

# The Influence of Transformasional Leadership Style, Organizational Justice, Employee Engagement and Employee Reaction on Employee Performance

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## Abstract

*This research was conducted to determine and analyze the effect of transformational leadership style, organizational justice, employee engagement and employee reaction on employee performance. The design of this study was hypothesis testing using primary data obtained by distributing 291 questionnaires to employees of Pt Torganda's oil palm plantation with the measuring scale used is the Likert scale. The data analysis technique used was multiple linear regresion analysis quantitative data analysis techniques using statistical methods Sciens statistikal package for the social sciens (SPSS). The results of this study conclude that partially and simultaneously there is a significant and positive relationship between transformational leadership style, organizational justice, employee engagement and employee reactions to employee performance.*

## Keywords

transformasional leadership;  
 organization justice; employee  
 engagement; employee reaction;  
 and employee performance



## I. Introduction

HR (Human Resources) is one of the main resources in realizing the success of an institution or organization. This event shows that HR control has an important role in paying attention to and improving employee performance to ensure the achievement of organizational success in which there are many elements that can develop employee performance. Thus, HR management will become a major element to achieve the organization's mission in an efficient and effective manner. Human resources are the main factor that is very important and cannot even be separated from an organization, both agencies, and companies Marisna (2020). Organization must have a goal to be achieved by the organizational members (Niati et al., 2021). Performance within the organization is a form of whether or not the expected mission of an organization is achieved. Oil palm plantations have management functions, namely: designing, implementing, classifying, and evaluating production activities to achieve the expected goals.

The leadership style is one of the factors needed in running a company in order to achieve the expected goals, stated by Avilla (2018) that an efficient leadership style in the escalation of encouragement and employee work obedience is a transformational leadership style. A just transformational leadership style in the organization as well as employee engagement is needed to improve the performance of oil palm plantation companies through employee performance. In previous studies, the same research has

never been carried out in oil palm plantations, therefore new research is needed to see whether an equal influence will also the same applies to oil palm plantations.

Employees are an important thing that must exist in a company, therefore companies must be able to assist employees in improving performance by providing fairness and causing positive reactions from each employee so that employee performance continues to increase. Engagement or employee engagement according to (Robinson 2004 in Santoso et al., 2018) states that employee engagement is a positive attitude from employees towards the organization where they work and the values of the organization. Thus, in the concept of employee engagement, there are two relationships between employees and the company. Organizational justice is also a benchmark for employees to keep working in the organization or to move, because if employees do not feel there is justice in the organization then it will make employees choose to move.

Robertus Gita & Yuniawan (2016) stated that, the influence of transformational leadership style, work motivation, and organizational culture on employee performance. Overview of this study shows that the better the leadership style, the better the performance of employees at PT. BPR Arta Utama. However, on the contrary, if the leadership style is felt to be lacking, it can have an impact on decreasing the quality of employee performance. Development is a change towards improvement. Changes towards improvement require the mobilization of all human resources and reason to realize what is aspired (Shah et al, 2020). The development of human resources is a process of changing the human resources who belong to an organization, from one situation to another, which is better to prepare a future responsibility in achieving organizational goals (Werdhiastutie *et al*, 2020).

The purpose of this research is to see the company's strategy in adapting to the surrounding environment and creating quality human resources. The results of the research include the development of human resources, organizational strategy. The research equation lies in the X1 variable, namely transformational leadership style, while the research differences lie in the object of research, and the point of view

Organizational justice, organizational commitment and employee performance (Kristanto, 2015). Overview of this study is that organizational justice has a positive effect on organizational commitment. Organizational justice and organizational commitment affect employee performance. The purpose of this study is to see the effect of organizational justice on performance through organizational commitment as an intervening variable. The similarity of the research lies in the organizational justice variables and data collection techniques, while the differences lie in the sampling technique and theoretical basis.

Effect of employee engagement on employee performance at Rodex Travel Surabaya (Debby Siswono, 2016). The overview of this research is that the company maintains employee employee engagement and tries to continuously improve it because it has been proven to have a positive impact on employee performance. The purpose of this study was to see the effect of employee engagement on employee performance at Rodex Travel Surabaya by using vigor, dedication, and absorption as independent variables. The similarity of the research lies in the analysis technique, while the difference in the research lies in the point of view and research subjects.

Transformational leadership style, organizational justice, and employee reactions to employee performance (Avilla, 2018). Overview in this study is that leadership style, organizational justice affects employee reactions, and employee reactions affect employee performance.

The purpose of this study was to see the magnitude of employee reactions as an intervening variable on employee performance. The difference in research lies in the point of view, location, research object and data collection techniques. While the equation lies in the independent variable and Y bound variable.

The results of the first observation were carried out on 30 employees of the oil palm plantation kpks Bukit Harapan II, and the 30 employees stated that leadership style, organizational justice, attachment and employee reactions were able to affect employee performance.

Thus, this research has the following objectives: 1) analyzing the impact of transformational leadership style, organizational justice, employee engagement and employee reactions to employee performance.

