

THE INFLUENCE OF TRANSFORMATIONAL LEADERSHIP AND WORK ENVIRONMENT ON ORGANIZATIONAL COMMITMENT OF EMPLOYEES IN THE SERVICE SECTOR IN MAGELANG

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Abstract

This study aims to examine the influence of transformational leadership and work environment on organizational commitment among employees in the service sector in Magelang City. Using a quantitative approach, data were collected from 120 respondents through structured questionnaires. The variables were measured using established scales and analyzed using multiple linear regression. The findings show that both transformational leadership and work environment have a positive and significant influence on organizational commitment. Transformational leadership enhances employees' emotional attachment to the organization through inspiring vision and individualized support, while a supportive work environment strengthens employee well-being and loyalty. The model explains 57.9% of the variance in organizational commitment. These findings highlight the importance of leadership development and workplace quality in improving employee commitment in service-based organizations.

Keywords: Transformational Leadership, Work Environment, Organizational Commitment, Service Sector, Magelang

INTRODUCTION

In recent years, the service sector has become one of the key contributors to economic growth in developing countries, including Indonesia. As cities like Magelang continue to expand their economic base, service-oriented industries such as tourism, education, hospitality, and retail are playing an increasingly vital role. To sustain this growth, organizations must prioritize their human resource practices, particularly those that influence employee commitment. Organizational commitment has been found to contribute significantly to employee retention, performance, and overall organizational success (Meyer & Allen, 1991). It reflects the psychological attachment an employee feels toward their organization and their willingness to exert effort on its behalf. Therefore, identifying and understanding the factors that shape organizational commitment in service-based companies is essential. Two key factors often discussed in the literature are leadership style and the work environment.

Transformational leadership has been widely acknowledged as one of the most effective leadership styles in promoting employee motivation and organizational commitment. This leadership style involves inspiring and intellectually stimulating employees, promoting innovation, and fostering an inclusive vision (Bass & Avolio, 1994). Leaders who practice transformational behaviors are able to influence employees by aligning personal goals with organizational objectives. In turn, this alignment can deepen an employee's sense of belonging and enhance their commitment to the organization (Avolio & Yammarino, 2013). In service-based sectors, where employee-client interactions directly affect performance, leadership that empowers and motivates is even more critical. This is especially true in small- to mid-sized cities like Magelang, where service

providers rely heavily on loyal, engaged staff. Thus, transformational leadership has the potential to serve as a catalyst for organizational commitment among employees in this region.

Equally important is the role of the work environment in shaping employee attitudes and behaviors. A positive work environment—characterized by physical comfort, open communication, support from supervisors, and fair treatment—has been shown to correlate with increased levels of organizational commitment (Rhoades & Eisenberger, 2002). When employees feel valued and supported, they are more likely to exhibit loyalty to the organization. Moreover, in service-based businesses where emotional labor is high, a supportive environment can buffer against burnout and dissatisfaction (Schaufeli & Bakker, 2004). Providing a conducive work setting also signals organizational investment in employee well-being, which reinforces a sense of reciprocity. This sense of mutual responsibility between employee and employer is central to long-term organizational success. Therefore, fostering a healthy work environment is not merely a matter of comfort, but a strategic initiative tied to commitment and performance.

The interplay between transformational leadership and work environment may also be synergistic in influencing organizational commitment. Leaders can shape the work environment by setting the tone for workplace culture, addressing conflicts, and promoting fairness and equity (Yukl, 2013). For instance, a transformational leader who promotes open communication and empathy can enhance trust and reduce employee stress. This creates a virtuous cycle, where leadership reinforces the work environment, which in turn strengthens employee commitment. Some studies suggest that the positive effects of transformational leadership on commitment may even be mediated by perceptions of a supportive work environment (Zhu et al., 2009). In Magelang, where many service sector organizations are relatively small and leadership visibility is high, these relationships may be especially pronounced. Exploring the dynamics of this relationship within the local context can provide valuable insights for both theory and practice.

While extensive research has explored these variables in urban and industrial contexts, fewer studies have focused on small cities or service sectors in regions like Central Java. Magelang City presents a unique context due to its growing tourism sector, increasing number of small and medium enterprises, and its cultural emphasis on community values. Understanding how leadership and work environment contribute to organizational commitment in such settings can bridge gaps in the literature and provide region-specific recommendations. It can also inform leadership development programs and workplace policies tailored to the service industry. Additionally, the outcomes of this study can serve as benchmarks for other similar cities in Indonesia and Southeast Asia. Local governments and business leaders in Magelang can benefit from empirical data that highlights the role of leadership and environmental factors in building sustainable organizations. Hence, the localized focus of this research adds both academic and practical value.

