for followers. c. Inspirational motivation (Inspirational motivation) involves delivering an interesting vision, using symbols to focus the efforts of subordinates. d. Intellectual stimulation (Intellectual stimulation) is behavior that increases followers' awareness of problems and influences followers to view problems from a new perspective [6].

The definition of transactional leadership is inseparable from the opinion expressed by that transaction leadership motivates followers by calling on followers' personal interests. Inspirational motivation (Inspirational motivation) involves delivering an interesting vision, using symbols to focus the efforts of subordinates. d. Intellectual stimulation (Intellectual stimulation) is behavior that increases followers' awareness of problems and influences followers to view problems from a new perspective. The definition of transactional leadership is inseparable from the opinion expressed by Burns (1978), namely that transaction leadership motivates followers by calling on followers' personal interests (Yukl, 2010, p.290). Inspirational motivation (Inspirational motivation) involves delivering an interesting vision, using symbols to focus the efforts of subordinates. d. Intellectual stimulation (Intellectual stimulation) is behavior that increases
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2.4 Personal Value
Efine values as beliefs about internalized behavior, this impacts (among other things) how an individual interprets information. The authors conducted a comprehensive review of the literature and proposed a framework for identifying and classifying existing research values, showing the iterative nature of values and the way that values can influence both perception and behavior. Rokeach defines the concept of value as "an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable ...". Based on this definition, the concept of values reflects three important characteristics: (1) It is a cognition of what is desired, (2) It is affective, with associated emotions, (3) Has a component of behavior that leads to action when activated. Values indicate the basic reason that a particular way of execution or circumstance is preferred personally or socially compared to the way it is implemented or the opposite end state [8].

Values contain elements of consideration that bring an individual's ideas about things that are true, good, and desirable. Researchers in the field of organizational behavior have long included the concept of values as a basis for understanding individual attitudes and motivations. Individuals who enter an organization with pre-formed opinions about what "should" and what "shouldn't" occur. This in turn has implications for certain behaviors or results which are preferred over others. In other words, define values as beliefs that refer to desired goals, go beyond certain actions or situations, serve as standards to guide the selection or evaluation of behavior, people and events, and are ordered by relative interests for each other [9].

2.5 Organizational Commitment
According to that organizational commitment is a reflection where an employee recognizes the organization and is bound to its goals. This is an important work attitude because committed people are expected to show their availability to work harder to achieve organizational goals and have a greater desire to continue working in a company. According to organizational commitment reflects the degree to which individuals identify with the organization and has a commitment to its goal. According to organizational commitment is the degree in which an employee identifies himself with a particular organization and its goals and desires to maintain its membership in the organization [10].

2.6 Thinking Framework
A. Transformational leadership on employee performance
States that: Transformational leadership style has a charismatic dimension, intellectual stimulus, individual consideration, and inspirational motivation. If a leader succeeds in influencing subordinates with his vision to instill his charisma to motivate and become an inspirator, stimulate intellectual, creativity and respect his employees, then it is certain that employees will work well, truly and loyal to the company so that their performance increases. Research by states that transformational leadership style has a significant effect on employee performance in CV. Jade Indopratama Malang [11].
B. Personal value on employee performance

Personal values affect all behaviors and this is also confirmed by those who state that the concept of personal values and value systems has been used to predict various forms of behavior. Performance is a form of individual behavior related to work activities and this performance is inseparable from the personal values held by individuals who carry out work activities. Personal values are at the core of personality and affect all other characteristics, namely: attitudes, evaluations, judgments, decisions, and commitments. Personal values as described included as instruments of hard work, ambition, courage, independence, optimism.

2.6.3 Organizational commitment Towards employee performance

Robbin's theory (2001) argues that organizational commitment is to what extent an employee is siding with a particular organizational structure and objectives, and intends to maintain membership in that organization. So that employees can work well, then as much as possible employees must be given the confidence to prove employee loyalty to the agency. Organizational commitment is the degree to which an employee or employee sided with a particular organization and its objectives, and intends to maintain the organization within that organization. High organizational commitment means there is a high level of support for the organization. In study entitled The Effect of Motivation [12].

