

THE ACCOUNTABILITY OF LEADERSHIP: AN EMPIRICAL STUDY AT PT. OPCO INDONESIA¹

Lydia Rachel Chandra

School of Hotel & Tourism Management
Faculty of Business Administration & Humanities
Swiss German University
BSD City, Serpong, Tangerang, Indonesia
Email: lydiarachelch@gmail.com

Irma M. Nawangwulan

School of Management Studies
Universitas Pembangunan Jaya
Bintaro Jaya, Tangerang, Indonesia
Email: inawangwulan@gmail.com

ABSTRAK

Kepemimpinan transformasional (TL) adalah salah satu gaya kepemimpinan yang paling banyak digunakan untuk memotivasi and mendukung karyawan untuk dapat melakukan pekerjaan dengan baik. Psychological empowerment (PE) merupakan alat untuk melakukan mediasi antara kepemimpinan transformasional yang akan mengarah kepada kepuasan kerja (JS).

Tujuan dari penelitian ini adalah untuk melakukan analisa keterkaitan antara kepemimpinan transformasional, psychological empowerment, dan kepuasan kerja di dalam industri jasa. Penelitian ini menggunakan pendekatan kuantitatif dimana sejumlah 116 kuesioner sudah dibagikan kepada karyawan PT. OPCO Indonesia. Structural Equation Modeling (SEM) digunakan untuk melakukan analisa diagram jalur, dan model fit. Hasil yang diperoleh menunjukkan bahwa TL memberikan pengaruh kepada PE sebesar 96%, sedangkan PE memberikan pengaruh kepada JS sebesar 44%. Dapat disimpulkan bahwa TL memiliki pengaruh signifikan terhadap PE, dan PE memiliki pengaruh yang lemah terhadap JS di PT. OPCO Indonesia di Jakarta. Penelitian memberikan usulan untuk melakukan pelatihan mengenai kepemimpinan untuk meningkatkan karakter TL dan pengetahuan mengenai pekerjaan sehingga karyawan merasa lebih mampu dan menyukai pekerjaan mereka.

Kata Kunci: Kepemimpinan Transformasional, *Psychological Empowerment*, *Job Satisfaction*, *Structural Equation Modeling*

ABSTRACT

Transformational Leadership (TL) is one of the most applicable leadership styles that motivates and encourages employees to perform well. Psychological empowerment (PE) is one of the tools that mediate the role of transformational leadership that can lead to job satisfaction (JS).

The purpose of this research is to analyze the relationship between transformational leadership, psychological empowerment, and job satisfaction in service industry. This research uses a quantitative approach whereby 116 questionnaires were distributed to employees of PT. OPCO Indonesia. SEM (Structural Equation Modeling) was chosen to analyze the research model which creates path diagram, regression weights, and model fit. The results show that TL affects PE by 96% while PE affects JS by 44%. It can be concluded that TL has a significant influence to PE and PE has a weak influence to JS in PT. OPCO Indonesia in Jakarta. This research adds some recommendations to provide trainings on leadership to enhance the TL characters and job knowledge to make the employees feel competent and love their jobs.

Keywords: Transformational Leadership, Psychological Empowerment, Job Satisfaction, Structural Equation

¹ The authors appreciate inputs and comments from **Dr. Samuel PD Anantadjaya** (Swiss German University), **Mr. Oqke Prawira, M. Par** (Swiss German University), and **Mr. Yudhistira Pratama, MBA** (Swiss German University).

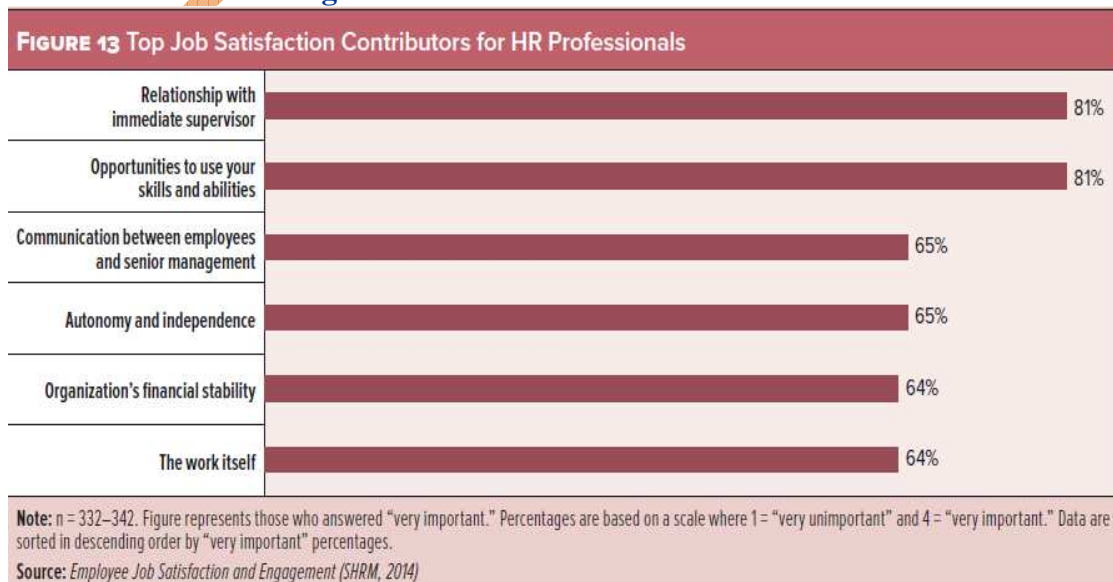
Modeling

I. BACKGROUND

Service industry has grown rapidly. According to United Nations World Trade Organization (UNWTO), in 2011 alone, service industry contributes about one-third of overall economic world sector (The Jakarta Globe, 2013). Many hotels and restaurants are built to participate in this demanding industry due to the dynamic demand of its customers. This situation leads to tight competition in the market. For sure, providing excellent customer service remains the top priority to stay ahead of the competition. To do so, though it is relatively difficult to measure and/or value, human resources remain the key aspects (Mello, 2006, pp. 6-7). It turns out that human resources are regarded as an essential asset for organizations. Suitable leadership is crucial to manage human capital and obtain the finest out of the employees (Ngah, et al., 2013). Therefore, leaders play important roles in practicing this strategy. Leadership quality is tested to lead employees in handling customer complaints and can be more creative in enhancing the service quality.

For service industry, transformational leadership is considered more suitable since this type of leadership tends to encourage empowerment (Mazaheri & Owraq, 2014). This type of leadership recognizes that human relation is an important asset, and empowerment is the key (Akbar, Yousaf, Haq, & Hunjra, 2011). Empowerment is initial, fundamental and an extraordinary aspect for achievement of success and growth for any business and enhances the productivity (Akbar, Yousaf, Haq, & Hunjra, 2011). It allows employees to go extra-miles in giving service to the customers and increase their decision making skill so that the operation can run effectively and efficiently even when the managers are not available every time.

Figure 1: Job Satisfaction Contributors

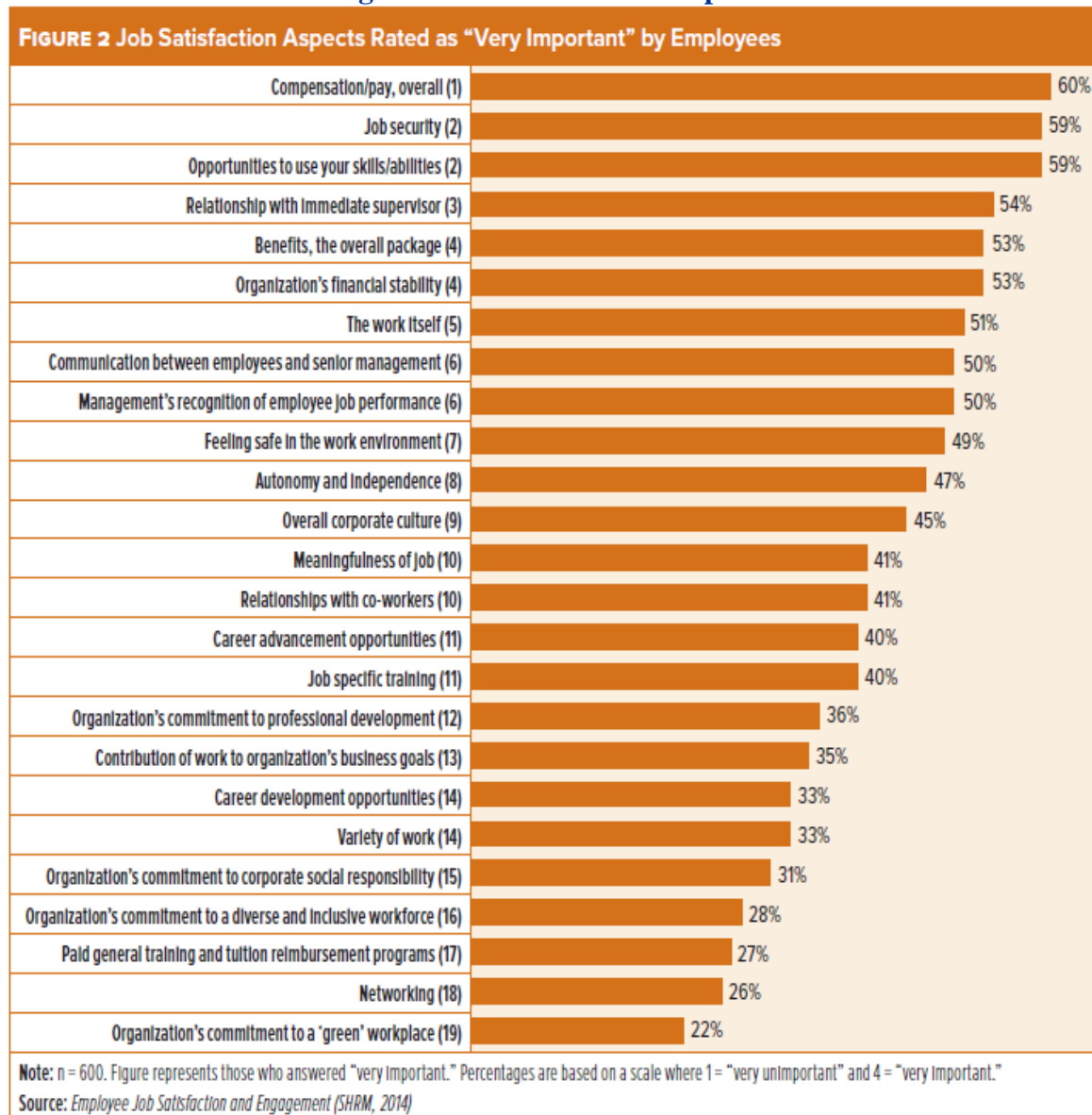


Source: (Lee, Esen, Coombs, Wessels, & Gantt, 2015)

