

THE INFLUENCE OF TRANSFORMATIONAL LEADERSHIP ON EMPLOYEE PERFORMANCE WITH AFFECTIVE COMMITMENT AS A MEDIATOR

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Abstract. The objectives of this study was to examine the impact of transformational leadership on employee performance with affective commitment as a mediator. This is a quantitative study employing the techniques of purposive sampling. This study's data was gathered online, via a Google form distributed to millennial generation employees in Yogyakarta. The obtained data totalled 248 and was analyzed using Partial Least Square (PLS-SEM) to test the hypotheses proposed in this study. According to the findings of this study, transformational leadership has a positive and significant impact on employee performance. The variable of affective commitment fully mediates the effect of transformational leadership on employee performance. This study suggests that organizations should select and develop in leaders who adopt transformational leadership style because they build an inspiration, motivation and loyalty for employee which will in turn enhance their commitment and performance.

Keywords: Affective Commitment; Transformational Leadership; Employee Performance.

I. INTRODUCTION

Generational changes in employee composition occur continuously. The entry of the millennial generation into the world of work is certainly a challenge for companies because this generation is considered different from previous generations. The millennial generation is known as a generation that often moves jobs from one company to another when compared to previous generations (Pasko et al., 2021).

The frequent moves made by the millennial generation have been in the spotlight in recent years, quoted from a survey conducted by Deloitte from 2016 to 2019. The survey involving 10,455 millennials from 36 countries including Indonesia showed that the millennial generation has a low level of loyalty. In order from 2016 to 2019, there were 44%, 38%, 43% (Deloitte Millennial Survey, 2018) and 40.8% of the millennial generation who admitted that they would leave their jobs within 2 years of working (Deloitte Indonesia Perspective, 2019).

According to the 2020 Population Census, the millennial population is included in the productive age category where Yogyakarta has a population of productive age of 70.04%. This percentage is quite high when compared to the average percentage of 60% (BPS, 2021). The increase in the number of millennial employees in Yogyakarta certainly means that this city is also affected by the decline in the performance of millennial employees due to their low commitment. The low commitment of the millennial generation to stay in one company is an issue faced by human resource management in

companies (Torsello, 2019) because it can reduce the performance of each employee towards the company (Pasko et al., 2021).

The boredom that the millennial generation has so that they only stay in the company for a short period of time is due to the lack of interest they have in the company (Baker Rosa & Hastings, 2018).

One important job attribute that can influence the millennial generation to continue working at a company is the company's leadership style (Pasko et al., 2021; Silva et al., 2020; Hershatter & Epstein, 2010). Leadership styles such as transformational leadership have received more attention from the business environment because this leadership style is considered capable of increasing motivation and inspiring employees to perform better (Park et al., 2021).

Transformational leadership which has the characteristic of being able to inspire employees has quite a significant influence on the affective commitment of every employee in a company (Park et al., 2021; Llopis et al., 2020; Ribeiro et al., 2018). Affective commitment itself is one of three organizational commitments that exist besides continuous and normative commitment (Meyer et al., 1993). Of the three types of commitment that exist, affective commitment is believed to have a fairly strong influence on employee performance when compared to other commitments and can be said to be the core essence of organizational commitment (Mercurio, 2015). This commitment is known as commitment seen from an emotional or behavioral perspective that is influenced by the feelings of employees.

Based on the description above, it can be concluded that transformational leadership has a significant influence on employee performance (Ribeiro et al., 2018; Ng, 2017). Transformational leadership that provides a personal approach to employees by providing motivation will strengthen employee affection so that it will improve their performance for the better (Ribeiro et al., 2018). Leaders who succeed in increasing employee morale will increase the emotional attachment between employees and the company so that they can improve employee performance which will help the company in carrying out its strategy (Ndlovu et al., 2018). This research aims to replicate previous research from Ribeiro et al. (2018) which analyzed the influence of transformational leadership on employee performance with affective commitment as a mediator. Researchers developed previous research by conducting research on different research objects, namely millennial generation employees in Yogyakarta.