Furthermore, the workforce in the service sector in Magelang is characterized by diversity in terms of education level, age, and experience, which may influence perceptions of leadership and workplace quality. For younger employees, inspirational leadership and opportunities for personal growth may be particularly motivating, while older workers may value stability and supportive management. Similarly, different service industries—such as hospitality versus financial services—may present different environmental challenges and leadership expectations. This diversity makes Magelang an ideal setting for studying how transformational leadership and work environment interact to affect commitment. A better understanding of this interaction can help organizations tailor leadership strategies to

different demographic and industry needs (Robbins & Judge, 2019). It also helps identify universal drivers of commitment versus those that are more context-specific. Therefore, demographic and industry considerations will be important variables in the current study.

Given the growing importance of human capital in service-based economies, there is a pressing need for empirical research that identifies actionable strategies to improve employee commitment. While transformational leadership and work environment have each been studied independently, there is value in exploring their combined effects, particularly in under-researched settings like Magelang. This study aims to examine both the individual and joint influence of transformational leadership and work environment on organizational commitment in the service sector. It adopts a quantitative approach, surveying employees across various service-based companies within the city. The findings are expected to contribute to the leadership literature and offer managerial insights for enhancing employee engagement and retention. Moreover, the results will inform local HR practices by emphasizing leadership development and workplace improvement. In doing so, this study seeks to provide a comprehensive understanding of the antecedents of organizational commitment in Magelang's service economy.

LITERATURE REVIEW AND HYPOTHESIS FORMULATION

1. Transformational Leadership

Transformational leadership refers to a leadership style where leaders inspire and motivate followers to exceed their own self-interest for the sake of the organization (Bass & Avolio, 1994). It includes four key components: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. Leaders who demonstrate these behaviors are capable of developing trust, empowering subordinates, and fostering innovation and organizational change (Northouse, 2019). Empirical studies show that transformational leadership significantly contributes to increased employee satisfaction, organizational performance, and employee commitment (Avolio & Yammarino, 2013). In service-oriented industries, this leadership style is especially important as it enhances employee-client interactions and service quality. According to Podsakoff et al. (1990), transformational leadership influences attitudes by aligning individual goals with broader organizational missions. As such, it is often associated with positive outcomes such as reduced turnover, increased motivation, and stronger organizational attachment.

2. Work Environment

Work environment encompasses both the physical and psychological conditions under which employees operate. A healthy work environment includes factors such as ergonomic infrastructure, effective communication, emotional support, and a sense of fairness and respect (Rhoades & Eisenberger, 2002). Research indicates that employees who perceive their work environment as supportive tend to exhibit higher levels of job satisfaction and organizational commitment (Schaufeli & Bakker, 2004). In the service sector, where emotional labor is common, the quality of the work environment can significantly affect employee well-being and retention. A safe, inclusive, and engaging environment not only facilitates job performance but also enhances employees' willingness to stay and contribute to organizational success (Kowalski & Loretto, 2017). Furthermore, the work environment is often shaped by managerial and leadership practices, which means it can be deliberately managed to produce positive outcomes. As a mediating or moderating

factor, the work environment may amplify the effect of leadership on organizational commitment (Zhu et al., 2009).

3. Organizational Commitment

Organizational commitment is defined as the psychological attachment an employee feels toward their organization (Meyer & Allen, 1991). It consists of three dimensions: affective commitment (emotional attachment), continuance commitment (cost of leaving), and normative commitment (sense of obligation to stay). Employees with strong organizational commitment are more likely to engage in citizenship behaviors, resist turnover, and perform better in their roles (Mowday, Steers, & Porter, 1979). In service-based industries, employee commitment is vital because it directly influences customer satisfaction and loyalty. Research suggests that both leadership and work environment are key antecedents of organizational commitment (Robbins & Judge, 2019). Transformational leaders foster emotional bonds, while supportive environments reduce job stress—both increasing commitment levels. Therefore, understanding how these variables work together to influence commitment is essential for HR managers and organizational leaders.

4. Research Hypotheses

Based on the review of relevant literature and theoretical frameworks, this study proposes two hypotheses that explore the relationship between independent variables—transformational leadership and work environment—and the dependent variable, organizational commitment.