## **II. Review of Literature**

### **2.1 Transformational Leadership Style**

One form of corporate leadership that we know can create the effectiveness of a company is transformational leadership. This form of leadership shows the level of competence possessed by the leader to improve individual traits and character for the better by showing and motivating employees to do something that seems impossible to do. According to Avilla (2018), transformational leaders are leaders who influence their members to put aside their relevance for integrity.

### **2.2 Organizational Justice**

Interactional justice is a conscientious conception that prioritizes individual recognition of the perceived value based on professionalism on the treatment allowed when the company implements employee work policies. Organizational justice can be declared fair if it provides employees with wages that are commensurate with what the employees have done. If the ratio between wages obtained through the work carried out by employees is felt to be not commensurate, then employees certainly feel that there is no justice. Agree with Hidayat (2016) reiterating that organizational justice is basically an individual's appreciation of the fairness of the attitude they receive at work. Siregar et al. (2020) justice

Organizational structure is a perception that a person has about policies, treatment, organization against him. This includes fairness of compensation received, superior's attention, as well as the superior's treatment of employees. Justice can be assessed through several things, namely: a) the progress or achievements they get from the organization (distributive justice); b) the official procedure or wisdom by which the results are distributed (procedural justice); and c) their interpersonal treatment obtained through implementing organizational policies (interactional justice). All three are different but related elements of organizational justice.

### **2.3 Employee Engagement**

Employee engagement, or often defined as employee engagement, is an important contribution to employee retention efforts and performance" (Manggabarani et. al 2020). The benefit of employee engagement on oil palm plantations is that it can detect the success of the company through events related to employee performance, inventiveness, occupational health, existence and retention to profitability. Employee performance is one of the factors for the formation of high employee engagement. Thus, there is a two-way relationship between the company and its employees. An employee who has a high level of

attachment to the institution has an interpretation and interest in the organization's work environment. According to (Santoso et. al 2018) that employee engagement is the positive behavior of employees towards the institution where they work and the values of the institution. Dewi et al., (2021) employee engagement means the degree to which a person takes sides psychologically on his job.

## **2.4 Employee Reaction**

In an institution, employee reactions are classified in two terms, namely organizational justice and work motivation. Omolo (2015) Motivation is central to the success of an organization to oversee the continuity of workers in the institution through strong means and support to continue life. Encouragement is conveying the right direction, resources and feedback so that employees are motivated and motivated to work in a satisfactory manner by the leader. The work motivation perspective has elements, namely: 1) straightforward obedience from employees, 2) high vision and power of consolidation, 3) self-consistency and conviction that employees have on their competence, 4) resistance to repression, sentimental twists that are not good, 5) the obligation in carrying out the task is the cognition of the individual to carry out responsibilities or work. An employee who has a high engagement is very important that can generate employee positive attitudes and behavior (Herminingsih, 2020 in Zufrie et al., 2021).

## **2.5 Employee Performance**

Performance is a very significant thing for the industry in achieving intentions. In its relevance through improving human resources, employee performance is very necessary for the development of the company.

(Mandhi fialy harahap et. al 2020) Performance is the real character shown by each individual as a manifestation of work produced by workers according to their position in the institution. This condition shows that performance is an instrument for companies based on performance that is used as a basis for making work evaluations, namely to see the success of an institution.

# **III. Research Methods**

This research was conducted to measure the hypothesis through the use of quantitative research methods. The study segment in this research is Pt.torganda. While the unit of observation of this research is the employee of KPKS Bukit Harapan II. To test the research variables, it was carried out on 30 employees. To process the data and test the hypothesis, it is done by testing the validity and reliability.

Validity test is used to measure whether or not a questionnaire is valid, the questionnaire is declared valid if it is able to reveal something that will be measured by the questionnaire. The statement is declared valid if it has  $r$  arithmetic which is greater than the standard, namely 0.30. If the correction value  $> 0.30$ , it can be concluded that the instrument item is valid. On the other hand, if the correction value is  $< 0.30$ , it can be concluded that the items on the instrument are invalid and must be discarded or corrected (Ghozali & Rusimamto, 2015)

The reliability test is carried out after the validity test, the reliability test method that will be used in this study, namely by statistical test cronbach's alpha a construct or variable is declared reliable if the value of cronbach's alpha  $> 0.60$  (Ghozali & Rusimamto, 2015).

The population in this study was 1,200 and the sample of this study was probability sampling or available samples as many as 291 respondents. According to (Sugioyono,

2017 Novita, 2020) Probability Sampling can be defined as follows, Probability sampling is a sampling technique that provides equal opportunities for each member of the population to be selected as a sample member.