Millennial generation employees are interesting to research because the entry of this generation into the world of work is an issue in itself for companies. This is due to the low commitment they have to remain in the company (Hess, 2020) which affects their performance (Otache & Inekwe, 2021). The city of Yogyakarta was chosen because it has a fairly high population of productive age and a significant increase in the population of the millennial generation who are working (BPS, 2021).

Based on the background and problem formulation and research questions, the objectives of this research are:

1. Test the effect of transformational leadership on employee performance.
2. Testing the mediating role of affective commitment on the relationship between transformational leadership and employee performance..

II. RESEARCH METHODS

Research design

This research uses a confirmatory quantitative approach with emphasis on data analysis through statistical methods. Confirmatory quantitative research aims to test hypotheses so that they can answer research questions (Cooper & Schindler, 2014). This research is cross sectional because the data taken is data from a certain time period (Sekaran & Bougie, 2016). The data used in this research was collected in the form of a survey taken in February 2021. The survey was carried out by distributing research instruments in the form of a questionnaire containing several questions that would be given to millennial generation employees who work in Yogyakarta. This research uses primary data obtained directly by distributing questionnaires.

Population and Sample

This research was carried out by distributing questionnaires to samples from the population. The sample itself is a sub-group of the population that has met the criteria so that conclusions can be drawn that can represent the population (Sekaran & Bougie, 2016). Sampling in this research was based on Roscoe's rule of thumb (1975, in

Sekaran & Bougie, 2016). In order to carry out factor analysis, a sample with a minimum of 5 to 10 times is required.

Method of Collecting Data

The data collection method in this research uses a survey method. The survey was carried out by distributing instruments in the form of questionnaires to millennial generation employees in Yogyakarta. The questionnaire is closed and answer choices for respondents have been provided. Distribution of the questionnaire was carried out online via Google Forms with self-administration to reach respondents more easily.

The questionnaire in this study consisted of 22 question items that were directly related to the research topic. The research topic questions consisted of 15 questions about transformational leadership, 3 questions about affective commitment and 4 questions about employee performance. All variables are measured at the individual level. Answers to the questionnaire use a Likert scale with a range between scale 1 (strongly disagree) to scale 7 (strongly agree).

Operational Definition of Variables

This research consists of several variables such as independent variables, dependent variables and mediating variables. In this research, the independent variable included is transformational leadership (KT). Meanwhile employee performance (KK) is the dependent variable. The affective commitment variable (KA) as a mediator also influences the research results.

Transformational Leadership as an Independent Variable

Transformational leadership is a leadership style that motivates followers to produce performance that exceeds each individual's expectations and puts aside personal interests for the sake of the company's vision and mission (Yammarino et al., 1993). The transformational leadership variable was measured using a questionnaire from Rafferty & Griffin (2004) which was adopted by Ribeiro et al. (2018) with 15 question items. These questions were rated using a 7-point Likert scale starting from 1 (strongly disagree) and 7 (strongly agree).

Employee Performance as Dependent Variable

Employee performance as conveyed according to Campbell (1990) in Ribeiro (2018) is something that is relevant and often used in management research and can be interpreted as a series of actions and behaviors that are in accordance with the goals of the organization itself. Employee performance variables are measured using a questionnaire from Rego & Cunha (2008) with 4 question items. These questions were rated using a 7-point Likert scale starting from 1 (strongly disagree) and 7 (strongly agree).

Affective Commitment as a Mediating Variable

This commitment reflects the employee's emotional attachment and desire to remain in the company so that employees will continue to work and be loyal to the company based on their own desires when they have relatively high affective commitment (Meyer et al., 2012). The affective

commitment variable was measured using a questionnaire from Rego et al. (2011) which was adopted by Ribeiro et al. (2018) with 3 question items. These questions were rated using a 7-point Likert scale starting from 1 (strongly disagree) and 7 (strongly agree).

Data Analysis Technique
Descriptive Statistics

This research presents descriptive statistics which explain the understanding of the interpretation of the data presented in the form of mean values and standard deviations. So that data from descriptive statistics can be interpreted, the mean value category is determined by calculating class intervals (Lind et al., 2010).

