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# The Impact of Transformational Leadership on Employee Performance with Psychological Ownership and Organizational Commitment

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#### ABSTRACT

Through this article, researcher seek to explore employee performance as it is assumed affected by transformational leadership, psychological ownership and organizational commitment. Concepts to explain the phenomena are elaborated from each of keywords mentioned; transformational leadership, employee performance, psychological ownership and organizational commitment. Our research model is multivariate, therefore we use SMARTPLS as our analytical tool. Findings of this research shows that only organization commitment support employee performance in the given data. We conclude that our research shows that in specific respondent profile, employee performance is perceived affected by organizational commitment not by transformational leadership nor psychological ownership.

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## 1. INTRODUCTION (Times New Roman 12 Bold)

Employees are the most significant asset of businesses. Employees all know intuitively that organizational and people skills drive financial and operational success and allow businesses to implement their strategy. Most companies, however, do not understand how these capabilities can be quantified or what measures can be taken to improve them. Executives have well-developed financial and organizational performance instruments, but not to push organizations and individuals' ability. The phenomenon of increased competition between businesses and their need to adapt effectively to rapidly changing operating conditions and staff requirements has now increased the need to recognize certain variables that affect employees' performance.

Human capital is critically acclaimed can afford the right materials or enough money and even up-to-date machinery to help operations smoothly. Not every organization can afford qualified and proper human capital. Human capital claimed as a vital asset to an organization to assist the organization to fulfil a competitive edge against its competition in the same field. Those reasons above conclude that employee performance is highly critical to the twenty-first-century organization and enables firms to compete against the uncertain atmosphere and significant organizational changes (Watetu, 2017).

Business owners need workers who are willing to get the job done because employee performance is vital to their overall success. To establish clear and objective strategies for assessing employees, business leaders need to consider employee performance's main benefits. Achieving targets is one of the most significant variables in employee efficiency. Successful workers meet deadlines, make sales through positive customer experiences and build the brand. Consumers believe that the organization is apathetic to their interests when workers do not work well and may seek support elsewhere.

Organizational commitment is a prominent work attitude within employees and therefore, should not be overlooked, including intent to leave, in future studies of employee behaviors (Lambert and Hogan, 2008). Commitment to a company should also contrast from 'staying' (Klein et al., 2012). Traditionally, commitment defines as a three-factor model that includes consistency and normative commitment dimensions. However, evidence indicates that affective engagement may be the only 'real' engagement because it reflects emotions towards the organization rather than behavioral performance (Sollinger, Ollfen & Roe, 2008). Leadership is one of the topics most widely discussed by researchers around the world (Kuchler, 2008). Furthermore, employees' performance widely researched, and until this very moment in, there have been more than 100 published studies. The similarity of all the research done on performance influence by several factors such as employee measures, competency, skills, development plans, and the delivery result is an organizational process of employee performance management. Any activities required employee's participation and how the jobs accomplished by the employee. There are four types of resources in an organizational setting. Those four types use to enhance the smooth operation of an organization. Human capital is the only living resource that an organization has (Watetu, 2017).

A very uncertain and dynamic global situation drives an organization to be very difficult to run its business if it has a high dependence on its employees' ability (Duarte et al., 2015). A business will hamper if the organization is challenging to do management in several aspects of problems such as management of the workplace environment itself, the ability to improve performance in competition between organizations, globalization, and expectations from the public which ultimately affect the ability to direct the organization (Akdere, 2006). Of all the factors that affect employee performance, several factors are still very imperative to learn, namely regarding the leadership style that affects individuals' psychological aspects from employee performance. Facing all these situations, the organization violently improves the quality of its human resources in terms of employee commitment to the organization (Morrow, 2011).

The organization has high expectations of the capital of its human resources. With employees who have a high commitment to the organization, the organization can achieve its objectives and specific goals (Kim et al., 2005). However, expectations of an organization in achieving its vision and mission realize that if every individual has a sense of psychological attachment to the organization, employees will be more satisfied and become productive (Hunter and Thatcher, 2007). Leaders who encourage their employees to be a critical thinker and behave well reflects the theory of transformational leadership (Burn, 2005). Transformational leadership style creates a feeling of ownership towards employees' tasks that indicate that employees are significant for the company (Ghafoor, Qureshi, Khan and Syed, 2011). Responsible for the task of creating psychological ownership by employees of the work given. The company's responsibility to employees for corporate decision making is a psychological possession (Avey et al., 2009).