Several previous studies have demonstrated a significant positive relationship between transformational leadership and organizational commitment. Transformational leaders influence their followers by creating a shared vision, providing individualized support, and encouraging innovation, which enhances employees' emotional attachment to the organization (Bass & Avolio, 1994; Avolio & Yammarino, 2013). Employees tend to feel more valued, empowered, and aligned with the organization's goals when they are led by transformational leaders. This psychological alignment often translates into higher organizational commitment (Podsakoff et al., 1990). Therefore, the following hypothesis is proposed:

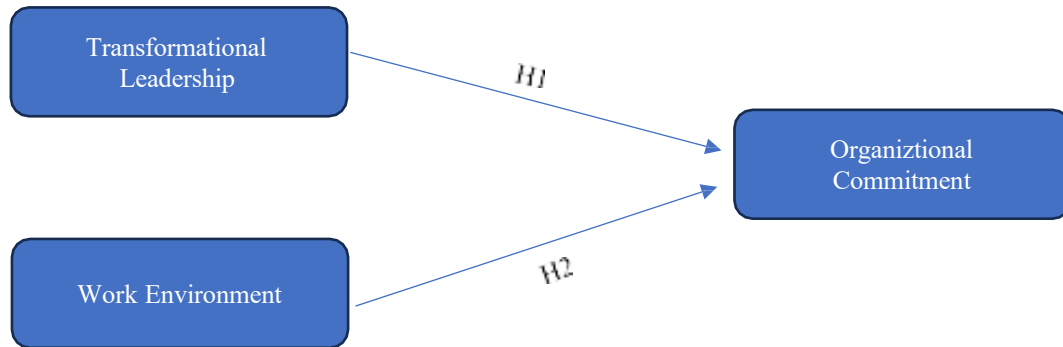
H1: Transformational leadership has a positive influence on organizational commitment among employees in the service sector in Magelang City.

Likewise, the work environment is widely recognized as a major determinant of organizational behavior and attitudes, including commitment. A positive work environment—marked by fairness, support, safety, and open communication—can increase employees' sense of belonging and their willingness to stay in the organization (Rhoades & Eisenberger, 2002; Schaufeli & Bakker, 2004). In service industries, where employees frequently interact with clients and customers, the quality of the work environment is crucial for maintaining motivation and emotional resilience. A favorable environment can reduce stress and increase employee satisfaction, which are key predictors of commitment. As such, the second hypothesis is formulated as follows:

H2: Work environment has a positive influence on organizational commitment among

employees in the service sector in Magelang City.

These hypotheses will be tested using quantitative analysis, and the findings will help clarify how leadership style and work environment contribute to fostering employee loyalty and stability in service-based organizations.



RESEARCH METHODS

This research adopts an empirical-interpretative design with a quantitative approach to examine the influence of transformational leadership and work environment on organizational commitment. A quantitative method is considered appropriate to objectively measure relationships among variables and to test predetermined hypotheses using statistical analysis (Sugiyono, 2019). The research focuses on employees working in the service sector across Magelang City, including businesses in retail, hospitality, finance, and education. The study seeks to provide insights into the factors that foster employee commitment, particularly in urban service settings with dynamic client interactions and human-centered operations.

The population of this study consists of all employees currently working in service-oriented companies in Magelang City. Due to the large and varied population, the sampling technique used is simple random sampling, allowing each employee an equal opportunity to be selected as a respondent (Sekaran & Bougie, 2016). The sample size was determined using the Slovin formula with a margin of error of 5%, resulting in a total of approximately 100–150 respondents. The data collection method involves the distribution of questionnaires, both physically and digitally, to ensure coverage across different types of service institutions.

The instrument used for data collection is a structured questionnaire, which includes items measured on a 5-point Likert scale ranging from 1 (“Strongly Disagree”) to 5 (“Strongly Agree”). The questionnaire is divided into four sections: demographic data, transformational leadership (measured using items adapted from Bass & Avolio, 1994), work environment (based on Rhoades & Eisenberger, 2002), and organizational commitment (based on Meyer & Allen, 1991). Prior to data collection, the questionnaire underwent validity and reliability testing through a pilot study involving 30 respondents. Validity was tested using Pearson’s product-moment correlation, and reliability was measured using Cronbach’s Alpha, with all constructs achieving a reliability coefficient above 0.70.

To test the hypotheses, the data were analyzed using multiple linear regression

analysis, with transformational leadership and work environment as independent variables, and organizational commitment as the dependent variable. This method is selected to assess the simultaneous and partial effects of the predictor variables on the outcome variable (Ghozali, 2018). In addition to regression analysis, t-tests were used to test the significance of individual predictors, while the coefficient of determination (R^2) was used to assess the explanatory power of the model. All data were processed using SPSS version 25.

This methodological framework is expected to produce robust and generalizable findings, particularly regarding how leadership style and environmental factors contribute to the formation of organizational commitment among service workers. The findings will offer valuable implications for HR development, organizational policy, and strategic leadership practices in service-based institutions in regional urban centers like Magelang.

RESULTS AND DISCUSSION

1. Descriptive Analysis of Respondents

The data were collected from a total of 120 respondents working in various service-based organizations across Magelang City. Of the respondents, 45 were male (37.5%) and 75 were female (62.5%). In terms of educational background, the majority (70%) held a senior high school diploma, while 30% had a bachelor's degree. Most of the respondents worked in the hospitality and retail sectors, while others came from education and financial services. The average age of respondents was 32 years old. This demographic diversity strengthens the generalizability of the findings. The data collection process took approximately 2 months, using both digital and paper-based questionnaires.