Measurement Model (Outer Model)

Testing the measurement model aims to describe the relationship between latent variables and their measurements, namely indicators or items (Hair et al., 2017). The assessment of the measurement model (outer model) in this research includes two tests, namely validity and reliability

Structural Model (Inner Model)

The structural model aims to determine the relationship between the constructs to be studied based on existing theory (Hair et al., 2017). The structural model test in this research includes the coefficient of determination test (R²), path coefficient value (β) and p-value significance, bootstrapping and continued with mediation testing using Baron & Kenny (1986). Several assessments of the structural model were carried out in this research by looking at the following criteria:
 1. Coefficient of Determination (R²)

The coefficient of determination is used to measure how far the model's ability to explain variations in the dependent variable or a measure of predictive power in the sample.

2. Path Coefficient Value (β) and Significance of p-value

The relationship between variables is examined using path coefficients. A positive path coefficient value indicates that the independent variable has a positive influence on the dependent variable, however if the path coefficient value is negative it indicates that the independent variable has a negative influence on the dependent variable.

3. Bootstrapping

Bootstrapping is used to see how big the significance value is for the influence between variables. This bootstrapping calculation will later produce a path coefficient and t-value. Hypothesis calculations are tested based on the interpretation of these two values. At a significance level of 5%, the t-value for the two-sided test is 1.96.

4. Mediation test with Baron and Kenny (1986)

To test the mediation effect using the SmartPLS statistical application program with procedures from the method developed by Baron and Kenny (1986). The mediation test carried out must use a bias-corrected confidence intervals bootstrapping approach.

TABLE 1
 Questionnaire Distribution Table

Information	Amount	Percentage (%)
Collected questionnaires	248	100
Questionnaires that cannot be analyzed	0	0
Analyzable questionnaires	248	100

Source: Primary data processed (2022)

Respondent Profile

Based on the data, it was found that based on gender, age, education and length of work in Yogyakarta. Based on Table 4.2, it can be seen that male respondents amounted to 109 respondents (44%) of the total respondents, while female respondents amounted to 139 respondents (56%). The profile of respondents based on age in Table 4.2 shows the age range for the millennial generation starting from 26-41 years. The age range 26-31 years amounted to 127 respondents (51%), the age range 32-37 years amounted to 94 respondents (38%), and the age range 38-41 years amounted to 27 respondents (11%). This data shows that respondents are dominated by the age range of 26 to 31 years.

The data also shows the respondent's profile in terms of educational level. The majority of respondents had a bachelor's degree or the equivalent of 208 respondents (84%). Furthermore, the profile of respondents based on length of work was dominated by respondents with a length of work in the range of 2 to 5 years, numbering 144 (58%).

Descriptive Statistics and Correlations

TABLE 2

Table of Descriptive Statistics and Correlation Between Latent Variables

Construct	Min	Maks	M	SD	1	2	3
1. Transformational leadership	1	7	5,87	0,63	1		
2. Affective Commitment	1	7	6,15	0,74	,383**	1	
3. Employee performance	1	7	6,21	0,71	,271**	,319**	1

Note Source: Data processed SPSS 28.

Notes. **Correlation is significant at the 0.01 level; Min = minimum; Max = maximum; SD = standard deviation.

The table presents the correlation and significance of the correlation between research variables. This can be interpreted that the higher the level of transformational leadership implemented by the company, the greater the growth of employee affective commitment. By increasing the affective commitment of employees, it will encourage employee performance in the company.

To present frequency distribution data, the step taken is to group the average values into certain classes by subtracting the highest value from the lowest value and then dividing by the number of classes required. From the results obtained, it can be interpreted that transformational leadership, employee performance and affective commitment of millennial generation employees in Yogyakarta are at a high level.

