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THE IMPACT OF THE TRANSFORMATIONAL LEADERSHIP CLIMATE ON EMPLOYEE JOB SATISFACTION DURING THE COVID-19 PANDEMIC IN THE INDONESIAN BANKING INDUSTRY

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ABSTRACT

The Covid-19 pandemic has a negative impact on the global economy. Where almost all business sectors are affected, due to the economic domino effect that occurs. One type of industry that has been severely influenced by Covid-19 is banking industry, as the result of the economic downturn and changes in customer transaction preferences.. Therefore companies must implement an integrated strategy to improve digital performance and hence increase the company's sustainability. In this critical phase, companies need commitment, engagement, and support from their leaders and employee. Leaders should act and energize in same pages and attitudes, i.e transformational leadership styles, in order to maintain overall process runs smoothly. Company also should maintain employee' job satisfaction in order to obtain full employee' cooperation and ensure best service delivered. The findings show that the transformational leadership climate experienced by workers during the acceleration of Digital Transformation due to Covid-19 Pandemic, has a positive significant effect on job satisfaction. This is a preliminary research that has limitations, including the number of samples and types of banking companies studied. The practical implication of this research is to raise awareness, to

prioritize human resource practices that support job satisfaction so that the digital transformation process can run smoothly

Introduction

The impact of Covid-19 Pandemic era has changed the face of the world economy. Various corporate strategic plans that have been carefully designed in a strict timeline underwent drastic changes. Service companies, especially banking industry, need to ensure that the changes that occur are still relevant to customer demands that are changing rapidly, in order to maintain company sustainability in the industrial era 4.0. During pandemic era, banking customers experienced a change in preferences in doing banking transactions. Online banking transactions are increasingly being carried out and fewer transactions are being carried out manually at conventional branches. Prior to the Covid-19 era, Indonesian banking industry was indeed improving by conducting digital transformation. Public and private banks are competing to enrich customer transaction experiences by launching various new technology-based products, such as applications that use AI technology and chatbots. However, in the Covid era, along with the changes of customers demands, banking managers are making adjustments by encouraging the acceleration of the digital transformation process.

The radical changes will affect employees emotionally (Leyer et al 2020). The important issue is how to manage the emotions that arise into positive energy, for the benefit of the company. Service companies that are undergoing changes need to monitor the level of employee job satisfaction, because job satisfaction is significantly related to the level of service delivered (Charalambous 2018). In the process of changes, the company needs change-oriented leadership, it is a fundamental factor determining the success of change. The leaders' ability is tested from the beginning of the process starting from encouraging steps and initiating change, making continuous improvement by reviewing and changing the work process to be more adaptive, and especially encouraging innovation throughout the process because it is proven to have a positive effect on work performance and job satisfaction (Mikkelsen 2019). Some researchers reveal that leaders have a major influence on the performance of a changing organization, and especially play a dual role, namely as a leader and a pioneer / agent of change (Choi 2016) This paper will discuss the impact of rapid changes due to the company's digital transformation on two aspects of human resources transformational leadership climate and job satisfaction. The survey was conducted among 448 staff of a private bank in Jakarta who have undergone a digital transformation process for 2 years, and experienced an accelerated transformation due to the Covid-19 Pandemic. The survey results stated in this paper can be expanded for further research.

Literature Review
Transformational Leadership Climate

The leadership climate is an essential issue that needs to be considered by organizations that are carrying out radical changes. In organizations, generally

the leader does not work alone, there is often a collaborative relationship between fellow leaders or across organizational hierarchies. As a result, employees not only report to one leader, but are often required to interact with other leaders in the organization. Menges (Menges 2011) defined leadership climate as an emotional atmosphere created by leaders in the work environment. The leadership climate changes based on the type of leadership adopted by leaders. Thus, the leaders expected to behave in uniform, according to condition that is faced by the company.

