THE INTERVENTION OF JOB SATISFACTION IN INFLUENCE THE EMPOWERING LEADERSHIP AND TALENT MANAGEMENT TOWARD STAFF PERFORMANCE

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ABSTRACT

This research investigates whether and how empowerment leadership and talent management influence the mediator variables (employees’ job satisfaction) in the organization context. It also examines how the mediators should influence employees’ job performance. 575 employees were recruited for a survey study, and Structural Equation Modeling was used to test the research hypotheses. The empirical results indicate that empowerment leadership and talent management have significant and positive effects on employees’ job satisfaction. Furthermore, employees’ job satisfaction has partial mediators between predictors variables to employees’ job performance.

INTRODUCTION

During COVID-19 and the rapid competition globally among companies makes the managers to care about their employees’ resources and performance. They pursue the employees to enhance their productivity in workplace including improve productivity as well as knowledge and communication. However, the workers doing everything based on their leaders’ instruction. It also has become a true rule in some firms. They carry out the job of their field, when the instruction is coming and has similarly views with their job. This type of work makes the employees need to attend the situation and work hard to assure that whether the project has generated a good result. The managers’ enthusiasm has essential role to influence employee’s performance (Atatsi et al., 2020; Neher and Maley, 2020). However, this study just offer concept how must be managers and leader interaction. Furthermore, the comfortable places and environment possibly support the employment performance. Moreover, most of
the company neither private or public company have distinguished quality to improving their employees in each field.

Preliminary studies on human resources field have been confirmed that job environment and management support have positive effect to employees’ performance. However, the role of empowering leadership and management talent to employees’ job satisfaction and employees’ performance among workers is still debatable among scholars across the countries. For instance, Lappalainen et al. (2019) revealed employees’ engagement has dominant role on influence employees’ performance rather than environment factor. Subsequently, the employees’ engagement assured through how the managers and leaders guide and assist with being professional at workplace. Similarly, according to Neher and Meley (2020) focus on managers’ enthusiasm and capability has assisted to influence employees’ performance effectively. Beside, Diamantidis and Chatzoglou (2019) claimed that job environment and management support has positive effect to influence employees’ performance. In contrast, Dharma (2018) work motivation has a positive and significant effect to employees’ performance. In other hand, the employees required improve the productivity to obtain achievement, integrity, and loyalty. According to Diamantidis and Chatzoglou (2019), Hendri (2019) and Kundu et al. (2019) some worker worldwide has been faced to unsatisfaction with their environment in workplace, as well as Indonesian employees.

Over a decade, the employees all over the world had the similar inclination to reach the job satisfaction which that obtained the facilities, achievement and the good environment in office. The employment performance had exhibit us to see the improvement of the employees through their productivity, discipline, loyalty to the company, relation among the colleagues and the leaders. Indonesia is still confusing why their workers’ performance is lower compared to other countries. This study aims to address this gap by examining the role of empowering leadership, management talent, job satisfaction as a mediator between predictor variables to employees’ performance toward empirical study of developing countries. It is essential to understand whether empowering leadership and management talent as a primary factor of employees’ performance. Beuren et al. (2019), Neher and Meley (2020) and Edgar et al. (2020) in their studies, recommended future research need to investigate the role of corporate organism in a broader area which correlation with the employees’ job satisfaction and job performance. It can help us achieve a holistic view of the relationship between these variables and give insights to the academicians and industry players based on the organization field. Moreover, prior studies more prone to validate the correlation between leadership empowering, talent management and job performance as a unity with employees decision-making process without deep elaborate the concept of human resources development based on negative value. This study also extends the concept job satisfaction and performance among workers and managers toward elaborate the concept of leadership empowering.