Based on research Meyer et al., (1993) and Mowday et al., 1982), commitment has a very significant impact on company performance such as employee performance (Dirani, 2009; Yousef, 2000). Responsible employees will complete all their tasks effectively and efficiently. Certain situations that are most likely faced by employees can give pressure to respond quickly and precisely to work given. Employees are not effective and efficient in completing challenging tasks because employees do not have a sense of responsibility to the job. Feelings of dissatisfaction hold back employees to do right. If the employee's blurred identity of the work arises, it creates low motivation to improve their work because top management cannot improve employee psychological elements (Ghafoor, Qureshi, Khan and Syed, 2011)

In pursuit of an employee's work excellence in an organization, therefore must understand more about enabling excellent performance (Linley, Harrington, & Garcea, 2013). Changes in occupational demographics in this era have led leaders with certain leadership aspects to pay special attention to the possibilities arising from the four different age groups to work together in the same workplace environment (Ballone, 2007; Haynes, 2011). Changes in the work landscape

that occur in a work environment can increase the diversity of ages. It requires a deep understanding that there will be differences in the context of a group's needs and values (Martins & Martins, 2014).

## 2. LITERATURE REVIEW

## **Organizational Commitment and Employee Performance**

Staff performances could be improved when employees have exceptional organizational commitment (Khan et al, 2010). Whenever subordinates adopt the organizational values and implement them in every circumstance of their job refers to the achievement of employees in applying the organizational commitment in a proper way (Mohammed & Eleswd, 2013). The faith towards values and goals supported by every member's internal motivation will satisfy outcomes (Al Zeifeti & Mohamad, 2017).

The success of employees expressed by their commitment and productivity from to job assigned to them and how employees managed to resolve their weaknesses (Ling & Bhatti, 2014). If subordinates have the perseverance to apply devotion and proper psychological attachment, good outcomes from their duties can be obtained (Sharma & Sinha, 2015). Organizational engagement stimulates the necessary factors to be successfully applied by all workers, such as willingness and loyalty (Lapointe and Christian, 2018). The performance and job outcomes of employees decide the fate of a specific company to thrive and grow to an enormous degree (Aboazoum, Nimran, and Al Musadieq, 2015). Organizational involvement is a situation in which a person is in line with a specific business as a whole. The goals and standards for maintaining organizational membership are organizational involvement (Robbins & Judge, 2007).

Subordinates work performances could be improved when employees have a tremendous commitment to the organization (Khan et al, 2010). Whenever subordinates adopt the organizational values and implement them in every circumstance of their job refers to the achievement of employees in applying the organizational commitment in a proper way (Mohammed & Eleswd, 2013). Employee performance expresses through their effort and output from every job assigned to them and how employees managed to overcome the shortcomings employees faced (Ling & Bhatti, 2014). When subordinates have the perseverance in applying the commitment and proper psychological attachment, this will bring positive results from their tasks (Sharma & Sinha, 2015). Organizational commitment stimulates the crucial factors such as willingness and loyalty to be effectively implemented by all the employees (Lapointe et al, 2018). Employees' output and work results determine a particular organization's destiny to survive and expand to an enormous scope (Aboazoum et al, 2015). Theories and information showed by previous researchers might strongly show that organizational commitment and employee

performance has a strong correlation. Hypothesis 1: There is a positive and significant relationship between Organizational Commitment and Employee Performance.