 Research on several types of leadership shows that transformational leadership has a very good impact on the performance of companies that are undergoing change (Cho 2019). Another study (Morales et al, 2014) shows that transformational leadership has a positive effect on organizational performance, because it encourages a culture of innovation and an unyielding spirit and continues to learn in the face of changes in volatile environmental conditions. Other researchers say that workers who are supervised by transformational leaders will feel motivated and experience improvements in their skills and work mood, because this type of leadership ensures that workers' psychology and emotions are in a positive condition. Thus employee will show self-confidence, be able to demonstrate excellent problem solving skills, and these positive attitudes will reduce resistance to change and increase the spirit of innovation which will ultimately lead to job satisfaction and organizational success (Ali NK et al 2016). Transformational leadership climate was first studied by Menges (Menges 2011). The intensity and way of leading generate by each leader in an organization greatly influence the transformational leadership climate. And in condition where every worker in the organization has the perception that their direct supervisor has behavior according to the characteristics of transformational leaders, in this case the organization is said to have a transformational leadershipclimate (Moon 2016). To support changes, a climate heavy with spirit of transformation is needed, generates from the behavior of all leaders in the organization. Furthermore, Menges (2011) explains that the more leaders who show transformational leadership behavior, where leaders pay individual attention, support and respect to their followers reciprocally will provide satisfaction and emotional attachment, the more transformational leadership climate will further support the change process. Transformational leadership behavior has been shown to have a positive relationship with follower affective behavior at both the individual and group / team level so that it supports harmonious cooperation in work units and organizations (Manas-Rodriguez 2020). The more leaders adopt transformational leadership, the stronger the climate of transformation in the organization and make a positive contribution and stimulus in creating a positive mood & encouraging a positive affective climate in the organizational environment, encouraging the company's cultural competence (Guerrero et al 2017), also encouraging high level development companies (Pimonratanakan et al 2017)

Job Satisfaction

Job Satisfaction by Robbins (Robbins 2017) is defined as the general attitude of an individual to his job. Many research and studies show that job satisfaction is a multidimensional phenomenon, influenced by internal and external factors, such as personal values, life principles, personality as well as expectations of the nature of work, career opportunities, salary and remuneration, leadership style, and other related factors (Belial 2014). In general, previous research describes the factors that influence job satisfaction as a combination of the job itself, work environment, and organizational characteristics. However, recent research adds social dimensions, such as moral value, organizational commitment and corporate social responsibility as factors that affect worker satisfaction (Rahman, 2016). Nowadays employees show more concern for the company's good faith behavior, social image and reputation. Employees will feel satisfied if the company has social concern for the environment, maintains its reputation, and pays attention to the community in the form of CSR programs or green environment awareness or other similar activities. According to Robbins (2017) for some workers, a challenging type of work, where workers get the opportunity to use their skills and abilities outside of their existing habits, will provide emotional satisfaction, provided that the workload is appropriate and the work can be rationally completed. If the job is too difficult, then workers will feel frustrated and lead to failure, thereby reducing job satisfaction. In service companies that prioritize customer service, job satisfaction is a major component to maintain and improve the level and quality of service (Hewagama et al 2019, Shen 2018)

   The dimensions of Job Satisfaction are summarized for this study: The job itself, where the job, Wages & remuneration received, career opportunities and promotions, opportunities and freedom to use their own way of completing work Relationships with Supervisors, Colleagues who support a friendly work atmosphere, (Al-Dalahmeh 2018, Belias 2015, Robbins 2017).

Relation Between Transformational Leadership Climate with Job Satisfaction

The relationship between transformational leadership climate and job satisfaction has not been widely studied, however, the relationship between transformational leadership style and job satisfaction has been widely researched and tested empirically (Gaviria et al 2019, McCallaghan et al 2019). In this study, it was generally found that transformational leadership would positively build workers' trust in their supervisors and affect the increase in individual job satisfaction levels (Maseleno et al., 2019). In other studies, it was found that leadership style has been shown to positively affect job satisfaction and turnover intention (Moin 2020, Abouraia 2017, Choi et al 2016). In other research, Sharma et al (2017) stated that a positive climate created by leaders will directly have a positive relationship with employee engagement, and build strong emotional relationships in the process. The same conclusion is also conveyed from Mozammel's (2016) research on the scope of

the banking business. Abouraia (2017), in the banking world, transformational leadership plays an important role in providing a positive and psychological impact on employees, resulting in better performance and encouraging customer satisfaction. The influence of transformational leadership style on job satisfaction, was researched by Top (2016) on public service workers in Turkey, and the findings of his research showed a strong influence between transformational leadership style and job satisfaction, further ensuring workers' commitment to their job and organization.