2. Regression Analysis

Multiple linear regression analysis was conducted to determine the influence of transformational leadership and work environment on organizational commitment.

Table 1. Regression Coefficients

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.	Tolerance	VIF
	B	Std. Error	Beta			
(Constant)	5.412	1.235		4.383	.000	
Transformational Leadership (X1)	0.452	0.103	0.387	4.388	.000	0.792

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.	Tolerance	VIF
Work Environment (X2)	0.476	0.096	0.414	4.958	.000	0.792

Source: Processed Data, 2025

Based on Table 1, both independent variables—transformational leadership and work environment—have positive coefficients (0.452 and 0.476 respectively), with significance values below 0.05, indicating that both variables positively and significantly influence organizational commitment.

Table 2. Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.761	0.579	0.570	2.013	1.932

Source: Processed Data, 2025

The R² value of 0.579 means that 57.9% of the variation in organizational commitment can be explained by the combination of transformational leadership and work environment. The remaining 42.1% is explained by other factors not included in this model.

3. Hypothesis Testing and

Discussion Hypothesis 1:

Transformational Leadership has a positive influence on Organizational Commitment.

Based on the regression output in Table 1, the coefficient for transformational leadership (X1) is 0.452, with a t-value of 4.388 and significance (p-value) = 0.000, which is below the 0.05 threshold. This confirms that transformational leadership has a positive and statistically significant effect on organizational commitment. The standardized coefficient (Beta) is 0.387, indicating a moderate contribution compared to the other predictor. The VIF value of 1.262 shows no multicollinearity, and the Durbin-Watson score of 1.932 indicates no autocorrelation.

This finding supports the notion that transformational leadership behaviors such as inspiring vision, individual consideration, and intellectual stimulation enhance employees' emotional connection with their organization (Bass & Avolio, 1994). Transformational leaders are known to foster trust, respect, and a shared sense of purpose, which in turn improves organizational commitment (Avolio & Yammarino, 2013). Prior studies have consistently reported similar findings across service industries (Podsakoff et al., 1990; Robbins

& Judge, 2019). In people- centered sectors like hospitality and retail, a leader's ability to motivate and align employees' goals with organizational missions is key to sustaining engagement. As such, transformational leadership is a critical element in building long-term employee loyalty, especially in competitive service environments.

Hypothesis 2:

Work Environment has a positive influence on Organizational Commitment.

From Table 1, the coefficient for work environment (X2) is 0.476, with a t-value of 4.958 and a significance (p-value) of 0.000. This value indicates a positive and significant relationship between work environment and organizational commitment. The standardized beta coefficient is 0.414, showing that work environment is slightly more influential than transformational leadership in this model. The multicollinearity check (VIF = 1.262) confirms the independence of variables. Hence, the hypothesis is accepted and work environment significantly contributes to employees' organizational commitment.

This result aligns with previous studies which emphasize that a supportive and safe work environment positively affects employee attitudes and attachment (Rhoades & Eisenberger, 2002). A well-structured work setting promotes psychological well-being, reduces stress, and reinforces a sense of organizational support, which are vital components of commitment (Schaufeli & Bakker, 2004). In service organizations, where emotional labor is high, the physical and social environment significantly shapes job satisfaction and loyalty (Kowalski & Loretto, 2017). Employees who feel comfortable and respected in their workplace tend to develop stronger emotional bonds with the organization, thereby increasing their willingness to remain and contribute. Therefore, investing in the improvement of the work environment is not only beneficial for daily operations but also for long-term employee retention.

CONCLUSION

Based on the results of this study, it can be concluded that transformational leadership and work environment both have a positive and significant influence on organizational commitment among employees in the service sector in Magelang City. First, the analysis shows that transformational leadership positively affects organizational commitment. Leaders who demonstrate inspirational motivation, provide individualized support, and foster innovation are more likely to cultivate emotional attachment among employees. This leadership style encourages alignment between personal and organizational goals, which enhances employee loyalty and engagement. Second, the work environment also significantly contributes to organizational commitment. A supportive, fair, and safe workplace fosters job satisfaction and reduces stress, which in turn strengthens employees' willingness to stay and contribute to the organization. In service-oriented businesses, where employee-client interaction is critical, the quality of the work environment plays a vital role in sustaining employee motivation and performance. Together, transformational leadership and work environment explain 57.9% of the variance in organizational

commitment. This indicates that both variables are key drivers of employee engagement and retention. Therefore, service sector organizations in Magelang City are encouraged to invest in leadership development and workplace improvements as strategic efforts to enhance long-term employee commitment and organizational sustainability.

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