#### IV. Results and Discussion

**Tabel 1.** Validity Test Results

Variabel	indicator	r-count	Sig.	Criteria r-count	conclusion
Transformasional leadership style	Ga 1	0,833	0,000	>0,3	Valid
	Ga 2	0,850	0,000		Valid
	Ga 3	0,798	0,000		Valid
	Ga 4	0,811	0,000		Valid
Organizational justice	Ko 1	0,890	0,000	>0,3	Valid
	Ko 2	0,708	0,000		Valid
	Ko 3	0,706	0,000		Valid
	Ko 4	0,884	0,000		Valid
	Ko 5	0,803	0,000		Valid
Employee engagement	E 1	0,738	0,000	>0,3	Valid
	E 2	0,745	0,000		Valid
	E 3	0,821	0,000		Valid
	E 4	0,678	0,000	>0,3	Valid
	E 5	0,807	0,000		Valid
	E6	0,792	0,000		Valid
Employee reaction	Rk 1	0,620	0,000	>0,3	Valid
	Rk 2	0,665	0,000		Valid
	Rk 3	0,807	0,000		Valid
	Rk 4	0,872	0,000		Valid
	Rk 5	0,756	0,000		Valid
	Rk 6	0,707	0,000		Valid
	Rk 7	0,807	0,000		Valid
	Rk 8	0,772	0,000		Valid
	Rk 9	0,799	0,000		Valid
	Rk 10	0,838	0,000		Valid
Employee performance	K 1	0,639	0,000	>0,3	Valid
	K 2	0,609	0,000		Valid
	K 3	0,631	0,000		Valid
	K 4	0,758	0,000		Valid
	K 5	0,727	0,000		Valid
	K 6	0,697	0,000		Valid

#### Decomposition Interpretation Validity Test

Based on Table 1, it can be seen that the transformational leadership style (X1), organizational justice (X2), employee engagement (X3), employee reactions (X4) and employee performance (Y) in this test have met the requirements with the Pearson correlation value or r count more greater than 0.30 and significant value  $<0.05$ . So it can be concluded that this statement item is declared valid.

**Tabel 2.** Reliability Test Results

Variabel	Cronbach's Alpha	coefficient criteria	Consulation Reliabel
Trasnformasional leadership style	0,870	>0,5	



Organizational justice	0,841	>0,5	Reliabel
Employee engagement	0,902	>0,5	Reliabel
Employee Reaction	0,890	>0,5	Reliabel
Employee performance	0,815	>0,5	Reliabel

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### Deciphering Interpretation Reliability Test

Based on the results of the instrument reliability test in Table 3, it can be concluded that the above instruments are reliable because the Cronbach's Alpha value of each instrument is greater than  $r$  table 0.60. So that it can be used to carry out research or test research hypotheses.

The results of this research analysis state that transformational leadership style has a positive influence on employee performance, therefore leaders in a company must have a distinctive image of themselves that can develop their employees.

Transformational leadership style has a significant influence on employee performance which is also in line with the opinion of Avilla (2018) which states that the X variable has an effect on Y where this is stated by looking at the significant value of  $0.000 < 0.05$ .

Organizational justice in this study also has a significant effect on employee performance which is in line with Kristanto (2015) who says that organizational justice is one of the things that need to be considered by the organization. This is stated by looking at the significant value  $0.000 < 0.05$

Employee engagement in this study has a significant influence on employee performance, where the results of this study are also in line with (Mustamu & Lewiuci, 2016) which states that employee engagement has a significant effect on performance with a value of  $0.000 < 0.05$ .

The next result of this study is that employee reactions have a significant effect on employee performance. The results of this study are also supported by Avilla (2018) which states that employee reactions need to be considered in an organization. This is stated by looking at the significant value  $0.000 < 0.05$

The results of the final analysis of this study prove that in addition to partially having a positive and significant influence simultaneously, these four variables are also proven to have a positive and significant influence on employee performance.

The results of this research analysis also show that organizational justice, employee engagement, and employee reactions also need to be considered and considered, if employees do not feel given justice by the company this will have a non-coefficient work impact on employees where employee performance results will deteriorate, so also with employee engagement or employee engagement, if employees feel they have an attachment to the company the employee will further improve the quality of his performance, therefore employee engagement is needed by the company because it will benefit the company, employee reaction is one thing that must be considered company, if the employee gives a positive reaction it will benefit the company, but if the employee's reaction is not good this will have an impact on the quality of employee performance.

## V. Conclusion

From the results of the study, it can be concluded that transformational leadership style affects employee reactions and performance, there is an influence of organizational justice on employee reactions and performance, there is a significant negative effect on employee engagement on employee reactions and performance, employee reactions have a positive effect on employee performance.

Based on the conclusions, the researcher gives some suggestions, namely oil palm plantations must continue to pay attention to their employees both in terms of increasing work and rewards for employees, because if employees feel themselves being treated well by the company then employees will further improve their performance so that the company can get the expected results.

Leaders in oil palm plantation companies must also continue to maintain fairness in the company's organization, leaders are expected to be fair to all employees so that employees feel safe and comfortable in carrying out their work in the company.

## Recommendation

Further researchers are advised to conduct research on other oil palm plantation companies, besides that research can be carried out in other industries such as hospitals, restaurants, banks, hotels and is advised to add work environment variables as factors that affect employee performance.

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