#### **Psychological Ownership and Employee performance**

Psychological Ownership prescribes an individual's feelings towards a substantial or nonsubstantial and identify by a sense of possession (Pierce, Kostova, & Dirks, 2001). The feeling of the employee as "real owners;" has a sense of engaging in extra-role behaviour and therefore leading to enhancing organizational efficiency is the effect of psychological feeling. (Rouseau, 1989). When employees have a sense of ownership while working, it deduces that employees will start evaluating the company, even more, more involved in the organization and improving the sense of belonging of better work, psychological ownership can enhance the belonging of employees, helping employees to develop positive and healthy feelings towards the organization (Van Dyne & Pierce, 2004). A sense of belonging means that workers feel different from others or classes. A sense of belonging can cause workers to behave differently and alter the way individuals work. As a result, psychological ownership would imply that workers have a great sense of commitment and responsibility to the company, resulting in performance enhancement. Psychological ownership and employee performance have been investigated in a limited number of studies. Research has found a positive employee relationship between PO and employee results. Although, there is a shred of evidence that Pierce and Rodgers (2004) show that formal ownership only enhances employee performance where it is accompanied by "employee participation in organizational decision making". Hypothesis 2: There is a positive and significant relationship between psychological ownership and employee performance

#### Transformational Leadership and Psychological Ownership

Transformational leadership has become a popular topic discussed in management research. More than a hundred research conduct worldwide, discussing the concept of transformational leadership. Bass claimed that leaders have the power to guide their subordinates to achieve their mission beyond expectation using the behavioural characteristic of transformational leadership (Humphrey & Einstein, 2003). Performing subordinates' intellectual stimulation by motivating them to be creative, innovative, openness and brave to ask status quo without fear of criticism (Avolio & Bass 2002). The very first transformational leadership theory was introduced by Burns (Burns, 1978) and developed by Bass (1985). Subordinates must believe in the leader's vision over their interest as a transformational leadership style (Bass, 1985; Burns, 1978).

There are four components of transformational leadership, whereas idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Bass, 1985; Bass & Avolio, 1993). A transformational leader is a leader who is concerned about stresses, anxieties, and growth of every subordinate. Transformational leaders can change their subordinates' consciousness regarding particular issues by assisting them in overcoming problems and encouraging their subordinates to achieve the goals (Robbins & Coulter, 2007). There are

three factors of effectiveness' transformational leader, and considered as the organization's relative position in the continuum of organizational acceptance, compliance's degree of transformative process bound for the organization. Transformative leadership process successfulness under implementation in the organization, and organization capability to respond the quickest solution to a problem in a transformation process and retains the existing competitive advantage (Hesar, Abbaszadeh, Ghalei and Ghalavandi, 2018). Hypothesis 3: There is a positive and significant relationship between transformational leadership and employee performance

## **Transformational Leadership and Organizational Commitment**

Gulluce, Kaygin, Kafadar and Atay (2016) mention managers can improve employee's organizational commitment by exhibiting attitudes and actions of transformational leadership. Managers can improve employee organizational involvement by exhibiting attitudes and actions of transformational leadership. These interactions between leaders and followers not only decrease the physical gap (Avolio et al., 2004), but also the status barrier between leaders and followers, creating a warmer and friendlier environment in the workplace (Lee, 2005). While transformational leadership's contribution to employee organizational commitment is well known, the mechanisms that explain this relationship remain elusive. In the present study, this research propose that transformational leadership can influence organizational engagement by influencing the perceptions of job characteristics of followers (i.e. input from jobs, variety of tasks, and autonomy of decision-making) (Gillet and Vandenberghe, 2014). Hypothesis 4: There is a positive and significant relationship between transformational leadership and organizational commitment

## Transformational Leadership and Psychological Ownership

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Psychological ownership explains as a condition where individuals feel the target of ownership or in other word, psychological ownership (Pierce, Kostova, and Dirks 2001). The theoretical essence of psychological ownership is the sense of possession of an object by the person, expressed in the statement "It is MINE". Psychological ownership affects an individual's perception of their belongings and personal meaning (Jussila, Tarkainen, Sarstedt & Hair, 2015). The theory of psychological ownership suggests that people establish ownership feelings by one of three routes: exerting control over a target, investing in a target, and personally knowing a target (Pierce et al.2003). The best employees-organizational linkage comes from psychological ownership and psychological factors, as it also the antecedents and consequences of psychological ownership (Avey, Hughes, Norman and Luthans, 2008). Hypothesis 5: There is a positive and significant relationship between transformational leadership and psychological ownership between transformational leadership and psychological ownership between transformational leadership and psychological factors, as it also the antecedents and consequences of psychological ownership between transformational leadership and psychological factors, as it also the antecedents and consequences of psychological ownership between transformational leadership and psychological factors, as it also the antecedents and consequences of psychological ownership between transformational leadership and psychological ownership between transformational leadership and

