

The Effect of Transactional Leadership Style and Extrinsic Motivation on Human Resource Performance with Continuance Commitment as An Intervening Variable in Outsourcing Employees PLN ULP Bangkir

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Abstract. *This study aims to analyze the influence of transactional leadership style and extrinsic motivation on human resource performance with continuance commitment as an intervening variable in outsourcing employees of PLN ULP Bangkir. This study uses a quantitative approach with Partial Least Square (PLS) analysis techniques. The sample consisted of 170 outsourcing employees. The results show that transactional leadership style and extrinsic motivation have a significant positive effect on continuance commitment and human resource performance. In addition, continuance commitment also has a positive effect on employee performance. This means that both independent variables not only have a direct influence, but also an indirect influence through continuance commitment as a mediator. This study provides practical implications for management in managing outsourcing employees through appropriate leadership strategies and consistent external incentives.*

Keywords: *Continuance Commitment; Extrinsic Motivation; Human Resource Performance; Outsourcing; Transactional Leadership Style.*

1. Introduction

Organizational development in this era of globalization demands rapid and adaptive change, particularly in managing human resources (HR), which are one of the main assets in achieving organizational goals. Amidst these high demands, companies must be able to optimize all factors that influence HR performance, including leadership style, motivation, and employee commitment. One form of organization that is increasingly developing is the use of outsourcing labor, where organizations no longer rely on permanent employees, but also utilize a more flexible workforce through third parties. This phenomenon is widely

implemented in various large companies, including public service providers such as PT PLN (Persero), particularly in customer service units (ULP) such as the one at PLN ULP Bangkir.

PT PLN ULP Bangkir, as part of a state-owned company operating in the energy sector, specifically electricity supply, faces significant challenges in managing human resources, particularly for outsourced workers who have a different position compared to permanent employees. The presence of outsourced employees at PLN ULP Bangkir often faces challenges in terms of motivation and commitment to the company. This can affect their performance levels, which ultimately impact the overall performance of the organization. Therefore, a deeper understanding of the factors that influence the performance of outsourced employees is needed, especially those related to leadership style and motivation provided by management.

One relevant approach to HR management is the transactional leadership style, which focuses more on management through a system of rewards and punishments. This leadership style focuses on short-term results and a clear exchange between superiors and subordinates, namely providing incentives or rewards for employees who achieve targets and imposing sanctions for those who do not meet expectations. Based on research conducted by Buil et al., (2018), transactional leadership styles have been shown to be effective in improving individual performance in the short term, although they do not always have a long-term impact on commitment and job satisfaction. Research by Hsiung (2012) also shows that while a transactional leadership style can improve short-term performance, it often neglects the interpersonal relationships and personal growth necessary to maintain long-term performance. In the context of outsourced employees, implementing a leadership style that is more oriented towards clear, measurable results can provide additional motivation, but it can also reduce employee commitment to the organization if not supported by deeper motivation.

In this case, extrinsic motivation is one factor that can improve employee performance. Extrinsic motivation refers to external encouragement provided by the organization through rewards and incentives to achieve certain goals. According to Gagné and Deci (2005) Extrinsic motivation can influence a person's performance, especially when the tasks given are routine and structured. However, in more dynamic situations, where creativity and innovation are required, extrinsic motivation alone is not enough to achieve optimal performance. Research by Kuvaas et al., (2017), shows that while extrinsic motivation can influence performance in the short term, long-term performance sustainability requires a balance with intrinsic motivation. For example, in the context of outsourced employees at PLN ULP Bangkir, while financial incentives and rewards can motivate them to improve their performance, these approaches need to be combined with the fulfillment of deeper psychological needs to maintain long-term commitment and job satisfaction.

Employee continuance commitment is an important aspect that influences employees' decisions to remain in the organization. Chong and Gagné (2019), states that continuance commitment involves an emotional and psychological bond between employees and the organization that can influence long-term behavior and performance. Employees with high

levels of commitment are more likely to demonstrate better performance, even if they have the option to work elsewhere. Research by Vandenberghe et al., (2004) shows that continuance commitment is not only influenced by internal factors such as organizational values and culture, but also by the influence of external factors such as satisfaction with incentives received and career development opportunities. In the context of outsourced employees, who often have weaker ties to the organization, managing continuance commitment becomes a particular challenge, because they are more likely to change jobs if they do not feel appreciated or if they feel there are no opportunities for development.