TABLE 3
 Descriptive Statistics Table for Each Indicator

Variables	Dimension	Indicator	Average Indicator	Average Variables
Transformational leadership	Vision	My boss has a good understanding of the company's goals.	6,379	5,875
		My boss has a good understanding of where he wants to be a part of the company for 5 years.	6,113	
		My boss doesn't know where the company (R) is headed.	6,544	
	Inspirational Communication	My boss says things that make me feel part of the company.	6,097	
		My boss says positive things about my work partners.	5,613	
		My boss encourages people to see environmental change as a great opportunity.	5,669	
	Intellectual Stimulation	My boss challenges me to think of ways to solve old problems in new ways.	5,685	
		My boss has a passion that has pushed me to rethink some things I never questioned before.	5,738	
		My boss has encouraged me to rethink my basic assumptions about my job.	5,625	
	Supportive Leadership	My supervisor considers my personal	5,379	

Personal Confession	feelings before acting.	5,440	6,150
	My supervisor's behavior always takes my personal needs into consideration.		
	My supervisor realizes that employee interests are given based on consideration	5,802	
	My boss appreciates me when I do a better job than usual.	6,069	
Affective Commitment	My supervisor recognizes the improvement in the quality of my work.	6,000	6,210
	My boss appreciates me personally when I do outstanding work.	5,984	
Employee Performance	I am happy to tell other people that I am part of the company	6,286	6,210
	I have a strong passion for the company.	6,024	
	I feel like part of the family at the company.	6,141	
Employee Performance	I believe that I am an effective employee.	6,355	6,210
	Saya senang dengan hasil kualitas kerja saya.	6,194	
	My boss believes that I am an efficient employee.	6,105	
	My coworkers believe that I am a very productive employee.	6,169	

Source: Data processed by SPSS 28.

Overall, the transformational leadership variable has an average of 5.875 and is in the high category. This shows that the perception of millennial generation employees in Yogyakarta towards the transformational leadership implemented by the company is in the high category. If you look at the highest average value, it is found in a statement in reverse form, namely "my boss doesn't know where this company is headed" with an average value of 6.544 and is in the very high category. This can be interpreted as the highest perception of respondents believing that their superiors know the direction of the company's goals. The lowest average value is found in the statement "my supervisor considers my personal feelings before acting" with an average value of 5.379 and is in the high category. This statement describes how respondents perceive their superiors in considering their feelings before their superiors act. Respondents assessed that not all superiors can consider their feelings when taking action.

The overall affective commitment variable has an average value of 6.150 and is in the high category. This shows that millennial generation employees in Yogyakarta have high affective commitment to the company. If you look at Table 4.4, it can be seen that the highest average value is in the statement "I am happy to tell other people that I am part of this company" with an average value of 6.286 and is in the very high category. Then the lowest average value is in the statement "I have a strong passion for this company" with an average value of 6.024 in the high category. This shows that a strong feeling of mutual ownership of the company has been felt because it is included in the high category

The overall employee performance variable has an average value of 6.210 and is in the very high category. This shows that millennial generation employees in Yogyakarta have demonstrated effective performance within the company. If you look at table 4.4, it can be seen that the highest average value is in the statement "I believe that I am an effective employee" with an average value of 6.355 and is in the very high category. Meanwhile, the lowest average value is in the statement "my supervisor believes that I am an efficient employee" with an average value of 6.105 and is in the high category. This shows that employees are confident that the performance they produce for the company is effective performance.

*Measurement Model Test (Outer Model)
 Convergent Validity and Reliability*

TABLE 4

Table of Convergent Validity and Reliability Test Results

Construct	Indicator	FL	α	ρ_c	AVE	Information
Transformational Leadership	Vis_1	0,896	0,931	0,940	0,511	Valid and Reliable
	Vis_2	0,885				
	Vis_3	0,935				
	Ins_1	0,819				
	Ins_2	0,826				
	Ins_3	0,800				

Construct	Indicator	FL	α	ρ_c	AVE	Information
	Int_1	0,768	0,808	0,887	0,723	Valid and Reliable
	Int_2	0,888				
	Int_3	0,840				
	Sup_1	0,827				
	Sup_2	0,853				
	Sup_3	0,828				
	Pers_1	0,862				
	Pers_2	0,902				
	Pers_3	0,839				
Affective Commitment	Affcom_1	0,839	0,861	0,905	0,705	Valid and Reliable
	Affcom_2	0,853				
	Affcom_3	0,858				
Employee Performance	Perf_1	0,804	0,861	0,905	0,705	Valid and Reliable
	Perf_2	0,857				
	Perf_3	0,867				
	Perf_4	0,830				

Source: Data is processed by SmartPLS 4.0. Information: α = Cronbach's Alpha, ρ_c = Composite Reliability, AVE = Average Variance Extracted, FL = Factor Loadings.