#### 3. RESEARCH METHODS

This research is descriptive. The descriptive method is a method used to describe or analyze a research result but is not used to make broader conclusions. In this study, survey conduct by using a survey instrument in the form of a questionnaire distributed to respondents. According to Sekaran (2006), the questionnaire is a list of written questions formulated previously that the respondent will answer. Our study applies the correlation method between variables that focus on employees in various industrial sectors in Indonesia. This study highlights the transformational leadership factor as an impact that affects employees' performance in an organization. The direct effect of transformational leadership on employees' psychological behavior and employee commitment to the organization affects the work performance of employees by paying attention to the generation of employees, makes us collect quantitative data on the behavior of these individuals to learn the fundamental variables of this study. The research context is the psychological ownership variable that plays a large role in employee development and individual commitment to organizations directly affected by transformational leadership by paying attention to generations of employees who can make a difference in each of their behavioral attitudes and commitments work performance. Variables refer to the characteristics or attributes of an individual or an organization that can be measured or observed; variables vary in two or more categories. In continuum scores, variables can be measured or assessed based on one scale. This study uses four variables, namely transformational leadership, psychological ownership,

organizational commitment, and employee performance. In this study, survey conduct by using a survey instrument in the form of a questionnaire distributed to respondents.

According to Sekaran (2006), the questionnaire is a list of written questions formulated previously that the respondent will answer. Data collection by survey method using the scale. The whole scale in this test kit is the Likert scale. In their application, subjects respond to conformity-incompatibility of each item in a continuum consisting of several response choices. In this study, the test equipment used consisted of 5 responses: 1, "Strongly Disagree"; 2, "Somewhat Disagree"; 3, "Neutral/ No opinion"; 4, "Agree"; 5, "Strongly Agree". Each subject response score ranges from 1 (Strongly Disagree) to 5 (Strongly Agree).

## Measurement

## Transformational Leadership

By targeting random targets of respondents, namely employees in Indonesia in various industrial sectors in companies that have IPO, then in the measurement of transformational leadership, this research use Multifactor Leadership Questionnaire (MLQ) with a Likert scale in its measurements (: 1, "Strongly Disagree"; 2, "Somewhat Disagree"; 3, "Neutral/ No opinion"; 4, "Agree"; 5, "Strongly Agree"). A total of 8 items were used to collect data for this variable, in the form of Charismatic, Individual Consideration, Inspirational Motivation, and Intellectual Stimulation.

## **Psychological Ownership**

In our study, psychological ownership is studied in the context of its dimensions- self efficacy, belongingness, self-identity and accountability. In order to collect data for this variable the scale of Psychological Ownership (Avey, Avolio, Crossley, and Luthans, 2009) was used with likert style scale (: 1, "Strongly Disagree"; 2, "Somewhat Disagree"; 3, "Neutral/ No opinion"; 4, "Agree"; 5, "Strongly Agree"). There are 8 items for this variable that have assessment points in the form of Relational and Transactional, Self-efficacy, Sense of Belonging, Self-identity.

#### **Organization Commitment**

The structured questionnaire is used to collect data that has two parts (Ghafoor, Qureshi, Khan and Hijazi, 2011. Five Likert point scales are used for each statement (: 1, "Strongly Disagree"; 2, "Somewhat Disagree"; 3, "Neutral/ No opinion"; 4, "Agree"; 5, "Strongly Agree"). There are 9 questionnaire items for this variable that have assessment points in the form of Affective Commitment, Continuance Commitment, Normative Commitment, Affective, Continuity, and Normative.

