

ABSTRACT

This study aims to analyze the effect of transformational leadership on employee performance and to examine the role of organizational commitment as a mediating variable among employees of PT BPR BKK Blora (Perseroda). The background of this research is based on the phenomenon of fluctuating employee performance and previous empirical findings that indicate inconsistencies in the relationship between transformational leadership and employee performance. This study employs a quantitative approach using a survey method through the distribution of questionnaires to the entire population of 155 employees (census sampling). A total of 93 responses were collected and processed.

Data analysis was conducted using Structural Equation Modeling (SEM) based on Partial Least Square (PLS) with the SmartPLS application to test both direct and indirect effects among variables. The results show that transformational leadership has a significant positive effect on employee performance. In addition, organizational commitment is proven to act as a mediating variable in the relationship between transformational leadership and employee performance. These findings affirm that the quality of the relationship between leaders and employees can enhance employees' commitment to the organization, which in turn contributes to optimal employee performance. This study provides practical implications for the management of PT BPR BKK Blora to strengthen transformational leadership practices in order to improve organizational commitment and employee performance sustainably.

Keywords: *Employee Performance, Transformational Leadership, Organizational Commitment*