2.6.4 Transformational Leadership Towards Motivation

Leadership is a human factor that ties a group together and motivates it towards certain goals, both short and long term. Transformational leadership that is carried out by a leader in the company can influence the work motivation of employees states that work motivation is influenced by three factors, namely leadership, the role of themselves and the role of the organization. Furthermore, work motivation can also be influenced by organizational climate, according to Stringer (2002: 92) that the characteristics or components of organizational climate affect the work motivation of members of the organization for certain behaviors [13].

2.6.5 Personal value to motivation

Values as beliefs about internalized behavior, this impacts (among other things) how an individual interprets information. The higher the value of one's self, the higher the motivation, so that it will improve its performance in an organization.

2.6.6 Organizational Commitment Towards Motivation

Anidar KH, and Sri Indarti in 2015 conducted a study that showed that commitment had a positive and significant effect on work motivation. The higher the commitment of the employee, the higher the work motivation of the employee.

2.6.7 Motivation Toward Employee Performance

Motivation is a series of attitudes and values that influence individuals to achieve specific things in accordance with individual goals. That attitude and value is an invisible which gives strength to encourage the individual to behave in achieving the goal. If individuals are motivated, they will make positive choices to do something, because basically motivation can spur employees to work hard so that they can satisfy their desires and increase their work productivity and will ultimately affect the achievement of organizational goals. Tatan Sutanjar's research results (2020) stated that Motivation has a positive and significant impact on employee performance in the Banjar City PP Police Unit [14].

2.5 Framework

Based on the research background, problem formulation and research framework, a research model can be made.
2.6 Hypothesis

Based on the research model above, the following research hypotheses can be made:

H1 : Transformational Leadership affect the performance of millennial employees of the Internet Service Provider company in Batam City
H2 : Personal Value affect the performance of millennial employees of the Internet Service Provider company in Batam City
H3. : Organizational Commitment affect the performance of millennial employees of the Internet Service Provider company in Batam City
H4. : Motivation on the performance of millennial employees of the Internet Service Provider company in Batam City
H5. : Transformational Leadership affect the millennial motivation of the Internet Service Provider company in Batam City
H6. : Personal Value affects the millennial motivation of the Internet Service Provider company in Batam City
H7 : Organizational Commitment affect the millennial motivation of the Internet Service Provider company in Batam City


This type of research is explanatory research with a quantitative approach. This research was conducted at the Internet Service Provider company in Batam City. The population in this study were all employees in the Internet Service Provider company, totaling 245 employees. The sampling technique used was purposive sampling. Based on the research objectives to determine the effect of transformational leadership, personal values and organizational commitment to employee performance with motivation as an intervening variable the sample taken was all millennial employees born from 1981 to 1996 totaling 100 employees. Sources of data obtained from primary data by distributing questionnaires and secondary data with documentation [15].
4. Results and Findings

4.1 Search Object

Internet Service Provider Company as many as 3 companies domiciled in Batam Center Batam City, Riau Islands Province, namely PT. Media Nusa Permana, Solusi Net, Palapa Net.

4.2 Data Analysis

A. Analysis of Internal Consistency

Internal consistency analysis is a form of reliability used to assess the consistency of results across items on the same test. Internal consistency testing uses composite reliability values. Criteria for good construct reliability according to can be seen from the composite reliability > 0.600.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach's Alpha</th>
<th>rho_A</th>
<th>Composite Reliability</th>
<th>Average Variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational Leadership</td>
<td>0.924</td>
<td>0.935</td>
<td>0.948</td>
<td>0.755</td>
</tr>
<tr>
<td>Personal Value (X2)</td>
<td>0.891</td>
<td>0.900</td>
<td>0.916</td>
<td>0.646</td>
</tr>
<tr>
<td>Organizational Commitment (X3)</td>
<td>0.888</td>
<td>0.889</td>
<td>0.915</td>
<td>0.642</td>
</tr>
<tr>
<td>Motivation (X4)</td>
<td>0.881</td>
<td>0.886</td>
<td>0.915</td>
<td>0.542</td>
</tr>
<tr>
<td>Employee Performance (Y)</td>
<td>0.916</td>
<td>0.922</td>
<td>0.935</td>
<td>0.705</td>
</tr>
</tbody>
</table>