#### **Employee Performance**

To measure the employee performance, there are 2 questionnaire items (Ghafoor, Qureshi, Khan and Hijazi, 2011), this research studied employee performance as dependent variable. Five items

questionnaire based on likert style (: 1, "Strongly Disagree"; 2, "Somewhat Disagree"; 3, "Neutral/ No opinion"; 4, "Agree"; 5, "Strongly Agree").

## 4. CONCLUSION AND SUGGESTION

The demography of our respondents was conveyed in **Table** 1 as below, whereas the majority was female (54.1%) while the rest of it filled by male respondents. Age was dominated by 25-30 years old (35.1%). The sector or industry was dominated by the entertainment sector (28.2%).

Characteristics	Item	Number	Percent
Gender	Female	140	54,1
	Male	119	45,9
Age	21 - 24	35	13,5
	25 - 30	91	35,1
	31 - 34	32	12,4
	35 - 40	41	15,8
	>41	60	23,2
Sector/Industry	Mining	18	6,9
	Construction & Development	53	20,5
	Agribusiness	39	15,1
	Entertainment	73	28,2
	Banking & Financial institution	67	25,9
	Education	5	1,9
	Healthcare	1	0,4
	Flight	1	0,4
	Business Consultant	1	0,4
	Medical Equipment Supplier	1	0,4

**Table 1**. Demographic Characteristics of Respondents

Source: Primary Data Processed (2020)

The partial least squares structural equation modelling or usually name it as PLS-SEM are prosecuted in two categories, which are measurement and structural model. The measurement model refer to a model that scrutinize the connection between underlying variables and their measures. While the structural model describes the alliances among underlying variables. Structural model shows whether the hypothesis that has been proposed is accepted or rejected.

Measurement model impart several terms which are very imperative such as reliability, convergent validity, and discriminant validity. Reliability is bearded through the measurement of variables by implementing the significance level for 5%. Outer Loadings or outer core of measurement standards are greater than 0,70 (minimum requirement) (Hair, et al, 2011). The Average Variance Extracted (AVE), Composite Reliability (CR), and discriminant validity are posted in following tables below. The values of CR are way bigger than 0.6, AVE is bigger than 0,5, and lastly the value of discriminant validity is pretty much bigger than the value of other related variables.

Variables	Item	AVE	CompositeReliability
Transformational Leadership	CHAR1, CHAR2, INDI- CON1, INDICON2, INSP_1, INSP_2,	0,531	0,899
-	INTEL_1,		
	INTEL_2		
	AFFECT_1,		
	AFFECT_2,		
	AFF_1,		
	AFF_2,		
	CONTIN_1	0 (7)	0.040
Organizational Commitment	CONTIN_2	0,676	0,949
	NORM_1,		
	NORM_2,		
	NOR_1,		
	NOR_2,		
	<i>REL_1</i> ,		
	<i>REL_2</i> ,		
	SELFEFFI_1,		
	SELFEFFI_2,		
Psychology Ownership	SELF_BEL_1,	0,561	0,893
	SELF_BEL_2,		
	SELF_IDEN_1		
	SELF_IDEN_2		
Employee Performance	EP1,		
	EP2	0,885	0,939

Table 2.	Convergent	Validity	and	Reliability
	convergent	, and it is	una .	i comaonin j

Source: Primary Data Processed (2020)

In fact, before all things are finally considered reliable, namely by checking reliability, the researcher carries out a series of processes. There are two variables that are not known to be accurate in the first step (appendix 2), and after testing, it appears that there are some objects with

an outer loading value below 0,7. The investigator, however, preferred the step of individually eliminating items that were deemed below 0.7 before the reliability value was reached. After the item has been removed, the result is as in **Table** 3, so that the final value is the outer loading value in **Appendix 2**.

	Employee Performance	Organizational Commitment	Psychological Ownership	Transformational Leadership
Employee Performance	0,941			
Organizational Com- mitment	0,789	0,822		
Psychological Owner- ship	0,675	0,796	0,718	
Transformational Lead- ership	0,389	0,448	0,580	0,729

Table 3. Discriminant	Validity	Note volu	og of the	diagonal	ara tha agu	rectarged of AVE)
<b>Table 5</b> . Discriminant	v anun y	(INOLE. Valu	es or me	ulagonal a	are the squ	are root or AvE).