According to Lee, Esen, Coombs, Wessels & Gantt (2015), as it can be seen in the illustration, HR professionals noted that relationships with the immediate supervisors play an important role for employees’ contribution, motivation to grow, and perform well. It is also recognized that autonomy and independence are important drivers on employee job satisfaction. In fact, autonomy and independence score 65% out of 100%. This may lead to

personal achievement because employees might be proud if they can be given a freedom to control how they do their job and also accomplishing some tasks or problems. Moreover, this data also proves that employees seek of being empowered by the management to enhance their inner personalities to become more confident and learn the decision making skill. Transformational leadership is one of leadership styles that match with the situation because motivate and inspires their employees by concentrating on capability and encouraging self-development (Anantadjaya, Nawangwulan, Pramesty, & Gunawan, 2015; Pramesty, 2014).

Figure 2: Job Satisfaction Aspects



Source: (Lee, Esen, Coombs, Wessels, & Gantt, 2015)

From the figure above, it is interesting to note that intrinsic rewards and acknowledgement from superior are important for employees. Many of those intrinsic rewards and acknowledgment are in the top ten positions, such as; recognition on performance, autonomy, independence, communication with senior management, and meaningfulness of the job. These statistics provide evidence that empowerment is an important element in enhancing employee satisfaction. With the higher level of

satisfaction, undoubtedly, employees are more likely to automatically increase their serviceability on various organizational issues and tasks, including showing the tendency toward higher productivity. Hence, this situation offers an interesting topic to be examined further.

I.1. PROBLEM IDENTIFICATION & RESEARCH QUESTIONS

Managers are seen as leaders that can inspire employees to perform better. The various types of leadership styles have their own characteristics and ways to lead followers. From the used-to-be popular situational leadership style (Anantadjaya, 2013, pp. 15-18), to the current transformational leadership, there are numerous styles that any leaders can choose and assume from. Transformational leadership is regarded as one of the most applied leadership style in organizations. The implanted inspiration to motivate employees to achieve the organization's goals appears to be the reason of its popular applicability. Referring to the illustrations above, inspirations to motivate employees may be best approximated via the recognition of psychological empowerment. Once the employees experience such superb empowerment, job satisfaction is expected to rise. The rising level of job satisfaction may likely influence the enhancement and enrichment of the organizational culture. The stronger the organizational culture, the higher the productivity and eventually organizational bottom-line improves (Kotler & Armstrong, 2014).

Therefore, the research problems and research questions in this study are as follows;

Table 1: Research Problems & Questions

Research Problems	Research Questions
1. The application of a transformational leadership plays an important role on the creation of psychological empowerment.	1. How strong does the transformational leadership influence the creation of psychological empowerment?
2. The formation of a psychological empowerment leads to a higher employee job satisfaction.	2. How strong does the psychological empowerment influence employee job satisfaction?
3. A higher employee job satisfaction leads to a higher organizational productivity	3. How strong does employee job satisfaction influence organizational productivity?

I.2. SIGNIFICANCE OF STUDY

It is expected that this research may benefit managers and employees. For managers, for instance, this study may provide supports on customer handling, motivating employees, attempting to alter employees' behaviors to reach the company's goals. For employees, for example, this study may also provide support toward independency, and creative acknowledgment to increase both individual and organizational productivity. This study limits itself in PT. OPCO Indonesia, particularly the employees of the Food and Beverage, including administration.

II. LITERATURE REVIEW

II.1. TRANSFORMATIONAL LEADERSHIP

Some leadership experts adopted two kind of leadership style which focuses on how the followers see their leader. In recent years, these two leadership style are famous and applied in most organization, which are transformational leadership and transactional leadership (Ebert & Griffin, 2011; Ingram, 2015).

Transformational leadership refers to the set of abilities of an individual to recognize the need for change, to create vision and to execute the change effectively (Ebert & Griffin, 2011; Ingram, 2015). Burns stated that transformational leadership is a concept of leaders that able to define and express a clear vision for the organization and to assist the followers to be motivated and satisfied in the organization by engaging them (Givens, 2011). The leaders focus in concern and developmental needs of the followers by changing their awareness issues in order to look at the old problem in new ways. Transformational leaders also able to arouse, excite, and inspire their followers to give extra effort in achieving the objective goals (Odumeru & Ogbonna, 2013). As quoted by Odumeru & Ogbonna (2013), this concept was first introduced in 1978 by James Macgregor Burns in his research on political leaders. As time goes by, there are some modifications about the usage in organizational psychology and management by Bass and Avalio (Odumeru & Ogbonna, 2013; Bass & Bass, 2008).

Transformational leadership uses many strategies to enhance the motivation, morale, and performance of followers. For example, leaders want to connect the followers' sense of identity and self to the project and collective identity of the organization, hence they can be role models that inspire and make them interested. Another example is leaders challenge followers to take greater responsibilities in their work and understand the strengths and weaknesses in order to align the followers with tasks that enhance their performance. (Odumeru & Ogbonna, 2013). Bass modified the concept of transforming leadership from political and social movement arena to organization context (Odumeru & Ogbonna, 2013; Anantadjaya, Nawangwulan, Pramesty, & Gunawan, 2015; Bass & Bass, 2008).

Table 2: Differences Between Transforming and Transformational Leadership

	Transforming Leadership (Burns)	Transformational Leadership (Bass)
Purpose	To enhance the welfare of human being	To motivate others in order to do more that they originally affianced and often than they thought possible
Context	Politic and Social	Organizational
Influence	Two-way (leader ↔ follower)	One-way (leader → follower)
Requirement for social change	Yes (“real, intended change”)	No

Source: (Anantadjaya, Nawangwulan, Pramesty, & Gunawan, 2015; Pramesty, 2014; Bass & Bass, 2008)

Transactional leadership is an exchange process in which a contingent reinforcement based on employee performance (Men, 2010). Bennet stated that transactional leaders usually control their followers through bureaucracy, policy, power, and authority to maintain control which may fit in authority occasion (Men, 2010). Different form Transformational leadership, transactional leaders do not seek for future changes but they seek for keeping the situation the same it supposed to be. These leaders pay attention in finding followers' faults and deviation in their work. This type of

leadership is more effective in when the organization facing crisis and emergency situation, as well as when some projects need to be carried out in specific way (Odumeru & Ogbonna, 2013). Transactional leaders more concern with processes rather than forward-thinking ideas, means that they focus on contingent reward (also known as contingent positive reinforcement) or contingent penalization (also known as contingent negative reinforcement). Contingent reward are given when the organization's goals are accomplished (on-time or ahead of time) or to keep the sub-ordinates to work at good pace and effective at different times throughout completion. One of example of contingent reward is praise. On the other hand, contingent punishments are given when employees performance are fall behind the organizations standard or failure in meeting the goals. One of example of contingent punishment is suspension. To fix this situation, the management has two routes; (1) first is active management-by-exception where the leaders supervise their sub-ordinates' performance, and make changes to the work in order to make corrections throughout the process, and (2) passive management-by-exception means the leaders only wait for the issues to come out and then fix them (Odumeru & Ogbonna, 2013)

Burns distinguished these two types of leadership where (1) transactional leaders are leaders who exchange tangible rewards for the work and loyalty of followers, and (2) transformational leaders are leaders who engage with followers, focus on higher order intrinsic needs, and raise consciousness about the significance of specific outcomes and new ways in which those outcomes might be achieved (Odumeru & Ogbonna, 2013). Hence, below is the comparison between transformational leadership and transactional leadership.

Table 3: Transformational Leadership vs. Transactional Leadership

Transformational Leadership	Transactional Leadership
Leaders are proactive	Leaders are responsive
Works within the organizational culture to make changes by implementing new ideas	Works within the organizational culture
Employees achieve objectives through higher ideals and moral values	Employees achieve objectives through rewards and punishments
Motivates followers by encouraging them to put group interests first	Motivates followers by appealing to their own self interest
Individualized consideration: Each behavior is directed to each individual to express consideration and support. Intellectual stimulation: Promote creative and innovative ideas to solve problems.	Management-by-exception: maintain the status quo; stress correct actions to improve performance.

Source: (Odumeru & Ogbonna, 2013)

According to Long, Yusof, Kowang & Heng (2014), Bass proposed a theory about the component of Transformational Leadership (Bass & Bass, 2008). There are four dimensions that can be measured in Transformational Leadership which are (1) individualized influence, (2) inspirational motivation, (3) intellectual stimulation, and (4) individualized consideration.

1. Idealized Influence refers to the behavior of leaders that allows them to act as models for their followers. Leaders are seen by the followers as motivators. Leaders are respected, considered, and trusted. The followers perceive the leaders and the desire to

motivate them while leaders are endowed as possessing astonishing skills, persistence and determination. Hence, there are two aspects in this dimension which are the leader's behavior and fundamental that is attributed by the follower and the associated organization (Long, Yusof, Kowang, & Heng, 2014). As quoted by Odumeru & Ogbonna (2013), Warillow also defines idealized influences as the degree that leaders behave display convictions, and take stands in admirable ways that may cause the followers to idolize them and make them as role models.