Since 1980s onwards, organizations have started to develop workers’ cognitive level. It also emerged the concept of empowering leadership (Hoang et al., 2021). Furthermore, employee empowerment has become the main pattern of empowering leadership to encourage personal inspiration in the workplace through assigning duties and authority (Cheong et al., 2019). Empowering leadership also has distinguished style such as characteristics. It has crucial role to employees’ capabilities and performance, engagement and reduce constraints. Hence, empowering leadership is a tool to managers to share and maintain their authority to employees. The spirit of empowering leadership is to share of power and authority among managers and employees (Rao Jada et al., 2019). This spirit also possibly to enhance the leader
motivation to emerge as self-directed individuals and collaboration activities to achieve organizational goals toward increasing participation in decision-making process (Kundu et al., 2019). The empowering leaders concept attempt to develop their employees toward providing variously autonomy, discretion, control, and decision. It including inviting their workers on decision making process, for instance, information sharing and knowledge sharing (Albrecht and Andreetta, 2011; O’Donoghue and van der Werff, 2021). Employees’ sense of self-concept and self-worth is generally enhanced because of leaders’ empowering behavior (Khan et al., 2018). It also stimulates autonomy-associated situations such as self-leadership, opportunity thinking and interesting work by boosting their coworkers’ propensity to view performances that do not meet expectations as an opportunity to learn. Hence, the employees need more empowered to enhanced their contribution and competence to company.

According to Collings et al. (2017) and Swailes (2020) talent management is the development of employees performing and potential toward using a different approach to ensure the key positions of employees (e.g., competent and committed) in the organization. It implies the talent is a combination between high performance and high potential. The positive performance is comprising of knowledge and skills which possibly to enhance workers performance. In organizational contexts, the people capacities have strong correlation to their abilities. Hence, the talent provides simple combination between performance and promotion potential. Meyer et al. (2020) revealed the mental model theory (MMT) has positive effect to influence personal views and actions. Furthermore, Jayaraman et al. (2018) and Pandita and Ray (2018) found talent management also possibly applying to business strategies which more prone to human resources development field to enhance organization value. Hence, to build company sustainability. Moreover, talent management has six dimensions namely, life-cycle, competency movement, portfolio thinking, human resources planning, informed workplace and the pay for the job approach (Sparrow, 2019). Recently, Agbaze et al. (2017) develop talent management concept which has correlation to talent demand and talent supply. It can determine the strength and weakness of employees and managers toward obtain talent strategy to bridge personal goals and organizations.

Employee engagement has three dimensions: vigor as positive energy and mental while working, and dedication refers to personal psychological well-being, including work challenges and experiencing commitment, sense of enthusiasm, and respect. Lastly, absorption is defined as serious concentrating on work. Moreover, the concept of job performance has a multidimensional motivation construct rather than job satisfaction. This concept has a more complete and comprehensive view. Hence, employee job satisfaction in the workplace or organization has become an important issue for managers, supervisors, and employees. In the management resources and operational fields, some scholars are concerned about enhancing personal well-being and job performance (Na-Nan and Sanamthong, 2020). Recently, a study conducted by Diamantidis and Chatzoglou (2019) concluded that job environment strongly correlates to company revenue. It implies the workers have become their greatest asset and resource. Hence, the need to allocate specific investments to enhance their professional skill, career-building, and employees’ well-being (e.g., income and psychology). Furthermore, the study also needs to build current programs and teamwork, which refers to the apparent, then worker inquiries such as reward standard, training system, and career development standard and how employees feel and respect in their workplace, achieve aspirations and expectations to their managers. However, despite obtaining significant attention, the issue of employees’
engagement is still the supreme challenge in the organizational context (Beuren et al., 2021; Edgar et al., 2020; Kundi et al., 2021).