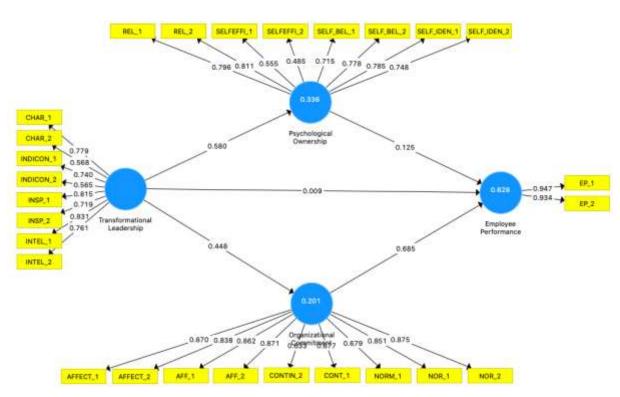
Source: Data Processed (2020)

According to **Table 3**, all items are valid and eligible to be included in to the next process. Then, researcher able to proceed to next process, and before hypothesis testing through bootstrapping mode. From table R Square, as coefficient of determination on endogenous constructs, shows that employee performance is influenced by independent variables by 62,8%, organizational commitment is influenced by independent variables by 20,1%, and psychological ownership is influenced by independent variables by 33,6%.

Table 4. R Square							
		R Sq	uare		R Square Ad	ljusted	
Employee Performance		0,628		0,624			
Organizational Commitment		0,201			0,198		
Psychological Ownership		0,336			0,333		
	Tabl	e 4.1. Hypothesis	Results				
Hypothesis	Path		T Statistics	P-Va	lues		
H1	$OC \rightarrow EP$		5,585	0,000		Supported	

H2	PSI → EP	0,897	0,370	Not Supported
Н3	TL  EP	0,162	0,871	Not Supported
H4	$TL \not\rightarrow OC$	7,995	0,000	Supported
Н5	TL $\rightarrow$ PSI	13,105	0,000	Supported
	1 (2020)			

Source: Data Processed (2020)



**Figure 1**. Structural Model Source: Data Processed Structural Model (2020)

The table above shows the structural model that has been created. These hypothesis will absolutely accepted if the coefficient value is positive and the p-value is less than 0,05 or probably the t-stat is bigger than 1,96. From the tests that have been conducted, the result shows that H1, H4 and H5 are supported since the value of its coefficient is positive, t-stat value is bigger than 1,96, and also the p-value is less than 0,05. On the other hand, H2, H3, not supported because their p-values is greater than 0,05 or t-stat value is less than 1,96.

Transformational leadership style is widely used in organizations today. Based on previous research that has existed, revealed that the transformational leadership style has an influence in the aspect of improving the quality of the results themselves (Ismail et al., 2009). The study on transformational leadership is related to other positive outcomes such as job satisfaction (Voon,

Ngui and Ayob, 2011), indicated transformational leadership as a key factor of high job satisfaction thus increased employee performance and also creativity ultimately improving performance (Shin and Zhou, 2003). However, according to this study, of all hypothesis only one that was proven.

The development of each creativity is carried out by self-efficacy within the framework of learning and creating a new process that is effective for the individual himself to gain knowledge. Strengthening a knowledge and developing the potential of an individual with his own ability will determine the self-efficacy of the individual itself. The transformational leadership style ends with various managerial results and practices as well as existing creativeness and innovation having a positive effect on employee performance.

Transformational leadership style is highly related to employee performance even when the employee is in a position with great distance from the leader or supervisor. The transformational leadership style not only increases positive results but also reduces negative aspects that are likely to arise within the organization itself and encourages the level of employee job satisfaction that is faced with improving organizational citizenship behaviour.

The purpose of this research is to examine whether there is an influence of psychological commitment and, transformational leadership, organizational commitment on organizational performance. By using several measurement items that have been tested previously in previous studies, researcher can convey the following results that have been obtained. The results this research obtained from the distribution of the survey showed interesting results. Of the 259 responses that entered the survey page, the following is an overview of the demographics.