2. Inspirational Motivation refers to the leaders' behaviors inspire and stimulate people by giving challenge and meaning to the follower's work (Long, Yusof, Kowang, & Heng, 2014). Team spirit, eagerness and positive thoughts have to be shown in order to encompass the upcoming state. Another definition about inspirational motivation is the degree of a leader to make a vision that is appealing and inspiring for the followers in order to make them more optimistic about future goals and offers meaning to current tasks (Odumeru & Ogbonna, 2013).
3. Intellectual Stimulation refers to the leaders' behaviors that need to arouse the followers' effort to be innovative and creative by questioning assumptions, reframing setback and approaching aged situation in new ways. Followers are given chances to make new ideas and creative setback, not to be criticized because of they are differ from the leaders (Long, Yusof, Kowang, & Heng, 2014). Warillow also defines intellectual stimulation as a degree which leaders challenge their follower's assumptions, stimulations, and creativities by providing framework in order to see whether they connect to the leaders, organizations, colleagues, and the goals by making creative overcomes in obstacles in the way of the mission (Odumeru & Ogbonna, 2013).
4. Individualized Consideration refers to the leaders' behaviors provide supports, encouragement and instruction to subordinates. Many strategies are conducted in order to obtain this characteristic, Bass stated that the need of personal attention, individual treatment for the employees, train and advise the employees are important (Bass & Bass, 2008) while Hamilton also explain a good communication such as listen attentively, paying special attention to the follower's achievements and growth requirements, and two-way of communication is important to achieve this character (Anantadjaya, Nawangwulan, Pramesty, & Gunawan, 2015; Pramesty, 2014). Another definition from Warrillow, which see this dimension as personal and individual attention, stated that it is the degree of a leader drop in to each individual needs and acts as a leader. Warrillow gives the followers respect and appreciation on contribution to the team individually. This may fulfills and increase the need for self-fulfillment and self-worth of the followers. By doing this, the leaders inspire the followers to further achievement and growth (Odumeru & Ogbonna, 2013).

II.2. PSYCHOLOGICAL EMPOWERMENT

Employee empowerment is defined as the process of giving authority to employees to think, take action and control work, and making decision in independent way. But the concept of empowerment itself are varies, many experts gave their own opinions about empowerment. Empowerment may lead the increase of job satisfaction (Saeed, Chaudhry, Ahmad, & Ata, 2013). According to Boonyarit, Chomphupart, & Arin (2010), there are 2 types of empowerment;

1. First, according to Kanter's theory in 1977, as quoted by Boonyarit, Chomphupart &

Arin (2010), there is structural empowerment where employees are empowered when they are given access to empowerment structures to accomplish their work which are opportunity, information, support, resources, and formal and informal power. The formal and informal powers are associated with the autonomy and mastery instead of domination and control.

2. Second, another concept of empowerment, which was studied by Spreitzer in 1995, as quoted by Boonyarit, Chomphupart & Arin (2010), is a psychological empowerment, which concern more into the psychological side of the employees' perception. Psychological empowerment is achieved by giving knowledge and belief to the worker's about the meaning of their job, their capability to be a successful person in their job, increase the sense of their self-efficacy, and their autonomy in influencing the outcomes of their work (Boonyarit, Chomphupart, & Arin, 2010).

According to Elnaga & Imran (2014), there are 3 essential elements of empowerment that may lead to job satisfaction, which are;

1. Accuracy and Clarity

People can only achieve a good progress at work if only they can understand and revive a clear objective, expectation, and a complete picture of the result they are expected to deliver. With empowerment the role of managers switches from closely supervising the employees' performance to hold on the desired result. Means that managers need to clearly define and remind them by communicate to them frequently so that they can understand the responsibilities.

2. Encourage and Support

Managers need to always support and encourage employees by supplying the aids and resources they need to progress and removing any obstacles that may hinder progress. Managers empower their people by serving their needs, for example time, resources, and encouragement necessary for attaining goals, but also actively working to minimize barriers to success.

3. Autonomy and Freedom

Employees are given an autonomy and freedom in what they have to do in their job. If they already know what they are expected to do and have the support they need to do it, the managers just need to give them the chance. Trusting employees to get their work done however they choose is fundamental may lead to create a positive work environment.

According to previous studies, the 4 dimensions of psychological empowerment are as follows (Spreitzer, Kizilos, & Nason, 1997; Saif & Saleh, 2013);

1. Meaning refers to an individual's believe that his work is important to himself and the fondness of what he is doing. In Saif & Saleh (2013), Spreitzer defines as the meaning of a value or task goal or purpose judged in relation to an individual's own ideals or standard (Spreitzer, Kizilos, & Nason, 1997; Saif & Saleh, 2013). It involves a fit between the requirements of a work role, believes, values and behavior.
2. Competence refers to an individual's ability to perform work related activities with skill in which refers to the degree how well a person performs the task.
3. Self-determination refers to an individual's control over manner, time and speed of

their task performance in related to choice cognition.

4. Impact is the degree of an individual can influence others in related with strategic, administrative, and operating outcomes at work.

Another research which conducted by Spreitzer and Mishra in 1992, they identified five inner elements effective on self tend that are called inner empowerment-psychological. The variables include sense of competence, feeling of having a choice, sense of efficacy, sense of meaningfulness, and sense of trust on others (Saif & Saleh, 2013). According to Elnaga & Imran (2014), there are some advantages and disadvantages of employee empowerment, as shown in the following table;

Table 4: Advantages & Disadvantages of Employee Empowerment

Advantages	Disadvantages
Increased job satisfaction	Misuse of the newly acquired power
Effective Team work	Managers may not want to divide power
Increased employee participation	Managers are afraid from losing their own jobs and special privileges
Reduces Turnover rates	Some employees may not be knowledgeable enough
Increases trust in the organization	Too much responsibility on some employees
Lower absenteeism degree	Increased time in groups or committees
Better productivity and profitability	Lower productivity
Less conflict among employees	Increasing conflicts among employees

Source: (Elnaga & Imran, 2014), modified

This research focuses on 4 dimensions of psychological empowerment (Spreitzer, Kizilos, & Nason, 1997; Zavaraki & Mobaraki, 2015; Taktaz, Sedigheh, Kheyri, & Rahemipoor, 2012) which are; competence, choice, meaningfulness, and trust.

II.2.1. COMPETENCE

According to Zavaraki & Mobaraki (2015), competence is a degree to which individuals find themselves competent and capable of doing an important task. Spreitzer, Kizilos & Nason (1997) stated that competence or self-efficacy is a belief that individual possesses the skill and abilities to perform a job well. According to Taktaz, Sedigheh, Kheyri, & Rahemipoor (2012), the empowered individual will not only feel adorable but also feel confident that they can finish a task with good quality. Moreover, they feel superiority and believe that they can learn more to face the new challenges which will determine whether they will try to work harder or not. This may leads to the effectiveness which people have the ability to organize situations that threatening, they will get involved in the activity and behave confidently. There are 3 conditions in which people feel merit (Taktaz, Sedigheh, Kheyri, & Rahemipoor, 2012); (1) believing that employees have the ability to do the job, (2) believing that they have the capacity to make the necessary effort, and (3) believing that there is no external obstacle deters them from doing the work.

II.2.2. CHOICE

According to Spreitzer, choices are regarded as dimensions on self-determination which the individuals' beliefs have autonomy controls over how an individual performs his or her work (Spreitzer, Kizilos, & Nason, 1997). According to Taktaz, Sedigheh, Kheyri,

& Rahemipoor (2012), empowering people will lead to feel more responsible and sense of belonging about their activities which they may see themselves as the creator and able to carry out the initiatives in order to make some new ideas and take the independent decisions. In this condition, they see themselves as the center of control rather than being controlled. Empowered people also tend to have a locus control which is a sense of everything happens is under controlled.

II.2.3. MEANINGFULNESS

It is an individual's concern of relationship between the work and personal standards and the assigned task are valuable in line with his beliefs and behaviors (Zavaraki & Mobaraki, 2015). According to Spreitzer, it is a purpose, means that involvement of fit between the individual's role in work and his value, beliefs, and behaviors (Spreitzer, Kizilos, & Nason, 1997).

II.2.4. TRUST

It is a feeling of being trusted which lead to the sense of being treated fairly (Zavaraki & Mobaraki, 2015). According to Taktaz, Sedigheh, Kheyri, & Rahemipoor (2012), McElster was the first, who provide empirical evidence that there are two components of trust which are trust on the basis of efficacy and trust on the basis of the knowledge of the environment of the organization. Usually empowered people have a strong sense of trust and they believe that they will be treated fairly which means that their employers will not harm them and treat them impartially.

II.3. JOB SATISFACTION

According to Prof. Wilson Bangun of Universitas Kristen Maranatha in Bandung, Indonesia (2012), job satisfaction is pleasurable feelings that result from perception on one's job fulfillment of one's important job values. From this definition, there are 3 essential components of job satisfaction; value, perception, and difference based on employees about what they are deserved. Many researchers stated that job satisfaction has significant effect on job performance or productivity (Mello, 2006; Noe, Hollenbeck, Gerhart, & Wright, 2010). Employees who satisfy with their work will lessen the absenteeism and employee turnover. Abraham Maslow's and F. Herzberg theories are the basic theories to analyze this phenomenon which developed further with other experts (Bangun, 2012). There are three theories that discuss about job satisfaction; (1) Discrepancy Theory by Porter (Porter, 1961; Jiang, Klein, & Saunders, 2012), (2) Equity Theory by Zaleznik (Zedeck & Smith, 1968; Adams & Freedman, 1976), and (3) Two-Factor Theory by Herzberg (Bangun, 2012; Ebert & Griffin, 2011);

1. Theory of Discrepancy was introduced by Porter in 1961. In his definition, job satisfaction is the difference between how much of something there should be and how much there is now. In reality, every employee expects to be given something as much as they have given to the management or employer. Someone will satisfy if there is no discrepancy between what he expects and what he gets which means that if the effort he has given to the work minus what he gets in return is zero. The bigger the discrepancy, the higher the level of employee's dissatisfaction (Bangun, 2012; Porter, 1961; Jiang, Klein, & Saunders, 2012).
2. Theory of Equity was first introduced by Zaleznik in 1958 and developed further by Adams in 1963. This theory shows whether someone will satisfy or dissatisfy depends on the sense of equity and inequity. The sense of equity and inequity will be obtained from comparing one person to another in the same level and type of work. Wexley and

Yukl also stated that the essential components of this theory are input, outcomes, comparison person, and equity-inequity. Input means that any value that employees perceive that they contribute to the job (education, skill, experience, and so on). Outcome means any value that the employees perceive that they obtain from the job (pay, fringe benefits, recognition, and so on) (Bangun, 2012; Zedeck & Smith, 1968; Adams & Freedman, 1976).