(Source: Data Processed From 2020 Research Results)

Based on the data of internal consistency analysis in the table above, the results show that the Competency variable (X1) has a composite reliability value of 0.948 > 0.600, then the X1 variable is reliable, then the Job Stress variable (X2) has a composite reliability value of 0.916 > 0.600, the X2 variable is reliable, Perceived Organizational Support (X3) variable has a composite reliability value of 0.915 > 0.600 then X3 variable is reliable, Organizational Commitment variable (X4) has a composite reliability value of 0.915 > 0.600 then X4 variable is reliable, Employee Performance variable (Y) has composite reliability value of 0.935 > 0.600 then the Y variable is reliable.

4.2 Path coefficient results (Path coefficient)

Full Model Structural Equation Modeling (SEM) using software, the results can be seen in Figure 4.1 below:

Figure 2. Full Model Artifacts, Transformational Leadership, Personal Value, Organizational Commitment, Motivation, Performance Of Millennial Employees.
B. Hypothesis Test Results

Hypothesis testing aims to answer the problem formulation in Chapter I. Hypothesis testing is done through the bootstrapping process with Smart PLS. Hypothesis testing is accepted, when using probability (P-Values) <0.05. The results of the bootstrapping process with SmartPLS can be seen in the following table 4.2:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient Value</th>
<th>T-statistic</th>
<th>P-Values</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational Leadership (X1) → Performance (Y)</td>
<td>0.254</td>
<td>2.121</td>
<td>0.034</td>
<td>Sig</td>
</tr>
<tr>
<td>Personal Value (X2) → Performance (Y)</td>
<td>0.054</td>
<td>0.723</td>
<td>0.486</td>
<td>No Sig</td>
</tr>
<tr>
<td>Organizational Commitment (X3) → Performance (Y)</td>
<td>0.403</td>
<td>2.288</td>
<td>0.023</td>
<td>Sig</td>
</tr>
<tr>
<td>Motivation (X4) → Performance (Y)</td>
<td>0.117</td>
<td>6.97</td>
<td>0.000</td>
<td>Sig</td>
</tr>
<tr>
<td>Transformational Leadership (X1) → Motivation (X4)</td>
<td>0.048</td>
<td>0.399</td>
<td>0.590</td>
<td>No Sig</td>
</tr>
<tr>
<td>Personal Value (X2) → Motivation (X4)</td>
<td>0.456</td>
<td>5.296</td>
<td>0.000</td>
<td>Sig</td>
</tr>
<tr>
<td>Organizational Commitment (X3) → Motivation (X4)</td>
<td>0.520</td>
<td>6.267</td>
<td>0.000</td>
<td>Sig</td>
</tr>
<tr>
<td>Transformational Leadership (X1) → Motivation → Performance (Y)</td>
<td>-0.006</td>
<td>0.267</td>
<td>0.698</td>
<td>No Sig</td>
</tr>
<tr>
<td>Personal → Motivation → Performance (Y)</td>
<td>0.053</td>
<td>6.69</td>
<td>0.004</td>
<td>No Sig</td>
</tr>
<tr>
<td>Organizational Commitment → Motivation → Performance (Y)</td>
<td>0.061</td>
<td>0.672</td>
<td>0.502</td>
<td>No Sig</td>
</tr>
</tbody>
</table>

1. Based on the results of statistical tests it is known that the influence between transformational leadership on employee performance is significant, it can be proven by the P-Value of 0.034 (0.034 <0.05), meaning that transformational leadership has a significant effect on the performance of millennial employees at Internet Service Provider companies in Batam City.