  Based on the explanation from various international studies above, the hypothesis in this study is that *Transformational Leadership Climate has a positive significant effect on Job Satisfaction.*

Research Method
This study uses a quantitative approach and the SEM PLS analysis method uses the Smart PLS 3 analysis tool.

Population and Sample
In this study, a purposive sampling technique was used, with a population of private bank employees working in 4 regional offices covering the Jakarta area, totaling 6,874 employees. The number of samples collected was 448 samples in May 2020, 3 months after Covid-19 cases was declared officially found in Indonesia and Jakarta underwent a lockdown. In this study, respondent chosen were employees with at least 2 years of work experience in various work units at branch offices, this working period limit is determined with the consideration that the workers have understood the procedures, work processes and company culture. can provide input on changes that occur during the transformation process, and avoid understanding biases that may exist

Result & Discussion
Outer Model Analysis
In the Outer Model Test, all indicators have passed the loading factor test above 0.70 except for LC 18 so the second factor loading test is carried out. With the new composition, all indicators pass the discriminant validity, composite reliability, Average Variance Extracted (AVE), and Cronbach Alpha tests. The initial PLS Algorithm model is presented in the image below.
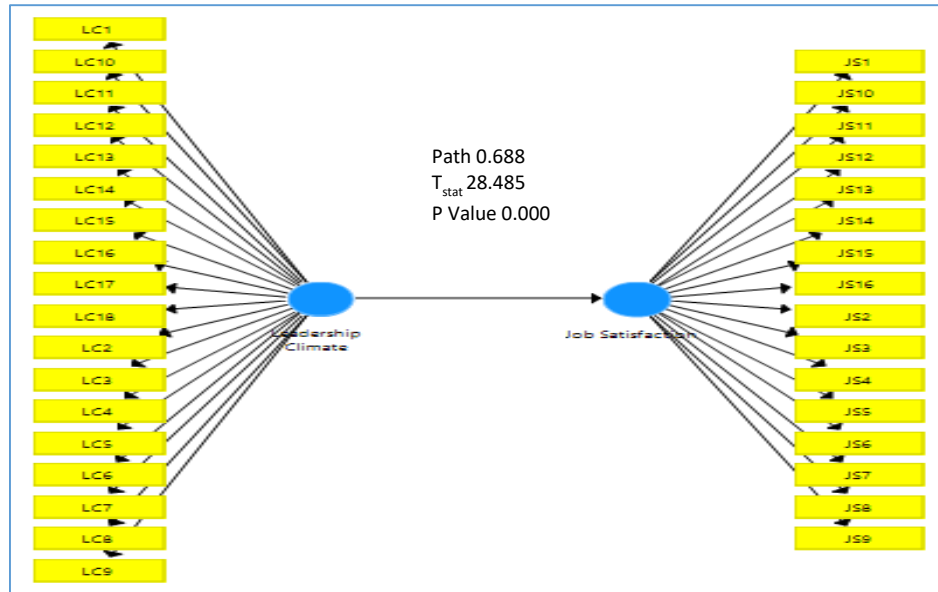
Figure 2. PLS Algorithm Model

Convergent validity for each variable in this study has a value above 0.7, which means that all indicators have the ability to build latent variables. Based on the results of the discriminant validity analysis, it can be concluded that the overall value of the indicator factor loading on the latent variable shows a value that is greater than the value of the cross loading. From the results of the analysis above, the composite reliability value for the climate leadership variable is 0.987 while the job satisfaction variable is 0.971, illustrating that this variable has a very good consistency value. The Cronbach's Alpha value for each variable is 0.985 for the climate leadership variable and 0.968 for job satisfaction variable. The results of AVE analysis show that the AVE value for the climate leadership variable is 0.812, while the job satisfaction variable is 0.679.