3. Two-Factor Theories was first introduced by Herzberg in 1959. He divided the factor that affects employee performance into two, factor of motivation and factor of hygiene. In motivation factor, factors that included in creating job satisfaction are achievement, recognition, work itself, responsibility, and advancement. In hygiene factor, factors that included in creating job dissatisfaction are job status, interpersonal relation, company policy, administration, supervisor, job security, working condition, and salary (Bangun, 2012; Ebert & Griffin, 2011).

There are a lot of factors affecting employee job satisfaction. According to Blum (Sutrisno, 2014; Fields & Blum, 1997), factors that affect job satisfaction include the following; (1) individual factor includes age, health, characteristics, and expectation, (2) social factor includes relation with others, relation with family, job's point of view, and political freedom, and (3) main factor in work includes pay, supervision, nature of work, environment of work, and advancement. Moreover, it also includes social network in the organization, sense of problem solving, fair treatment for employee and work. According to Gilmer (Sutrisno, 2014) influential factors on job satisfaction include; (1) advancement whether there is a chance or not to gain experience and enhance the skill, (2) safety is only supporting factor which a safe condition may affect the feeling of the employee when he is working, (3) pay which usually leads to job dissatisfaction and employee seldom express their satisfaction with the pay given, (4) management should provide good and stable environment of working, (5) supervision should be superior to reduce the likelihood of employee turnover, (6) intrinsic factors of the work, which refer to the elements of the job may create employees' creativity, (7) working environment includes the place, ventilation, signal canteen, and parking area, (8) social aspect is a bit difficult to describe but important to support job satisfaction, (9) good communication among employees and management is one of many reasons to express they like the job, and (10) facilities include health insurance, pension, and others.

In this research, the dimensions used for job satisfaction are achievement, recognition, work itself, responsibility, and advancement, as stated in the motivator factors in Two-Factor theory by Herzberg.

II.3.1. ACHIEVEMENT

Achievement is regarded as the great completion of a job, solution of problems and seeing results of individual's work. Though this may include failure and absenteeism achievement (Fugar, 2007; Sutrisno, 2014), however, the higher achievement, the higher level of job satisfaction for employee.

II.3.2. RECOGNITION

It is an acknowledgement from supervisor, peer, colleagues, management person, client or general public. It may be defined as acts of notice, blame, or praise (Fugar, 2007; Bangun, 2012). The combination of such recognitions used in any organizations improves the level of employees' job satisfactions.

II.3.3. WORK ITSELF

This refers to the actual feeling on doing jobs or tasks, which leads to the feeling toward the job whether it is good or bad. The job may be a routine or varied, creativity or stultifying, easy or difficult (Fugar, 2007; Berghe, 2011). Hence, the more positive the feeling is created by the job, the higher the level of job satisfaction.

II.3.4. RESPONSIBILITY

It is a personal's responsibility of doing a work, other's, or when the individual is given a new responsibility (Fugar, 2007; Hantula, 2015). The more responsibility that an individual can actually assume, the greater the chances of experiencing a higher level of job satisfaction.

II.3.5. ADVANCEMENT

Advancement encircles about the possibility of career advancement, or promotion, or the actual changes in one's status and/or positions in an organization (Fugar, 2007; Ebert & Griffin, 2011). The higher likelihood of advancement in organizations, the higher the level of job satisfaction.

II.4. PREVIOUS STUDIES

The following table shows the previous studies, which have been conducted by various researchers in relation to the topics of this research.

Table 5: Previous Studies

Title & Author(s)	Variables	Indicators	Findings
1. Measuring the Impact of Leadership Style and Employee Empowerment on Perceived Organizational Reputation (Men, 2010)	Transformational Leadership	Vision, appropriate model, acceptance of group goals, high performance expectations, individualized support, and intellectual stimulation	Transformational leadership style, which is strategic, inspiring, interactive, empowering, democratic, and relational-oriented not only affects employees' motivation, productivity, and performance but also shapes employees' favorable perception of the organization.
	Transactional Leadership	Contingency Rewards	
	Competence-Empowerment	Competence	
	Control-Empowerment	Control	Transactional leadership style, which focuses on economic and instrumental exchanges, can be effective in pure business situations, it has a negative effect in shaping employees' perception of the organization.
	Organizational Reputation	Emotional appeal, products and services, financial performance, vision and leadership, and social responsibility	
2. Empowerment Effects and	Empowerment	Autonomy, information,	There is a positive effect on job satisfaction and

Title & Author(s)	Variables	Indicators	Findings
Employee Satisfaction (Abraiz, Tabassum, & Jawad, 2012)		creativity, and responsibility	autonomy, job satisfaction and responsibility, job satisfaction and information, job satisfaction and creativity. There is strong relationship between job satisfaction and creativity and autonomy.
	Job Satisfaction	Overall job satisfaction	
3. The Relation Between Psychological Empowerment and Performance of Employees (Taktaz, Sedigheh, Kheyri, & Rahemipoor, 2012)	Psychological Empowerment	Competence, choice, be effective, significant, and trust	The employees of organizations become the main operator of job process and it's proved that a capable and competent manpower that are considered as foundation of national wealth and vital assets of organizations, bring lots of benefits to the organization.
	Job Performance	Performance Index	
4. The Impact of Transformational Leadership on Nurse Psychological Empowerment (Attari, 2013)	Transformational Leadership	Individualized influence, inspirational motivation, intellectual stimulation, and individual consideration	Transformational leadership has a significant impact on nurses' psychological empowerment.
	Psychological Empowerment	Meaningfulness, competence, self-determination, and impact	
5. Psychological Empowerment and Job Satisfaction in Jordanian Hospitals (Saif & Saleh, 2013)	Psychological Empowerment	Meaningfulness, competence, self-determination, and impact	Psychological empowerment has a significant impact on the formulation of the organizational environment and job satisfaction
	Job Satisfaction	Happy, proud, and belief of meaningfulness	
6. Measuring the Impact of Empowerment on Job Satisfaction Among the Middle Level Managers of JVC	Empowerment	Importance, ability to choose, efficiency, and influence on decision making	The organizational practice 'employee empowerment' used by JVC Descon has produced significant positive results among the middle-level managers
	Job Satisfaction	Accomplishment, accountability, the	

Title & Author(s)	Variables	Indicators	Findings
Descon Lahore (Saeed, Chaudhry, Ahmad, & Ata, 2013)		work itself, appreciation, and promotion	
7. The Impact of Transformational Leadership Style on Job Satisfaction (Long, Yusof, Kowang, & Heng, 2014)	Transformational Leadership	Individualized influence, inspirational motivation, intellectual stimulation, and individual consideration	Leaders, who implement transformational leadership, contribute the most towards job satisfaction
	Job Satisfaction	Overall job satisfaction	
8. Analysis of the Effects of Psychological Empowerment Factors on Employees Organizational Entrepreneurship (Case Study: Administrative Employees of Central Bank/Economic Statistical Department (Zavaraki & Mobaraki, 2015)	Psychological Empowerment	Meaningfulness, competency, autonomy, effectiveness, and trust	Empowerment of the employees (mainly among service organizations with low technological level) is a motivation for entrepreneurship.
	Organizational Entrepreneurship	independent innovation, risk taking, pioneering, and invasive competition	

II.5. DIFFERENCES IN STUDIES

Considering the above previous studies, this research has several important differences, as follows;

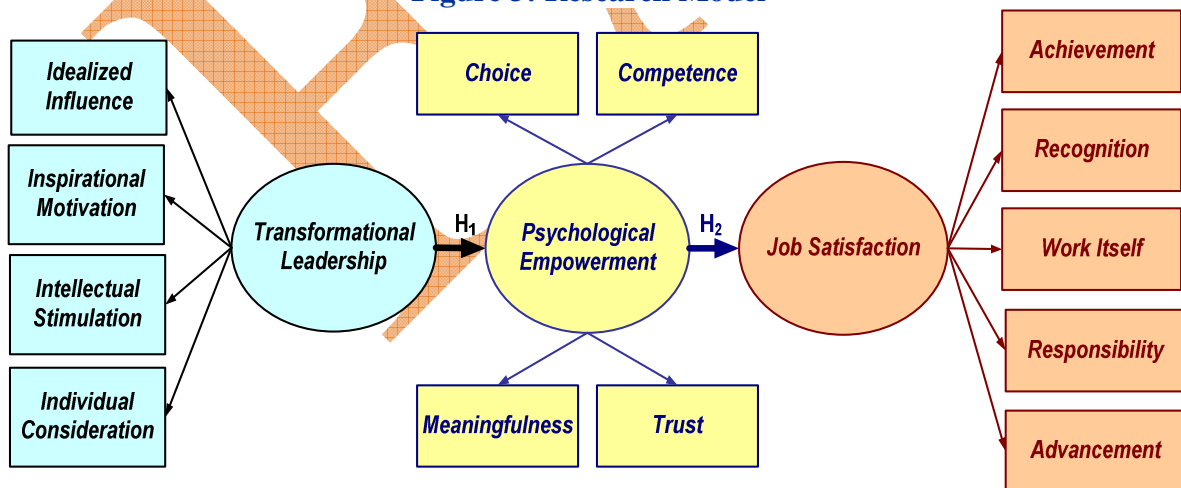
Table 6: Differences of Studies

Items	Notable Differences
Variables	<ul style="list-style-type: none"> Zayaraki and Mobaraki (2015); Saif and Saleh (2014), Taktaz et. al. (2012); Abraiz et. al. (2012); and Men (2010) measured the psychological empowerment towards organizational entrepreneurship, job performance, job satisfaction, or organizational reputation. Some also researched about transformational leadership, for example Long et.al. (2014); Mazaheri and Owraq (2014); and Men (2010) towards job satisfaction, empowerment, and organizational reputation.