Hypotheses development

Relationship between ethical leadership and employees’ job satisfaction

Employees’ productivity developed through managers’ instruction and guide. Empowering leadership exhibit the true connection between managers, leaders and employees. Employees needed the leader to exhibit and given the motivation, inspiration, responsibility on carry out the various task to make them can increasing the capability, productivity, and performance in workplace. The main role is the leader and employees are the result of leaders’ performance who proves by performance, capability and productivity. The leader needs to realize that responsibility and sharing knowledge to employees is obligation and it proves through leaders’ action such as including employees through discussion, sharing opinion, and decision-making. The competition makes the managers and workers need to adapt and consciousness of the business environment and need creativity and innovation as an essential point to organization success. Unfortunately, most employees depend on their managers’ leadership approach. Therefore, the leader believes the organization's performance depends on worker job engagement, enhancing their motivation and engagement (Aljuhmani et al., 2021; Nazir et al., 2021). Some scholars have paid attention to examining ethical leadership. It has a dominant and influential role in measuring managers’ success and moral outcomes. It is crucial due to some managers neglect the ethical value of their leadership approach. The employees also have paid attention to their leader promoting moral values due to historical ethical. Ethical leadership is also essential due to the workers' need to obtain honest guidance from their managers.

Effective business processes and performance are close to the leader’s attitude and ethics. Recently, a corporate world faced to economic downturn during COVID-19 pandemic and reduce the financial performance. Employees’ job satisfaction has crucial role to enhance the company performance. Furthermore, the managers’ leadership style also has important point to employees job satisfaction. The managers’ behavior also has a strong correlation to employees’ satisfaction in the workplace. It implies the companies revise their leader and standard (Albrecht and Andreetta, 2011; Cheong et al., 2019). It is possible to become an inspiration and respect their workers and other people (Håvold et al., 2021; Hoang et al., 2021). Thus, causality flows among variables possibly occurred. Prior studies validated the effect of managers’ empowering leadership on job satisfaction, such as Rao Jada et al. (2019) and Salas-Vallina et al. (2020), which revealed that empowering leadership helps the workers’ positive energy and motivation and satisfaction in the workplace. Similarly, empowering leadership has a significant effect on employees’ job satisfaction in the private sector (Al O'Donoghue et al., 2021; Kundu et al., 2019). Hence, we propose the following hypotheses:

H1. Managers’ empowering leadership has a positive effect on employee job satisfaction.

Relationship between talent management and job satisfaction

The competition makes the workers need to realize their talent through develop high performance and high potential. Carry out the various task through creativities and innovation exhibit one of their special sides. Talent management can explain leaders’ characteristics toward cognitive and emotional mechanisms. The term of talent management
has some interpretation in human resources development which focus more in management levels. Work without managers’ instruction means work as stimulation of their field and create a new way to launch the work. Given a reward also stimulate employees to keep the spirit and performance of each other. The main goal of this approach is to identify key positions which contribute to companies’ sustainable competitive advantage. The development of talent possibly to influence high-potential and high-performance of organizations leaders. Some scholars pay attention to organization need to internal talent, since managerial talent has positive effect to enhance employees’ working. According to Whysall et al. (2019) the talent management has transformed to prospective field to develop employees’ capacities and skills. Hence, the worker has organizational value and makes them has felt empowered. Furthermore, this phenomenon possibly influence the employees’ job satisfaction. Preliminary concluded talent management has a positive effect on employees’ job satisfaction (King and Vaiman, 2019; Meyers et al., 2020; Pandita and Ray, 2018). Sparrow (2019) found that the firms’ managers who concerned with their skills and knowledge will influence their company and workers performance. Hence, the leader becomes an inspiration to employees. Hence, we propose the following hypotheses:

H2. Talent management has a positive effect on employees’ job satisfaction.

**Relationship between employees’ job satisfaction and job performance**

The rapid change of competition makes the firms and managers faced to complex and competitive atmosphere. It needs to transform in both externals and internals organization. It this condition, employees’ job performance has become crucial role to company sustainability. In this field, the employees’ job satisfaction is a manifest a employees’ career. The leaders and workers need to transform the rapid change in the working environment. Hence, employees’ job engagement has become a critically important issue in business and management. It has a psychological effect on employees’ job performance. From the organization context, employees’ job satisfaction possibly maintains a correlation between managers and employees’ relationship. Moreover, employees’ job satisfaction also has positive effect to their organization commitment (Beuren et al., 2021; Coggburn et al., 2017; Dhamija et al., 2019). Job satisfaction contributes to developing a meaningful and positive relationship and commitment among team members and the company. This study also considers employees’ job satisfaction as a mediator when examining the relationship between managers’ empowering leadership and talent management to employees’ job performance. Hence, the recent study possibly enhances the quality of inferences, bridges access to knowledge, and provides substantial contribution. Thus, this study proposes the following hypothesis.