The reliability test in this research was carried out by looking at Cronbach's alpha and composite reliability. In this study using measurements in Hair et al. (2014), namely setting Cronbach's alpha and composite reliability values of 0.70 or higher. The Cronbach's alpha values shown by all constructs in Table 4.4 have met the requirements set by Hair et al. (2014), namely having a value ≥ 0.70 . The Cronbach's alpha value for transformational leadership, affective commitment and employee performance is 0.931; 0.808; and 0.861 respectively. Therefore, it can be said that each construct in this research has a good level of reliability. In addition, the instrument used in this research will provide relatively consistent measurement results if used to measure the same symptoms twice or more.

The value of composite reliability in this study also meets the requirements given by Hair et al. (2014) which must have a value of ≥ 0.70 . The composite reliability values for transformational leadership, affective commitment and employee performance respectively are 0.940; 0.887; and 0.905. These three values illustrate that the composite instrument used in this research is reliable.

Discriminant Validity

TABLE 5

Table Result of Discriminant Validity Test

Construct	1	2	3	Information
1. Transformational Leadership	0,715			Valid
2. Employee Performance	***0,309	0,840		Valid

3. Affective Commitment	***0,327	***0,734	0,850	Valid
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Source: Data Procceed by SmartPLS 4.0

Note: the diagonal line (bold) is the square root of AVE of each construct. ***The correlation value between constructs is smaller than the square root of AVE of each construct.

The table shows that the square root AVE value of each construct is greater when compared to the correlation value between constructs. For transformational leadership it has a value of 0.715, employee performance is 0.840, and affective commitment is 0.850. This value shows a greater value when compared to the correlation value between each construct. The value for transformational leadership with employee performance is 0.309, the value for transformational leadership with affective commitment is 0.327, and the value for employee performance with affective commitment is 0.734. The results of the analysis show that the square root AVE value for all variables is greater when compared to the correlation value between constructs so that discriminant validity in this study is fulfilled (Hair et al., 2014).

Structural Model Test (Inner Model) and Hypothesis Testing

TABLE 6
 Table of Structural Model Test Results and Hypothesis Testing

Con-connection Path to	β	T Value	P Value	BC 95% CI		R^2	Result
				Lower	Upper		
¹ KT -> KK	0,312	4,124	0,000	-	-	0,332	Significant
² KT -> KK	0,078	1,073	0,283	-	-	n/a	n/a
KA -> KK	0,708***	6,675	0,000	-	-	0,544	Significant
KT -> KA	0,327***	4,273	0,000	-	-	0,107	Significant
KT -> KK	0,231***	3,954	0,000	0,125	0,354		Significant

Source: SmartPLS 4.0

Note: Significance of estimates; ***p < 0.001, **p < 0.01, *p < 0.05; n/a = not significant; β = Beta Value; R^2 = R-square value; BC= bias corrected, CI= confidence interval; KT = Transformational Leadership; KA = Affective Commitment; KK = Employee Performance. 1=direct relationship between KT and KK without mediator; 2=direct relationship between KT and KK through a mediator

The table shows that hypothesis 1 in this study has a significant direct influence between transformational leadership on employee performance because it has a p-value of 0.000 or p-value < 0.05 and has a t-value of 4.124 or t-value > 1,96 so hypothesis 1 is supported. These results show that transformational leadership can directly improve employee performance. The more transformational leadership

style is applied to employees, the higher employee performance will be produced.

The table also shows that the coefficient of determination (R^2) for transformational leadership and employee performance is 0.332 or equal to 33.2%. This means that employee performance variables can be explained by the transformational leadership variable of 33.2%. Meanwhile, the other 66.8% is explained by variables and factors other than transformational leadership.

In this research, the second hypothesis is that affective commitment mediates the relationship between transformational leadership and employee performance. The mediation effect was tested using the Baron and Kenny (1986) approach.