Items	Notable Differences
	<ul style="list-style-type: none"> This research combines 3 variables of transformational leadership, psychological empowerment, and job satisfaction. These 3 variables are rarely conducted and different from the available previous studies.
Indicators	<ul style="list-style-type: none"> Transformational Leadership, Men (2010) used articulating a vision, providing an appropriate model, fostering the acceptance of group goals, high performance expectations, individualized support, and intellectual stimulation. Mazaheri and Owraq (2014) and Long et. al. (2014) used idealized influence, inspirational motivation, intellectual stimulation, and individual consideration. To measure psychological empowerment, most of the previous researches used Spreitzer's psychological empowerment indicator which are competence, meaningfulness, impact and self-determination (Saif and Saleh (2013); Mazaheri and Owraq (2014)) while others used different indicators. Job satisfaction also was measured with different type of indicators like overall job satisfaction (Long et.al. (2014); Accomplishment, Accountability, The work itself, Appreciation and Promotion (Saeed et.al. (2013), and so on.
Subject Research	<ul style="list-style-type: none"> Zayaraki and Mobaraki (2015) studied in a banking industry Saif and Saleh (2013) studied in companies and hospitals, and Mazaheri and Owraq (2014) studied in universities.

This research attempts to not only noting the gaps among the 3 chosen variables, but also seeking the relational influences among those variables and indicators, as shown in the following research model.

Figure 3: Research Model



Referring to the above research model, the hypotheses in this study are;

- H₁: Transformational leadership has a significant influence on psychological empowerment
- H₂: Psychological empowerment has a significant influence on job satisfaction

III. RESEARCH METHOD

This research uses descriptive and causal study (Cooper & Schindler, 2014; Kuncoro, 2013). The concept of causal studies is grounded in the logic of hypothesis testing, in turn, produces inductive conclusions. But such conclusions are probabilistic and hence can never be demonstrated with certainty (Cooper & Schindler, 2014). Both primary and secondary data were used in this study.

III.1. POPULATION & SAMPLE

The targeted population in this study is the employees of the Divisions of Food and Beverage and the Administration Office of OPCO Indonesia. OPCO Indonesia started first in 2000 with only one club called Manna Lounge with wine concept (OPCO Indonesia, 2015). This is followed by Embassy, which now has been one of a successful club in Jakarta. OPCO Indonesia has certainly grown rapidly with many different establishments from bars, restaurants, a promoter company, brewery and coffee roasters (OPCO Indonesia, 2015). Since this company runs in a service industry, the chosen variables of transformational leadership, psychological empowerment, and job satisfaction, are assumed to be regularly practiced. In this research, OPCO Indonesia's 3 restaurants become the research objects; Yellow Fin, Portico, and Warung Tinggi, and OPCO Indonesia's main office are used. This research relies on the probability-based stratified sampling method. Due to the nature of variables in this research, workers and supervisors are the main focus.

Figure 4: Restaurants' Logos



Source: (OPCO Indonesia, 2015)

Table 7: Levels of Management at OPCO Indonesia

Levels of Management	Examples
Top Managers	President, Vice President, CEO
Middle Managers	Department Managers, Restaurant Managers, Assistant Managers,
First-Line Managers	Department Supervisors, Restaurant Supervisors, Head Bar
Workers	Department Staff, Waiters/Waitress, Hosts/Hostesses, Bartenders

Source: (OPCO Indonesia, 2015)

Since the probability-based stratified sampling method is used, the population is first divided into exclusive groups (Sekaran & Bougie, 2010) to maintain the relevancy on this study. Those exclusive groups can be separated into the available divisions of the restaurants, or the targeted divisions within the restaurants. This means that the prospective subjects must be grouped prior to further grouping to fulfill the sampling criteria. The groups are shown in the following table.

Table 8: Total Employees at OPCO Indonesia

Division	Total Employees
Food and Beverage Services (at 3 restaurants: Yellow Fin, Portico, and Warung Tinggi)	116
Main Office	46
Total	162

To calculate the required sample size (n), the following formula can be used, aside from the widely available sampling size calculators online:

Equation 1: Slovin's Sample Size

$$n = \frac{N}{(1+e^2)}$$

Source: (Pramesty, 2014; Cooper & Schindler, 2014)

According to the above table, the total targeted population in this study is 162 employees from the Food and Beverage and the main office divisions. Relying on the Slovin formula above, it can be calculated that the necessary sample size should be at a minimum of 116 employees. At this minimum numbers of targeted sample, 95% confidence level is maintained. Following the calculated sample size of 116, the proportional method is applied as follows;

Equation 2: Proportionate Sampling Calculations

$$n_h = \left(\frac{N_h}{N}\right) * n$$

$$\text{sample size strata} = \left(\frac{\text{population size of entire sample}}{\text{population size}}\right) * \text{layer size}$$

Source: (StatTrek.com, 2015)

Relying on the above proportionate sampling calculation, the result is shown below:

Table 9: Proportionate Sample Size

Strata	Division	Numbers of Employees	Slovin Formula		Sample Size
1	F & B	116	$\left(\frac{116}{162}\right) \times 116$	=	83
2	Office	46	$\left(\frac{116}{162}\right) \times 46$	=	33
	Total	162			116

III.2. RESEARCH DESIGN

The required data in this study is collected from the distribution of questionnaires. The questionnaire is divided into 4 main categories as shown below:

Table 10: Questionnaire Outline

Variables	Outline	
Demographic	4 General Questions	
Transformational Leadership	4 Transformational	Likert 4-Scale to

Variables	Outline	
(Attari, 2013; Ingram, 2015; Long, Yusof, Kowang, & Heng, 2014; Mazaheri & Owrak, 2014; Odumeru & Ogbonna, 2013; Pramesty, 2014; Givens, 2011)	Leadership Questions Statements (Pramesty, 2014)	measure opinions and social responses on either favorable or unfavorable (Cooper & Schindler, 2014)
Psychological Empowerment (Attari, 2013; Attari, 2013; Chung & Kowalski, 2012; Elnaga & Imran, 2014; Givens, 2011; Mazaheri & Owrak, 2014; Saeed, Chaudhry, Ahmad, & Ata, 2013; Saif & Saleh, 2013; Zavaraki & Mobaraki, 2015; Zedeck & Smith, 1968)	9 Spreitzer's Psychological Empowerment Questions Statements (Chung & Kowalski, 2012; Men, 2010)	
Job Satisfaction (Abraiz, Tabassum, & Jawad, 2012; Akbar, Yousaf, Haq, & Hunjra, 2011; Anantadjaya, Nawangwulan, Pramesty, & Gunawan, 2015; Berghe, 2011; Budiman, Anantadjaya, & Prasetyawati, 2014; Chung & Kowalski, 2012; Elnaga & Imran, 2014; Fields & Blum, 1997; Hantula, 2015; Lee, Esen, Coombs, Wessels, & Gantt, 2015)	Self-constructed questions	

The following table shows the statements on the questionnaires in this study.

Table 11: Statements on Questionnaire

Variables	Indicators	Statement	Scale
Transformational Leadership	Idealized Influences	1. You have respect to your superior	Likert 4-Scale
		2. You are comfortable to be around your superior	
		3. You have faith in your superior	
	Inspirational Motivation	4. Your superior transmits "sense of mission" to you	Likert 4-Scale
		5. Your superior tells your work is meaningful	
		6. Your superior gets the team to work towards the same goal	
	Intellectual Stimulation	7. Your superior enable you to solve old problems in new ways	Likert 4-Scale
		8. Your superior encourage you to be innovative and creative in creating setback	
		9. Your superior let you use your	

Variables	Indicators	Statement	Scale
	Individualized Consideration	intelligence to solve problems	Likert 4-Scale
		10. Your superior shows respect to your personal feelings	
		11. Your superior helps you to develop yourself	
Psychological Empowerment	Choice	12. Your superior gives appreciation to your contribution personally	Likert 4-Scale
		13. You have significant autonomy on how you do your job	
		14. You have the opportunity and freedom on how you do your job	
	Competence	15. You have the authority to make decisions that need to be made to perform your job well	Likert 4-Scale
		16. You feel competent to perform tasks required in your position	
		17. You are self-assured about your capabilities in your work	
	Meaningfulness	18. You feel prepared enough to fulfill your job	Likert 4-Scale
		19. Your job is important to you	
		20. Your job activities are personally meaningful to you	
	Trust	21. The work you do is meaningful to you	Likert 4-Scale
		22. Your superior has trust on your own judgment	
		23. You do not need your superior approval to handle problems	
Job Satisfaction	Achievement	24. Your superior trust you to solve problems	Likert 4-Scale
		25. Your work gives you a feeling of personal accomplishment	
	Recognition	26. When you solve customers or company's problem, you feel accomplished	Likert 4-Scale
		27. Your superior gives you recognition for the work you have accomplished	
	Work itself	28. Your superior appreciates the work you have done	Likert 4-Scale
		29. You love your job	
	Responsibility	30. Your job is interesting and not boring (you are challenged)	Likert 4-Scale
31. You have authority to make necessary decision for accomplishing assigned task			

Variables	Indicators	Statement	Scale
		32. When a customer dissatisfied, You can usually correct the problem to their satisfaction	
	Advancement	33. You are motivated by the opportunity of promotion	Likert 4-Scale
		34. You are satisfied with the career advancement in your company.	