H3. The employees’ job satisfaction has a positive effect on their job performance.

H4. The manager’s empowering leadership has positively affected their employees’ job performance, mediated by job satisfaction.

H5. The manager’s talent management has positively affected their employees’ job performance, mediated by job satisfaction.

**RESEARCH METHOD**

All the participants in the recent study are Indonesian workers who active in public which invited to fill out an online survey, which lasted from April 1 to May 30, 2021. The
samples were gathered from random convenience sampling involving 675 employees. However, 579 samples were valid, and this indication was experienced at a rate of 85.78%. Table I shows the respondents' demographics.

<table>
<thead>
<tr>
<th>Demographic Items</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>255</td>
<td>44.04</td>
</tr>
<tr>
<td>Female</td>
<td>324</td>
<td>55.96</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 30 years old</td>
<td>203</td>
<td>35.06</td>
</tr>
<tr>
<td>31~45 years old</td>
<td>197</td>
<td>34.02</td>
</tr>
<tr>
<td>Over 45 years old</td>
<td>179</td>
<td>30.91</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High School and below</td>
<td>257</td>
<td>44.70</td>
</tr>
<tr>
<td>Bachelor</td>
<td>221</td>
<td>38.43</td>
</tr>
<tr>
<td>Master</td>
<td>97</td>
<td>16.87</td>
</tr>
<tr>
<td>Time period of using bank services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below 5 years</td>
<td>123</td>
<td>21.39</td>
</tr>
<tr>
<td>5~10 years</td>
<td>297</td>
<td>51.65</td>
</tr>
<tr>
<td>Over 10 years</td>
<td>155</td>
<td>26.96</td>
</tr>
</tbody>
</table>

Source: Data Processed, 2021

Demographic participants such as gender, age, education, and period of experience as employees were included in the questionnaire. Empowering leadership refer to (Zhang and Bartol, 2010), talent management were used the five-items from the Talent Mindset Competency scale (TMC, Luna-Arocas and Morley, 2015), job satisfaction was used instrument from Ramalho Luz et al. (2018) and Job Performance refers to Dixit and Arrawatia (2018).

RESULTS AND DISCUSSION

**Measurement model**

Table 3 shows the CFA model reproduces the covariance matrix of the observed variables with a good fit (Byrne, 2016; Hair et al., 2019).

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Mean</th>
<th>SD</th>
<th>RL</th>
<th>MT</th>
<th>BF</th>
<th>CA</th>
<th>CC</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL</td>
<td>3.69</td>
<td>0.79</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TM</td>
<td>3.61</td>
<td>1.31</td>
<td>0.145**</td>
<td>0.768</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>JS</td>
<td>3.66</td>
<td>1.25</td>
<td>0.171**</td>
<td>0.225**</td>
<td>0.805</td>
<td></td>
<td></td>
</tr>
<tr>
<td>JP</td>
<td>3.75</td>
<td>0.95</td>
<td>0.121*</td>
<td>0.320**</td>
<td>0.285**</td>
<td>0.1853**</td>
<td>0.782</td>
</tr>
</tbody>
</table>

Source: Data Processed, 2021

**Note:** EL: Empowering leadership, TM: Talent Management, JS: Job Satisfaction, JP: Job performance
SD: standard Deviation
Diagonal elements are the square roots of the AVE for each construct
Pearson correlations are shown below the diagonal
Significant at *: $p < 0.05$, **: $p < 0.01$, ***: $p < 0.001$