2. Based on statistical test results it is known that the influence between personal value on employee performance is not significant, this is because the P-Value value of 0.723 (0.723>0.05), meaning that the personal value effect is not significant on the performance of millennial employees at Internet Service Provider companies in Batam City.

3. Based on statistical test results it is known that the influence between organizational commitment to employee performance is significant, this is because the P-Value is 0.023 (0.023<0.05), meaning that organizational commitment has a significant influence on millennial employee performance at Internet Service Providers in Batam City.

4. Based on statistical test results it is known that the influence between motivation on employee performance is not significant, this is because the P-Value is 0.486 (0.486>0.05), meaning that personal motivation is not significant to millennials employee performance at Internet Service Provider companies in Batam City.
5. Based on statistical test results it is known that the influence between transformational leadership on motivation is insignificant, it can be proven with a P-Value of 0.590 (0.590<0.05), meaning that transformational leadership has no significant effect on motivation of millennial employees at Internet Service Provider companies in the City Batam.

6. Based on statistical test results, it is known that the influence between personal value on motivation is significant, it can be proven with a P-Value of 0.000 (0.000<0.05), meaning that transformational leadership has a significant influence on motivation of millennial employees at Internet Service Providers in Batam City.

7. Based on the results of statistical tests it is known that the influence between organizational commitment to motivation is significant, it can be proven by the P-Value of 0.000 (0.000<0.05), meaning that organizational commitment has a significant effect on motivation of millennial employees on Internet Service Provider companies in Batam City.

\subsection*{4.2.3. R-square analysis}
R-square analysis of changes in R-Squares values can be used to explain the effect of exogenous latent variables on whether endogenous latent variables have substantive effects. R-Squares values of 0.75, 0.50, and 0.25 can reflect that the model is strong, moderate, and weak. The following results of the R-Square values from testing the research model can be seen in the table below.

<table>
<thead>
<tr>
<th>Variable</th>
<th>R-Square Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization Commitment</td>
<td>0.771</td>
</tr>
<tr>
<td>Performance</td>
<td>0.549</td>
</tr>
</tbody>
</table>

Table 4.3 shows that competency, job stress and Perceived Organizational Support can be explained by performance variables of 54.9%, while the remaining 45.1% are explained by other variables not examined in this model. Whereas, organizational commitment produces an R-square value of 0.771 which means the organizational commitment variable explains competence, job stress and Perceived Organizational Support at 77.1% and the remaining 29.9% is explained by other variables not examined in this model. Therefore, this model is a moderate model.

\section*{5 Conclusions and Suggestions}

\subsection*{5.1. Conclusion}
Based on the results of the research and discussion described above, several conclusions can be drawn as follows:

1. Transformational leadership has a significant influence on the performance of millennial employees in Internet Service Provider companies in Batam City.
2. Personal value is not a significant influence on the performance of millennial employees at an Internet Service Provider company in Batam City.
3. Organizational commitment has a significant influence on the performance of millennial employees at Internet Service Provider companies in Batam City.
4. Personal motivation is not significant to the performance of millennial employees at an Internet Service Provider company in Batam City.
5. Transformational leadership is not a significant influence on the motivation of millennial employees on Internet Service Provider companies in Batam City.
6. Transformational leadership has a significant influence on the motivation of millennial employees on Internet Service Provider companies in Batam City.
7. Organizational commitment has a significant influence on the motivation of millennial employees on Internet Service Provider companies in Batam City.
8. The transformational leadership, personal value, and organizational commitment indirectly have insignificant effect on the performance of millennial employees of internet service provider companies in Batam through motivation.
5.2 Suggestion

After it can be concluded from the results of the analysis that has been done, the suggestions for further research should pay attention to the number of samples to be used in order to obtain a more appropriate model. In addition to the variables need to be selected of the indicators used.

References