III.3. DATA ANALYSIS

Once the data has been collected, the levels of validity and reliability of the data are tested to ensure the appropriateness of the statements in the questionnaire. This is particularly true for the self-constructed statements. Using the KMO & Bartlett's Test value of 0.5, the level of data validity can be determined (Anantadjaya, Nawangwulan, Pramesty, & Gunawan, 2015; Budiman, Anantadjaya, & Prasetyawati, 2014; Cooper & Schindler, 2014; Ghozali, 2012; Wijaya, 2010). Relying on the reliability statistics of 0.7, the level of data reliability can be determined (Anantadjaya, Nawangwulan, Pramesty, & Gunawan, 2015; Budiman, Anantadjaya, & Prasetyawati, 2014; Cooper & Schindler, 2014; Ghozali, 2012; Wijaya, 2010).

The process on data analysis relies on SEM to test simultaneously multivariate relationships among variables. SEM is used to show the groups of structural equations, which mirror the multiple regressions, and structural relations, which are simulated in a pictorial diagram, or commonly known as a path diagram to make an easier conceptualization (Dachlan, 2014). AMOS is used due to few notable benefits (Santoso, 2014; Schumacker & Lomax, 2010; Wijaya, 2010); (1) easier model testing since the parameters on goodness of fit are provided in the output window, (2) simplified graphics, (3) values of regression influence are standardized, and (4) less time consuming since it allows only one necessary test to obtain all potential results on model fitness and hypothesis tests.

Once the data is run in AMOS, the results/outputs are compared against some suggested criteria to gauge the level of fitness of data in relations to the research model. The following table shows the criteria on model fitness.

Table 12: Model Fit Criteria

Criteria	Recommended Standard Value	
	According to Schumacker and Lomax (2010); Wijaya (2010)	According to Ghozali (2012); Santoso (2014)
χ^2 (likelihood ratio chi square statistic) as a testing tool to check the overall fitness of a model	Smaller χ^2 value from a model is better.	Smaller χ^2 value from a model is better
p – value	p – value ≥ 0.05 is better	Bigger p – value is better
CMIN/df (Normed chi square)	CMIN/df ≤ 2 is better	CMIN/df ≤ 5 is better
RMSEA (Root Mean Square Error of Approximation)	RMSEA ≤ 0.08 is better	RMSEA $\leq 5 =$ to better
GFI (Goodness of Fit Index)	GFI value closer to 1 is	GFI value closer to 1 is

Criteria	Recommended Standard Value	
	According to Schumacker and Lomax (2010); Wijaya (2010)	According to Ghozali (2012); Santoso (2014)
	better	better
AGFI (Adjusted Goodness of Fit Index)	AGFI value closer to 1 is better	AGFI ≥ 0.90 is better
TLI (Tucker-Lewis Index)	TLI value closer to 1 is better	TLI ≥ 0.90 is better
CFI (Comparative Fit Index)	CFI closer to 1 is better	CFI closer to 1 is better
NFI (Normed Fit Index)	-	NFI ≥ 0.90 is better
PNFI (Parsimonious Normal Fit Index)	-	Higher PNFI value is better
PGFI (Parsimonious Goodness of Fit Index)	-	Higher PGFI value is better
RMR (Root Mean Residual)	RMR ≤ 0.05 is better	RMR ≤ 0.05 is better
Reliability	Reliability ≥ 0.07 is better	Reliability ≥ 0.70 is better

Source: (Ghozali, 2012; Santoso, 2014; Schumacker & Lomax, 2010; Wijaya, 2010; Dachlan, 2014)

Once the model is considered fit, the hypothesis tests are also analyzed based on the value of critical ratio along with the p-value from the loading structural. If the p-value is less than α , than the hypothesis null will be rejected which means that the independent construct has significant influence towards endogenous construct (Dachlan, 2014).

IV. DATA ANALYSIS

IV.1. COMPANY PROFILE

OPCO Indonesia was first established in 2000, with the birth of Manna Lounge in Taman Ria Senayan by Dionnysus. Together with the successful of Manna Lounge, OPCO Indonesia became the first and the most established Food & Beverage and Entertainment group. The head office is located in Panin Tower B2 unit O, Senayan City Jl. Asia Afrika kav. 19 Jakarta 10270, Indonesia. Nowadays, OPCO Indonesia has grown rapidly with many different establishments from creating bars, restaurants, a promoter company, brewery and coffee roasters (OPCO Indonesia, 2015).

OPCO Indonesia's vision and mission are (OPCO Indonesia, 2015); (1) providing career opportunity and growth as individuals for all employees, (2) providing excellent service and overall satisfaction to build loyalty from our customers, (3) providing the best concepts in the world of lifestyle, food & beverage, and entertainment, (4) opening-up for creative ideas, so we can learn and improve ourselves within and amongst ourselves, (5) thinking green, and (6) maximizing profit and financial stability. The motto of OPCO Indonesia is "At OPCO Indonesia, we do not have jobs. We only offer Careers"

There are several establishments under OPCO Indonesia, such as; Bars/Lounges (Manna by Dionysus, Manna House, Public), Clubs (Embassy (Jakarta, Bandung, Jogjakarta), Domain), Sports Bars/Cafés (Score! (Jakarta, Bandung, Pekanbaru, Balikpapan), Restaurants (Cork & Screw, Portico, Yellowfin, Stark Bierhaus, Howdy

Hello Hola Hey Ho!, Tokio Bowl, Mr. Chuan, Koffie Warung Tinggi, HOB), Services (Urbanite Asia), and Consumer Goods (Stark Beer, Koffie Warung Tinggi). This study focuses on 3 establishments; Yellow Fin, Portico, and Koffie Warung Tinggi (OPCO Indonesia, 2015).

1. Yellow Fin is a Sake Bar & Kitchen, which provides the nation's first ever Sake shop with over 60 brands in collection and continues to expand. Simplicity/Complexity and Originality/Modernity, two of the contrasting components make-up Yellow Fin. Dig-in into modern takes on original recipes with the likes of Wagyu Steak Salsa, Batubara Jalapeno, Gindara Saikyo Miso Yaki, Toro Tartare or original classics such as fresh Sushi and Sashimi, Tonkotsu Ramen, and Spicy Nabeyaki Udon. The interior focuses on simple lines and original Japanese design with modern lines. Its rich wooden texture, panel and even tables and flooring has somehow created an ambiance found in Japanese villages (OPCO Indonesia, 2015).
2. Portico was established in 2009, located on the facade of Senayan City mall. This bistro is generally split into 3 sections, upon entry, there is an indoor part, where a section that serves as a well-stocked bottle shop greets customers, and an S-shaped bar starts on the far end that snakes-out to the next section, the semi outdoor wood floored glass terrace. Outside the glass terrace sits the infamous manicured outdoor lawn, where the world stops from the heavy traffic just across the road. The 120 seats serve diners Italian and Asian fares to the background of carefully selected tunes to complete the perfect urban oasis ambiance (OPCO Indonesia, 2015).
3. Koffie Warung Tinggi was founded by Liauw Tek Soen in 1878 as Warung on Moolen Whiet Oost in the Colonial Dutch-era Batavia on Jalan Hayam Wuruk in Jakarta. It has been developed over decades into a sophisticated shop and coffee shop by the fifth generation, Tek Soen Ho. It is a coffee supplier to some Indonesia's best hotels, supermarket, and offices, including some exports into Japan and USA. In 2013, 135 years after establishing itself as the first coffee shop in Jakarta, Warung Tinggi's brand is being revamped under OPCO Indonesia's management, setting up coffee houses and penetrating into modern retail environments while retaining its value as an Indonesian heritage brand. OPCO Indonesia rebirth the establishment started by changing the brand name and logo from "Coffee Warung Tinggi" to "Koffie Warung Tinggi" to celebrate its colonial heritage. The packaging has also changed, with a new way of distribution, which makes the products now available at various modern markets and retail shops. To give more pleasure to the coffee lovers, OPCO Indonesia Group also plans to open coffee houses in high trafficked area and public places to attract more customers to enjoy Koffie Warung Tinggi, a treasure kept for generations (OPCO Indonesia, 2015).

IV.2. RESPONDENT'S CHARACTERISTICS

The respondents characteristics in this study are as follows;

1. Gender: 61.2% of respondents are males.
2. Age: 66.4% of respondents are within the age category of 21-30 years old.
3. Working period/experience: 83.6% of respondents have only been working for the company less than 5 years.
4. Managerial status: 90,5% of respondents are employees/staff.

IV.3. PRE-TEST

A total of 40 questionnaires were distributed to preliminary fulfill the pre-test

requirement, which consisted of the chosen variables in this study; transformational leadership, psychological empowerment, and job satisfaction. The following table shows the KMO results

Table 13: KMO and Bartlett's (Pre-Test)

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		,500
Bartlett's Test of Sphericity	Approx. Chi-Square	1347,156
	df	561
	Sig.	,000

Source: SPSS

Table 14: Reliability Statistics (Pre-Test)

Cronbach's Alpha	N of Items
,832	13

Source: SPSS

From both above tables, it is apparent that those 40 responses are considered 50% valid and 83% reliable. These values are considered acceptable, and hence, further analysis can be performed.

IV.4. POST-TEST

For the purpose of evaluating the required post-test, 116 responses were collected. The following tables show the level of validity and reliability.

Table 15: KMO and Bartlett's (Post-Test)

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,821
Bartlett's Test of Sphericity	Approx. Chi-Square	2809,343
	df	561
	Sig.	,000

Source: SPSS

Table 16: Reliability Statistics (Post-Test)

Cronbach's Alpha	N of Items
,839	13

Source: SPSS

From the table above, the results on validity of 82.1% and reliability of 83.9% are considered acceptable. This means that further processes can be performed.