Organizational commitment does affects employee performance. When employees happy on spending the rest of their career in the company, and empathy to any problems in the company, employees tend to have energy to conduct job, and finish the job on time. Thus all items can be used for the purpose of this study (attached). Then, seen from the SEM-PLS test results (attached), it can be explained that, the variables that are thought to influence organizational performance are entirely proven. But before, it will be discussed per proven hypothesis. In the second hypothesis there is a positive correlation between organizational commitment and the quality of employee's performance, otherwise proven. An explanation of this can be explained as follows. Thus, all items can be used for the purpose of this study (attached). Then, seen from the SEM-PLS test results (attached), it can be explained that the variables that are thought to influence organizational performance performance, otherwise proven. But before, it will be discussed per proven the SEM-PLS test results (attached), it can be explained that the variables that are thought to influence organizational performance are entirely proven. But before, it will be discussed per proven hypothesis. In the second hypothesis there is a positive correlation between organizational commitment and the quality of employee's performance, otherwise proven. An explanation of this can be explained that the variables that are thought to influence organizational performance are entirely proven. But before, it will be discussed per proven hypothesis. In the second hypothesis there is a positive correlation between organizational commitment and the quality of employee's performance, otherwise proven. An explanation of this can be explained as follows.

The organizational commitment component tested in this study refers to three dimensions, namely affective commitment, continuance commitment and normative commitment. The results

obtained indicate that respondents in this study were happy to be able to spend the rest of their careers in the company, and felt that every problem that occurred in the company was the problem (affective commitment). Then, respondents felt it was difficult to leave the company, for fear of not getting a job opportunity elsewhere, and felt loss if employees had to leave the company (continuance commitment) and respondents felt this company had contributed a lot to their lives, and respondents felt employees had made many contributions to the company, and have high morale in carrying out work and are able to complete work on time (normative commitment). This contributes to organizational performance where respondents feel employees can finish work on time and have high spirits in carrying out work.

The point of view of the respondent relating to organizational engagement and organizational performance is that respondents have a strong contribution to organizational performance because employees are able to do what has been determined as a duty, also because there are some interesting things related to organizational engagement. In other words, the greater the dedication to the organization, the greater the organization's performance (which is seen from the perceptions of the organization's respondents). The results of this study show that there is an impact and relationship between organizational commitments to employee performance or, in other words, in line with what Khan (2010) has found, stating that if employees have a commitment to the organization, employee performance will increase. Then, as seen from the value of organizational engagement, the extent to which encouragement arises from within employees will also affect the extent of an employee's achievement in the work environment (Mohammed and Eleswd, 2013). However, in this research, there are some limitations, namely not testing how deep the motivation that gives rise to one's dedication to the organization and its job is.

## 5. CONCLUSION AND SUGGESTION

This study aims to examine whether organizational commitment, transformational leadership, psychological ownership will affect employee performance. From the results obtained indicate that only organizational commitment affects employee performance. The results of this study indicate that the higher organizational commitment owned by employees (in terms of affective, normative and continuance) will affect employee performance.

Therefore, as a managerial implication, companies that face phenomena as in this study need to try to think of ways to improve and maintain employee commitment, for example by providing opportunities for employees to express and realize creative ideas, then provide rewards that are appropriate to their achievements and encourage a productive spirit of togetherness among employees.