**Structural model**

This study empirically validates the managers’ empowering leadership and talent management have a significant and positive effect on employees’ job satisfaction ($\gamma_{11} = 0.232$, $p<0.005$) and ($\gamma_{12} = 0.573$, $p<0.001$), respectively, supporting H1 and H2. Furthermore, employees’ job satisfaction also significantly affects their job performance to support H3 ($\beta_{21} = 0.340$, $p<0.001$). It implies that the leaders’ behavior directly influences their employees' attitudes and motivation. It also has a positive effect on their performance and possibly strengthens their relationship. Table IV shows the results of the research hypotheses.

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Symbol</th>
<th>Path</th>
<th>Coefficients</th>
<th>Test results</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>$\gamma_{11}$</td>
<td>Empowering $\rightarrow$ Job Satisfaction</td>
<td>0.232**</td>
<td>Supported</td>
</tr>
<tr>
<td>H2</td>
<td>$\gamma_{12}$</td>
<td>Talent $\rightarrow$ Job Satisfaction</td>
<td>0.573***</td>
<td>Supported</td>
</tr>
<tr>
<td>H3</td>
<td>$\beta_{21}$</td>
<td>Job Satisfaction $\rightarrow$ Job Performance</td>
<td>0.340***</td>
<td>Supported</td>
</tr>
</tbody>
</table>

**Note:** Significant at *: $p < 0.05$, **: $p < 0.01$, ***: $p < 0.001$

This study confirms that the managers’ empowering leadership such as, coordination among leaders and workers, respect to employees and ethical standards in the company, fair decision-making process, and the manager trusted their employees. All of them strongly correlate with employees’ job satisfaction. Furthermore, surveillance processes, salary systems, and promotion procedures influence their performance. It aligns with the company vision and mission, motivation to enhance company value, feel has a contribution, and respect their work toward organizational achievement. These are ground-breaking findings that have not been validated in earlier studies. Specifically, the recent study found that employees’ job satisfaction and engagement align with their managers' leadership patterns. The result also proved the leader in the organization had played a pivotal role in mobile their workers' minds and views about company goals. This study confirmed prior studies on empowering leadership (Albrecht and Andreetta, 2011; Cheong et al., 2019; Håvold et al., 2021; Hoang et al., 2021), talent management (Agbaeze et al., 2017; Jayaraman et al., 2018; Luna-Arocas et al., 2020), job satisfaction (Beuren et al., 2021; Cogburn et al., 2017) and employees job performance (Diamantidis and Chatzoglou, 2019; Edgar et al., 2021). This study suggests that the company owners, managers, and employees must collaborate on their ethics principle, which stakeholders need to evaluate. Therefore, they directly affect their employees’ job satisfaction and job performance and their motivation to keep their company ongoing concern.

**CONCLUSIONS**

The results of this study strengthen the concept of human resources management to prove the leaders are an important point to their worker psychology and their satisfaction and engagement on the job, which mediated their leader empowering leadership and talent management to employees’ job performance. Although prior studies found culture, income, and education strongly correlate with employee and leader relationships. However, there are
more prone on Western and developed countries rather than Eastern fields. It also probably strengthens the relationship among stakeholders. The leaders’ empowering leadership and talent management to employees job performance can also be applied as a predictor of employees’ commitment and organizational performance. The result of this study has some contributions to ethics and employees’ decision. First, the research model provides a better understanding of leaders’ empowering leadership and talent management, which lacks studies that validate the concept of job satisfaction, job performance, and employees' simultaneous commitment to the private field. The workers who have had positive perceptions of the manager leadership and managers’ skill are more prone to be committed and have a sense of belonging to their organization. Finally, the recent study also enlightens the concept of human resources management to predict factors (e.g., manager empowering leadership and talent management) that influences worker frequency satisfaction, engagement, and behavior. It also reinforces the close relationships among workers individually to their organizational commitment.

REFERENCE