IV.5. DESCRIPTIVE ANALYSIS

The descriptive statistics are run in SPSS to reveal the general data characteristics on each of the indicators. The following table shows the results of descriptive statistics.

Table 17: Descriptive Statistics

Indicators	N	Minimum	Maximum	Mean	Std. Dev
II	116	1,7	5,0	3,882	,7680
IM	116	1,3	5,0	3,897	,8252
IS	116	1,3	5,0	3,635	,9489

Indicators	N	Minimum	Maximum	Mean	Std. Dev
IC	116	1,0	5,0	3,730	,9730
CH	116	1,3	5,0	3,632	,9013
CO	116	1,3	5,0	3,966	,7268
TR	116	1,3	5,0	3,313	,8718
AC	116	2,0	5,0	4,009	,6324
RC	116	2,0	5,0	3,754	,8035
WI	116	1,0	5,0	3,931	,8493
RP	116	1,0	5,0	3,858	,8071
Valid N (listwise)	116				

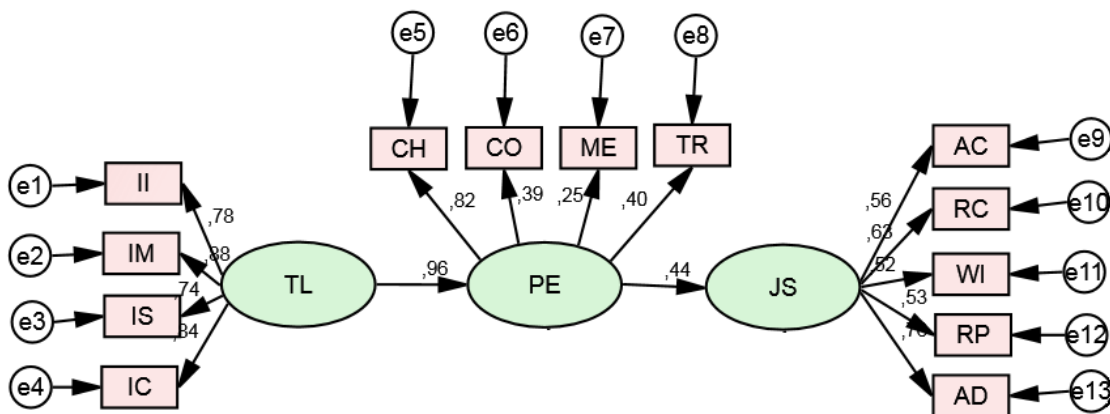
Source: SPSS

From the table above, it can be seen that the data gathered has minimum value of 1.0, with some indicators show a minimum value of 2.0, and maximum value is 5. At an average of 4.009, achievement has the average value among other indicators. Trust has the lowest average value at 3.313. Individual Consideration has the highest standard deviation at 0.9730 while Achievement has the lowest standard deviation at 0.6324.

IV.6. STRUCTURAL EQUATION MODELING

Since the levels of validity and reliability are acceptable, the following illustration provides an overview on the structural model of the relationships among variables and indicators. The corresponding abbreviations on the structural model below are as follows;

Figure 5: AMOS Model



Source: AMOS

Table 18: Notes on Abbreviations

TL : Transformational Leadership	CO : Competence
PE : Psychological Empowerment	ME : Meaningfulness
JS : Job Satisfaction	TR : Trust
II : Idealized Influence	AC : Achievement
IS : Intellectual Stimulation	RC : Recognition
IM : Inspirational Motivation	WI : Work Itself
IC : Individual Consideration	RP : Responsibility
CH : Choice	AD : Advancement

Referring to the above structural model, the following table shows the Coefficient Range to gauge the strength of association for the path analysis in this study.

Table 19: Coefficient Range and Strength of Association

Coefficient Range	Strength of Association
$\pm 0.81 - \pm 1.0$	Strong
$\pm 0.61 - \pm 0.80$	Moderate
$\pm 0.41 - \pm 0.60$	Weak
$\pm 0.21 - \pm 0.40$	Very Weak
$\pm 0.00 - \pm 0.20$	None

Source: (Pramesty, 2014)

Based on AMOS path diagrams, outputs, coefficient ranges, and strengths of association measurements, the managerial explanations are as follows;

1. Transformational Leadership to Psychological Empowerment

Based on the results above, the correlation between Transformational Leadership and Psychological is 0.96. It means that Psychological Empowerment is 96% influenced by Transformational Leadership. This correlation is considered strong. At this level of strength of association, this result conforms to the findings in previous studies. Hence, the management of OPCO Indonesia, particularly within the divisions of administrative office and restaurants, may have shown and practiced the transformational leadership style. According to the employees of the administrative office and restaurants, the leaders may have tried to connect to the employees' sense of identity to the organization by becoming the role model for the employees to make them interested, as well as giving the employees greater responsibilities in their work and understand the strengths and weaknesses in order to align the followers with tasks that enhance their performance (Odumeru & Ogbonna, 2013).

2. Psychological Empowerment to Job Satisfaction

The correlation between Psychological Empowerment towards Job Satisfaction is 0.44. This means that the level of correlation is relatively weak. For OPCO Indonesia, this relatively weak correlation between psychological empowerment to job satisfaction indicates that though empowerment is an important concept to develop employees' knowledge, skill and talent, which may lead the increase of job satisfaction (Saeed, Chaudhry, Ahmad, & Ata, 2013), it may not be considered as strong influence in OPCO Indonesia's overall job satisfaction.

3. Transformational Leadership

a. Idealized Influence has 78% explanatory power onto Transformational Leadership. It means that Idealized Influence can explain the formation of Transformational Leadership as much as 78%. When the idealized influence increases by 1%, the likelihood on the formation of transformational leadership increases by 78%. As mentioned previously, idealized influence refers to the behaviors of leaders that allow them to act as models for their followers. They are seen by the followers as motivators and the leaders are respected, considered, and trusted (Long, Yusof, Kowang, & Heng, 2014). In OPCO Indonesia, employees are moderately trust and respect the management/leaders.

- b. Inspirational Motivation has 88% explanatory power toward transformational leadership. Inspirational motivation refers to sets of acts of leaders to inspire and stimulate people by extending challenges and meaning to the followers' works (Odumeru & Ogbonna, 2013). This indicator has the most influence value in Transformational Leadership, which means that the employee of OPCO Indonesia Company see their leaders as inspiring in order to get them to reach the same goal and offering meaningfulness of their work.
 - c. Intellectual Stimulation has 74% explanatory power onto Transformational Leadership. Based on path analysis, this indicator has the weakest impact on Transformational Leadership style. Intellectual Stimulation is the degree which leaders challenge their follower's by providing them framework to see whether they connect with their leaders in order to make them more creative in finding outcomes in obstacles (Odumeru & Ogbonna, 2013). The leaders in OPCO Indonesia Company seem to not really provide that problem awareness and new solution for their employees.
 - d. Individual Consideration
Individual Consideration has 84% explanatory power toward Transformational Leadership. Individual Consideration itself is the behavior of a leader that provides support, encouragement and instruction to subordinates (Pramesty, 2014; Anantadjaya, Nawangwulan, Pramesty, & Gunawan, 2015). In OPCO Indonesia Company, the leaders are seen to give personal attention from the leaders regarding self-development and work-improvement, but not every employee gets their personal attention.
4. Psychological Empowerment
- a. Choice has an explanatory power as much as 82% toward Psychological Empowerment. It means that the presence of Choice can explain the formation of Psychological Empowerment as much as 82%. Based on path analysis shown above, this represents the strongest level of explanatory power onto Psychological Empowerment in comparison to other indicators. Choice is the belief on individual has an autonomy or control over how one does his work. (Spreitzer, Kizilos, & Nason, 1997). The employees in OPCO Indonesia have the opportunity to do their work on their own as long as they perform well. However, not all employees can and/or allow to do it.
 - b. Competence has an explanatory power as much as 39% toward Psychological Empowerment. From the path analysis above, it can be seen that Competence has a relatively low level of explanatory power towards Psychological Empowerment. Competence or may be more well-known as "self-efficacy" refers to a belief that individual possesses the skill and abilities to perform a job well. (Spreitzer, Kizilos, & Nason, 1997). Based on the value of the correlation, the employees of OPCO Indonesia can be assumed to have felt somewhat incompetence in performing their tasks. It can also be assumed that they may not well-prepared to do or perform any assigned tasks.
 - c. Meaningfulness has an explanatory power as much as 25% toward Psychological Empowerment. This indicator has the lowest value among others. Meaningfulness means an individual's concern of relationship between the work and personal

standards and the assigned task are valuable in line with his beliefs and behaviors (Zavaraki & Mobaraki, 2015). It can be assumed that most of employees in OPCO Indonesia may have perceived that their jobs may not be sufficiently meaningful. It may be due to their individual passions, in which situations that they may have been treated unfairly, inadequate acknowledgement, or any other reasons.

- d. Trust has an explanatory power as much as 40% onto Psychological Empowerment. Trust is a feeling of being trusted which lead to the sense of being treated fairly. Applying this in OPCO Indonesia employees' perspective, it can be assumed that most of the leaders may have little confidence in the subordinates in performing tasks or solving problems.