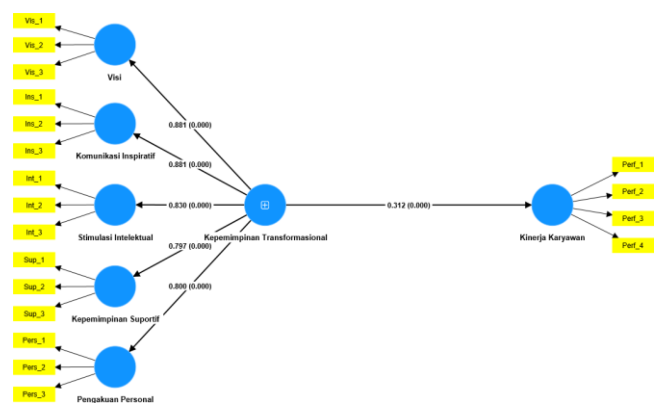


Figure 1. Direct Influence

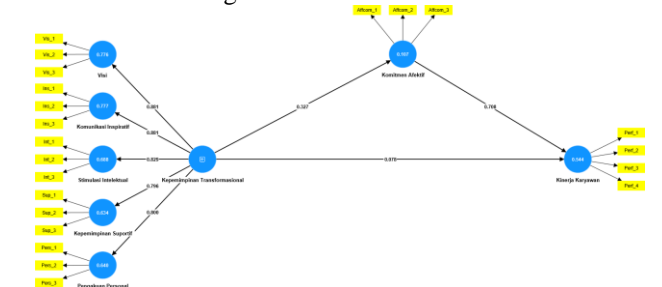


Figure 2. Baron and Kenny Mediation Results (1986)

The figure and table show that the requirements for testing mediating variables according to Baron and Kenny (1986) are met, with the following results:

- 1) The independent variable (transformational leadership) significantly influences the dependent variable (employee performance) with a path coefficient (β) of 0.312 and a p-value of 0.000 < 0.001.
- 2) The independent variable (transformational leadership) significantly influences the mediating variable (affective commitment) with a path coefficient (β) of 0.327 and a p-value of 0.000 < 0.001.
- 3) The mediating variable (affective commitment) significantly influences the dependent variable (employee performance) with a path coefficient (β) of 0.708 and a p-value of 0.000 < 0.001.
- 4) The results of testing hypothesis 1 (direct influence) in Figure and Table using the Baron and Kenny (1986) approach, show that there is a positive and significant influence of the independent variable (transformational leadership) on the dependent variable (employee performance). Then by

including the third variable, namely the mediating variable (affective commitment), the influence of transformational leadership on employee performance becomes insignificant. Based on these results, it can be concluded that affective commitment fully mediates the influence of transformational leadership on employee performance.

To provide more valid results in testing the Baron and Kenny (1986) method, this research uses additional analysis, namely by testing bootstrapping bias-corrected confidence intervals. The mediation effect is called significant if the bias-corrected confidence intervals do not contain zero values (Preacher and Hayes, 2008).

The table shows the results of the mediation test of affective commitment which is statistically proven to mediate the influence of transformational leadership on employee performance with an estimated mediation effect of 0.231 with a significance p-value <0.01. The 95% confidence interval value is in the lower limit range of 0.125 to the upper limit of 0.354. The value of the mediation effect shows significance because the bias-corrected confidence intervals do not contain zero values.

Based on the results of mediation testing using the Baron and Kenny (1986) approach and bootstrapping bias-corrected confidence intervals, it is known that Hypothesis 2 is supported. Affective commitment fully mediates the influence of transformational leadership on employee performance.

Discussion of Hypothesis Testing

TABLE 7
 Hypothesis Testing Summary Table

Hypothesis	Results	Conclusions
H1: Transformational leadership has a positive influence to employee performance.	$\beta = 0,312$; p -value = 0,000 (p -value < 0,05)	Supported
H2: Affective commitment mediate relationship between transformational leadership and employee performance.	$\beta = 0,231$; p -value = 0,000, CI 95% [0,125;0,354]	Supported

Source: Primary Data Processed, 2022

a. Hypothesis 1: Transformational Leadership Has a Positive Influence on Employee Performance

The results of testing hypothesis 1 show that transformational leadership has a significant direct effect on employee performance with a path coefficient (β) of 0.312 and a p-value <0.05. Therefore, it can be said that Hypothesis 1 is supported. These findings indicate that the

implementation of transformational leadership patterns will improve employee performance in the company.