Inner Model Analysis
Transformational leadership climate with Stone Geiser Value (Q2) analysis on job satisfaction found Q2> 0.0 so that it can be concluded that the leadership climate variable has good relevance in predicting job satisfaction variables.
The result of the path coefficient of the relationship between transformational leadership climate and job satisfaction is 0.688 where this value indicates a positive relationship between transformational leadership climate and job satisfaction.

Hypothesis Test
The results of the analysis obtained a statistical T value of 28.485 with P_{value} 0.00so therefore the hypothesis is accepted. This illustrates that there is a significant relationship between the l transformational leadership climate and job satisfaction. With a path coefficient of 0.688, it means that the influence of

the Transformational Leadership Climate on Job Satisfaction has a positive value. These results indicate that the positive climate created by the behavior of leaders in a work unit or banking branch determines the job satisfaction of its employees. This finding is consistent with previous research, where job satisfaction and commitment to banking sector workers is largely determined by the relationship with leaders related to their leadership style (Girma 2016, Belias 2015). In work unit, the climate created by leaders who show the same and supportive leadership style, will positively affects working conditions (Kaya & Topcu 2010) and increases employee creativity and analytical skills (Bushra 2011).

This article discusses Transformational Leadership Climate and Employee Job Satisfaction variables. Many articles about this have been written by previous researchers, including: Transformational Leadership: (Limakrisna et al., 2016), (Bastari et al., 2020), (Anwar et al., 2020), (Ali et al., 2016), (Djoko Setyo Widodo, P. Eddy Sanusi Silitonga, 2017), (Chauhan et al., 2019), (Elmi et al., 2016). Job Satisfaction: (Harini et al., 2020), (Masydzulhak et al., 2016), and (Silitonga et al., 2017).

Conclusion & Recommendation

One of the aims of this paper is to increase the awareness of banking industry companies about the factors that need to be considered in determining policies related to the radical changes that occur during the transformation process. Hypothesis test results found that there is a positive and significant relationship between transformational climate leadership and job satisfaction. This also shows that the hypothesis formulated at the beginning of this study can be accepted. Banking managers need to understand that in daily work processes, especially during the process of change, it is important to maintain a climate of transformational leadership, namely by having attitudes & behaviors that cause their followers to trust and be amazed, become a source of inspiration and motivation, and be able to own and explain the company's future vision. in such a way as to attract and inspire followers, do intellectual stimulation, or direct and support followers to accept challenges, solve problems and take risks, pay attention each follower individually and treat them on a personal basis

Researchers reveal that leaders have a major influence on organizational performance, and especially play a dual role, namely as a leader and pioneer / agent of change (Yue 2019), and are a function that is a fundamental factor determining the success of change, where their abilities are tested from the beginning of the process starting from the courage to stepping into initiating change, making continuous improvement by reviewing and changing the work process to be more adaptive, and especially encouraging innovation throughout the process (Wang 2017). Transformational behavior also includes leaders playing an active role as a leader to encourage increased employee engagement by promoting a healthy organizational culture such as limiting working hours, providing rewards for employees who have good performance, activating

work-life balance programs, and full support for employees during the transformation process. . The transformational leadership climate created by work unit leaders is important in increasing the positive behavior of followers / subordinates in an effort to achieve the desired organizational goals, directing followers to a good level of job satisfaction, because among others, they have respect and always support their followers (Mujkic et al. 2019). The influence of other variables that might affect job satisfaction during radical changes such as self-efficacy, work stress, organizational culture, and employee engagement are suggested to be discussed further. In addition, it is recommended that surveys be carried out from several branches of several types of banks operating in Indonesia, namely government, sharia, regional, and private banks with a larger sample population. The results of this follow-up study can provide meaningful input for the digital transformation process

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