5. Job Satisfaction

- a. Achievement has a total explanatory power of 56% toward Job Satisfaction. Since Achievement refers to a great completion of a job, solution of problems and seeing result of individual's work (Fugar, 2007), it can be assumed that most of employees in OPCO Indonesia may believe that they have accomplished the necessary tasks and contributing on giving outcomes over customers' problems.
- b. Recognition has a total explanatory power of 63% toward Job Satisfaction. Recognition is an acknowledgement form supervisor, peer, colleagues, management person, client or general public, in terms of acts of notice, blame, or praise (Fugar, 2007). Hence, it can be assumed that leaders in OPCO Indonesia are relatively aware about the need of acknowledging their subordinates' work. They need to keep up in giving attention to such things whether it is a notice, blame, or praise to motivate them in order to make the subordinates satisfy that may lead to higher productivity and service quality.
- c. Work Itself has a total explanatory power of 52% toward Job Satisfaction. Work itself means that the actual doing of a job or task, which lead to the feeling about the job whether it is good or bad. The job may be a routine or varied, creativity or stultifying, easy or difficult. (Fugar, 2007). This correlation is considered weak, and it can be assumed that not all employees of OPCO Indonesia feel that their jobs are satisfying. They need to be challenged and engaged to make them see whether their job is interesting and not boring routine activities.
- d. Responsibility has a total explanatory power of 53% toward Job Satisfaction. It is a personal's responsibility of doing a work, other's, or when the individual is given a new responsibility (Fugar, 2007). The result is considered weak but still has positive impact on Job Satisfaction. It can be assumed that employees in OPCO Indonesia may have seen that new responsibilities, such as an empowerment, and expanded authority to get the work done may not really affect the level of their overall job satisfaction.
- e. Advancement has a total explanatory power of 76% toward Job Satisfaction. Advancement means the possibility of career advancement (promotion) or the actual change in status or position in an organization (Fugar, 2007). It can be assumed that most employees in OPCO Indonesia are relatively satisfied with the career opportunity because the result is moderate influence.

The following table shows the fitness model against the available criteria and prevailing parameters.

Table 20: Model Fit Parameters & Results

Criteria	According to Schumacker & Lomax (2010) and Wijaya (2010)	According to Ghozali (2012) and Santoso (2014)	Results	Goodness of Fit
CMIN/df (Normed chi square)	CMIN/df ≤ 2 is better	CMIN/df ≤ 5 is better	3,505	Good
RMSEA (Root Mean Square Error of Approximation)	RMSEA ≤ 0.08 is better	RMSEA ≤ 5 = to better	0,139	Good
AGFI (Adjusted Goodness of Fit Index)	AGFI value closer to 1 is better	AGFI ≥ 0.90 is better	0,692	Good
CFI (Comparative Fit Index)	CFI closer to 1 is better	CFI closer to 1 is better	0,779	Good
TLI (Tucker-Lewis Index)	TLI value closer to 1 is better	TLI ≥ 0.90 is better	0,727	Good
GFI (Goodness of Fit Index)	GFI value closer to 1 is better	GFI value closer to 1 is better	0,787	Good
PGFI (Parsimonious Goodness of Fit Index)	-	Higher PGFI value is better	0,545	Good
Reliability	Reliability ≥ 0.70 is better	Reliability ≥ 0.70 is better	0,839	Good

Source: (Ghozali, 2012; Santoso, 2014; Schumacker & Lomax, 2010; Wijaya, 2010)

Model fit criteria are used to determine whether the model is appropriate to be analyzed and meet the standard for further research. Most of criteria mentioned in chapter 3 are included on the table with and all indicate good results.

Table 21: P-Value Results

	P	Significance at $\alpha = 1\%$ (Dachlan, 2014)
PE <--- TL	***	Yes
JS <--- PE	***	Yes
IS <--- TL		No
IM <--- TL	***	Yes
II <--- TL	***	Yes
CH <--- PE		No
CO <--- PE	***	Yes
ME <--- PE	,010	No
AC <--- JS		No
RC <--- JS	***	Yes

	P	Significance at $\alpha = 1\%$ (Dachlan, 2014)
WI <--- JS	***	Yes
IC <--- TL	***	Yes
TR <--- PE	***	Yes
RP <--- JS	***	Yes
AD <--- JS	***	Yes

Source: AMOS

From the table above, the results of p-values can be summarized below:

- Transformational Leadership to Psychological Empowerment has a very significant relationship.
- Psychological Empowerment has very significant relationship towards Job Satisfaction.
- The levels of explanatory powers of all indicators for Transformational Leadership; Idealized influence, Inspirational Motivation, Intellectual Stimulation, and Individual Consideration, are very significant.
- The levels of explanatory powers of all indicators of Job Satisfaction; Achievement, Recognition, Work Itself, and Responsibility, are very significant.
- For the indicators of Psychological Empowerment, only Meaningfulness' level of explanatory power is considered significant. The levels of explanatory powers for Choice and Trust are relatively insignificant.

Based on the level of significance, as shown in the above table, the following hypothesis tests can be properly addressed.

Table 22: Hypothesis Tests (H_1)

Statement of Hypotheses	Unit of Measurement	Parameters of Criteria	AMOS Results	Conclusion
H ₁ : Transformational leadership has a significant influence on psychological empowerment	Level of significance	p-value < 0.05 indicates the level of significance	***	Accepted due to its significant strong influence
		Regression weight value indicates the strength of relationship	0.96	

Source: AMOS

According to hypothesis testing result, it can be concluded that the Transformational Leadership has a very significant strong influence towards Psychological Empowerment. This result is similar to a previous study by Maryam Attari (2013). Her research found that the Transformational Leadership has a positive influence towards Psychological Empowerment. She stated that it is important to establish the Transformational Leadership to facilitate cooperation and partnerships between leaders and

followers by developing a common perspective and emphasizing strong commitment towards the goals. In addition, another research by Sanaz Mazaheri and Nahid Owraq in 2014, found that it is unavoidable to consider Transformational Leadership style in organization over decades (Mazaheri & Owraq, 2014). They concluded that the transformational leaders could use intellectual stimulation to challenge the individual's thoughts and imaginations along with additional level of empowerment. Furthermore, transformational managers, by using individual considerations, attention and support, lead to positive effectiveness, provide the growth opportunity and lead to employees' empowerment thorough this. In harmony with the previous studies, the hypothesis result shows that leaders in OPCO Indonesia may have also considered the Transformational Leadership to positively impact the establishment of Psychological Empowerment.

Table 23: Hypothesis Tests (H₂)

Statement of Hypotheses	Unit of Measurement	Parameters of Criteria	AMOS Results	Conclusion
H ₂ : Psychological empowerment has a significant influence on job satisfaction	Level of significance	p-value < 0.05 indicates the level of significance	***	Accepted due to its significant weak influence
		Regression weight value indicates the strength of relationship	0.44	

Source: AMOS

According to hypothesis testing result, it can be concluded that the Psychological Empowerment has a significant weak influence towards Job Satisfaction. Following the previous studies, Saeed, Chaudhry, Ahmad & Ata (2013) found out a positive relationship between Psychological Empowerment and Job Satisfaction. They stated that organizations have to realize that empowering the available human resources support organizational sustainability in today's tight competition. Though many organizations may still perceive that human resources are mere operational expenses, human resources play the most important role for organizations in transforming themselves according to the needs of the current competitive environment. Empowering employees is not only beneficial for the organization, but this is particularly important for the employees themselves. Abraiz, Tabassum & Jawad (2012) also found that employees empowerment has a positive impact on the level of employees' job satisfaction. Likewise, this research suggests that OPCO Indonesia has a positive impact on job satisfaction, by means of extending trust, autonomy, and authority to appropriately influence the employees' level of job satisfaction. Hence, it is obvious that leaders need to build-up confidence toward their employees by guiding and providing them with various opportunities to solve problems on their own.

V. CONCLUSIONS

Based on the results on the data analysis, the conclusions of this research are as follows;

- a. Transformational Leadership has a strong and significant influence toward Psychological Empowerment. It can be said that Transformational Leadership is an important factor to shape the practice in Psychological Empowerment. In OPCO Indonesia, the employees may have seen their supervisors and managers as

transformational leaders, who may have been successful in motivating the employees via psychological empowerment practices.

- b. Psychological Empowerment has a weak but significant influence toward Job Satisfaction. It means that employees in OPCO Indonesia may not have seen such responsibilities and empowerment to adequately boost their level of job satisfaction. Noting the coefficients on Competence (39%) and Trust (40%), it can be concluded that employees may not have felt sufficiently competent in performing their work/tasks, and those employees may have experienced insufficient level of trust by their respective supervisors in handling various tasks and complaints. Also, since the Meaningful indicator only carries 25% explanatory power toward Psychological Empowerment, this indicates that employees may not have perceived their work as meaningful. Referring to the results on indicators of Job Satisfaction, it is also apparent that at 76%, Advancement has the highest explanatory power toward the level of job satisfaction. This is followed by Recognition at 63%, Achievement at 56%, Responsibility at 53%, and Work Itself at 52%. These results show that the level of employees' job satisfaction can be successfully improved with a higher likelihood on job advancement in the future.

VI. RECOMMENDATION

Referring to the conclusions, some recommendations can be extended to OPCO Indonesia as follows;

- a. Transformational Leadership style should be maintained and continuously improved in OPCO Indonesia since it has a strong relationship onto the formation of Psychological Empowerment. To do so, OPCO Indonesia may need to provide leadership training to enhance the characters and attitude, which mirror the Transformational Leadership. OPCO Indonesia may need to build more trust on employees to perform various tasks. Managers and supervisors may also need to provide employees with the necessary means, ability, and authority to achieve success and practice empowerment even better.
- b. The successfulness in practicing Psychological Empowerment requires sufficient competence from employees. If employees are not adequately competent, those employees may be hesitant in performing assigned tasks. Training on sharpening skills and knowledge becomes vital. Considering the relatively minimal level of explanatory power, motivational training becomes important as well to educate employees on the meaningfulness of their job/tasks.
- c. Furthermore, leaders play an important role in enhancing job satisfaction by extending acknowledgement to employees. The acknowledgement may be as simple as "Thank You" or "Good Job". Nonetheless, those simple acknowledgement statements have been proven powerful in boosting employees' level on job satisfaction.
- d. For further research, this study may only provide the basic foundation on the relationships among Transformational Leadership style, Psychological Empowerment and Job Satisfaction. Additional variables can be incorporated, such as; Job Performance, Organizational Commitment, or other Leadership Styles. The meaningfulness of jobs/tasks can also be examined further to reveal to complexities of inter-relationships among indicators.

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