Millennial employees themselves dominate the economic and creative industries in Yogyakarta (jogjaprovo.go.id, 2021) such as education, animation & games, e-commerce, creative agencies, digital marketing, hosting and so on (Yogyakarta Digital Creative Industry Study, 2017). The character of transformational leadership can be felt and is suitable to be applied to millennial generation employees in Yogyakarta. This is because transformational leaders are considered to be able to improve employee performance by knowing the direction and goals of the company, providing inspirational communication, providing intellectual stimulation, being supportive of employees and giving personal recognition to employees. This is in accordance with the work environment expected by the millennial generation where they want to have an environment that can provide inspiration, motivate them to work and get opportunities to develop their careers (Tosello, 2019). Millennial employees will feel encouraged and motivated to improve their performance when they receive attention and support from transformational leaders because for the millennial generation, the role of leader is an important attribute for them to perform well in a company (Pasko et al., 2021).

The implications of transformational leadership on the performance of millennial generation employees in Yogyakarta can start by creating a supportive work environment. Companies can help every leader to improve the four dimensions of transformational leadership according to Kinichi & Fugate (2018). Leaders can be trained to consider the individual needs of their subordinates, explain the meaning and goals of the company, inspire or motivate with their actions and provide appreciation for the resulting good performance of employees.

b. Hypothesis 2: Affective Commitment Mediates the Relationship Between Transformational Leadership and Employee Performance

The results of testing hypothesis 2 show that affective commitment has a complete mediating role in the relationship between transformational leadership and employee performance with a path coefficient (β) of 0.231 and a p-value <0.001. From the hypothesis testing data, it can be seen that when the mediator of affective commitment is included in the model, the direct influence of transformational leadership on employee performance becomes insignificant. Based on Baron and Kenny's (1986) approach, this means that the affective commitment variable fully mediates the relationship between transformational leadership and employee performance.

Bootstrapping testing was also carried out in this research which resulted in affective commitment fully mediating the relationship between transformational leadership and employee performance. The estimate for the resulting mediation effect is 0.231 and p-value <0.001 and the 95% confidence interval value is in the lower limit range of 0.125 to the upper limit of 0.354. The value of this mediation effect is significant because the range of confidence interval (CI) values does not contain zero (Preacher & Hayes, 2008).

From the results of the mediation test using the Baron and Kenny (1986) approach and the bootstrapping test, it can be concluded that Hypothesis 2 is supported, where affective commitment fully mediates the influence of transformational leadership on employee performance. This means that the positive influence of transformational leadership on employee performance can increase when there is affective commitment in it. Based on the research results, the affective commitment variable has an important role in explaining the relationship that occurs between transformational leadership and employee performance.

III. CONCLUSIONS

This research aims to test the influence of transformational leadership on employee performance with affective commitment as a mediator for millennial generation employees in Yogyakarta companies. Based on the results of the data analysis, several conclusions were obtained in this research. The first conclusion is that transformational leadership has a positive and significant influence on employee performance in the company. These results show that the higher the level of transformational leadership implemented in the company, the higher the resulting employee performance will be. In the results of this research, leaders at companies in Yogyakarta were proven to know the direction and goals of the company they were leading. This shows that millennial employees in Yogyakarta have leaders who already know the company's vision. Millennial employees prefer a leader who has clear goals for the company they work for. Therefore, it can be said that understanding the vision of a transformational leader will influence employee performance.

The second conclusion, affective commitment is proven to fully mediate the influence of transformational leadership on employee performance in the company. This indicates that implementing transformational leadership will produce affective commitment in employees. This will ultimately encourage employees to improve their performance. In the results of this research, millennial employees will happily tell other people that they are part of the company where they work. This shows that when a transformational leader has implemented the dimensions of transformational leadership towards employees, it will have an impact on their affective commitment and ultimately increase employee performance.

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