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# Appendix

Dimension	Item	Code
Idealized influence/Charis- matic (MLQ)	I feel comfortable when i have to work closely with my leader. I was given a high standard of achieving results by my supervisor.	KH 1
		KH2
Inspirational Motivation	I feel that my achievements are highly appreciated by my supervisor. I'm always permitted to do tasks in old fashioned way as long as it is considered	
	relevant.	INSP.M2
Intellectual Stimulation	I feel that my supervisor always satisfied with my tasks.	INT.ST1
	My supervisor always support me to get involved in the decision making process.	INT.ST2
Individualized Considera-	I was left independently in accomplishing my tasks.	IC 1
tion	I see my supervisor as a symbol of a successful person.	IC2
Self-Efficacy	I believe that the advice i give can improve the performance in my division. I am entrusted to give particular advice regarding the innovative way to work in	SE 1
	my division.	SE 2
Self-Identity	I Feel That Identifying Company Characteristics Will Help Me Develop My Iden- tity in the Company.	SI 1
	It is important for me to protect my organization when outsiders try to criticize.	SI 2
Self-belongings	I Feel that this is my organization.	SB 1
6 6	I See Myself Psychologically Interwoven With Company's Destiny.	SB 2
Accountability	I Will Hold Management Responsible for Their Decisions.	AC 1
	I have the rights to hold myself and others for the performance of organization.	AC 2
Relational	I am ready to work at this company for a long period of time. I am ready to do other things to maintain my job.	RL 1
		RL 2
Transactional	I Only Do A Series of Work Which in the contract is a Job That Counts in Re- wards.	TR 1
	I do not have the obligation to work for this company for the rest of my life.	TR 2
Affective	I am very happy to become the part of this company.	AF 1
	I feel that there is an emotional bond between me and the firm.	AF 2
Continuity	At this moment working at this particular organization has been very important. If I Am Not Ready To Completely Put Myself In This Organization, I May Con-	C 1
	sider Working somewhere else.	C 2
Normative	I Will Feel Guilty If I Leave This Organization Now.	NCOM
	This organization deserves to have my loyalty.	NCOM 2
Employee performance	I Have a High Working Spirit in Carrying Out Work.	
	I was able to complete the task on time.	
Affective commitment	I will be very glad to spent the rest of my career in this company.	AFCOM
	I feel that the problems that occur in the company are my problems too.	
		AFCOM
Continuance commitment	I have a fear to leave this company and become jobless.	CCOM 1
	It would be to harmful for me to leave this company.	CCOM 2
Normative commitment	I feel this company has contributed a lot to my life.	NCOM 1
	I feel that I have contributed a lot to this company.	NCOM 2

	Employee Perfor-	Organizational Commitment	Psychological Owner-	Transformational Leader-
	mance		snip	ship
ACCOUNT_1			0,514	
ACCOUNT_2			0,366	
AFFECT_1		0,870		
AFFECT_2		0,838		
AFF_1		0,862		
AFF_2		0,871		
CHAR_1				0,781
CHAR_2				0,566
CONTIN_2		0,633		
CONT_1		0,877		
CONT_2		-0,013		
EP_1	0,947			
EP_2	0,934			
INDICON_1				0,742
INDICON_2				0,558
INSP_1				0,820
INSP_2				0,719
INTEL_1				0,836
INTEL_2				0,759
NORM_1		0,679		
NOR_1		0,851		
NOR_2		0,875		
REL_1			0,759	
REL_2			0,774	
SELFEFFI_1			0,612	
SELFEFFI_2			0,501	
SELF_BEL_1			0,669	
SELF_BEL_2			0,737	
SELF_IDEN_1			0,768	
SELF_IDEN_2			0,732	
TRANS_1			-0,087	
TRANS_2			0,513	

Appendix 2. Outer Loading (1)

	Employee Perfor- mance	Organizational Commit- ment	Psychological Owner- ship	Transformational Leader- ship
AFFECT_1		0,870	•	
AFFECT_2		0,838		
AFF_1		0,862		
AFF_2		0,871		
CHAR_1				0,779
CHAR_2				0,568
CONTIN_2		0,633		
CONT_1		0,877		
EP_1	0,947			
EP_2	0,934			
INDICON_1				0,740
INDICON_2				0,565
INSP_1				0,815
INSP_2				0,719
INTEL_1				0,831
INTEL_2				0,761
NORM_1		0,679		
NOR_1		0,851		
NOR_2		0,875		
REL_1			0,796	
REL_2			0,811	
SELFEFFI_1			0,555	
SELFEFFI_2			0,485	
SELF_BEL_1			0,715	
SELF_BEL_2			0,778	
SELF_IDEN_1			0,785	
SELF_IDEN_2			0,748	

Appendix 3. Outer Loading (2)