Employee performance is the end result of various factors that influence an individual's work behavior. This performance is often measured through task accomplishment and organizational goals. Yuhasrizal (2020), states that performance is influenced not only by individual abilities, but also by motivational factors and the organizational environment. In the context of outsourced employees, employee performance is greatly influenced by the leadership style applied by superiors, the level of motivation provided, and the level of commitment they have to the organization. Research by González-Romá et al., (2006), shows that the combination of good leadership and appropriate motivation can improve individual performance, both in terms of productivity and work quality. Gagné and Deci (2005), found that leaders who are able to create mutually beneficial relationships with employees can improve overall organizational performance. In this case, for outsourced employees at PLN ULP Bangkir, achieving optimal performance depends heavily on how well they are motivated and connected to the organization through appropriate leadership styles and commitment management.

PT PLN ULP Bangkir, located in Central Sulawesi, faces significant challenges in maintaining optimal performance amidst the need to ensure a stable and high-quality electricity supply for the community. As an electricity service unit, ULP Bangkir manages various operational aspects that are highly dependent on employee efficiency and responsiveness in mitigating power supply disruptions. The use of outsourced employees is a crucial option to support flexible and efficient operations. However, the presence of these outsourced employees, who lack a permanent relationship with the company, often results in them lacking emotional attachment to the organization. This risks lowering their level of ongoing commitment to the company, which can ultimately impact their performance. Therefore, effective management of leadership style, motivation, and ongoing commitment is crucial to ensuring that outsourced employees at PLN ULP Bangkir remain motivated and able to make their best contribution to the organization.

With the changing times and the need for efficiency, more and more companies are choosing to collaborate with third parties to provide their workforce, one of which is through an outsourcing system. This also applies to PT PLN ULP Bangkir, which utilizes outsourced workers to optimize its operational processes. Outsourced employees have quite specific duties and responsibilities, but they often do not receive equal treatment with permanent employees, especially regarding facilities, incentives, and attention to their welfare. As a result, their motivation can be low, which in turn affects their performance.

Therefore, more attention is needed to implement a leadership style that is appropriate to the conditions of outsourced employees so that they feel appreciated and encouraged to improve their performance continuously.

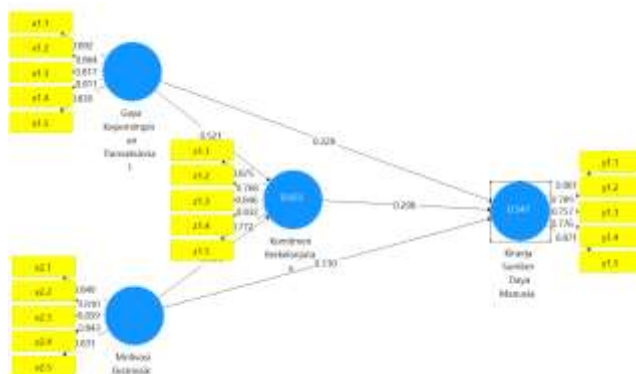
2. Research Methods

This research uses a quantitative approach, which is basically a type of research that is carried out systematically, planned, and structured, and involves the use of numbers or nominal values. According to (Sugiyono, 2019) Quantitative research is a research method rooted in the philosophy of positivism, used to study specific populations or samples, collecting data through research instruments. Data analysis in this method is quantitative or statistical, aimed at testing previously formulated hypotheses.

3. Results and Discussion

3.1. Research Results

The Outer Model is an important step in the Partial Least Squares Structural Equation Modeling (PLS-SEM) approach, used to evaluate the relationship between indicators (question items) and latent constructs (variables that cannot be measured directly). At this



stage, the validity and reliability of the constructs or latent variables used in the study are tested. The outer model focuses on the measurement model, which assesses how well the indicators reflect the intended construct. The outer model test aims to ensure that the instrument or questionnaire used in the study is able to measure the construct accurately (validly) and consistently (reliably). Outer model testing involves several statistical indicators, such as outer loading, average variance extracted (AVE), composite reliability (CR), and Cronbach's alpha. The following is the graphical output from testing the measurement model:

Outer Model

Validity Test

In this study, validity testing was conducted to ensure that the instruments used were truly capable of measuring the intended constructs accurately and consistently. Validity is one of the essential requirements in testing the quality of the measurement model (outer model) in

the Structural Equation Modeling-based Partial Least Squares (SEM-PLS) approach. In the context of SEM-PLS, instrument validity is divided into two main types: convergent validity and discriminant validity. These two types of validity are used to assess the extent to which the indicators in the model are able to accurately represent the construct.

a) Convergent Validity

Convergent validity testing is part of the outer model evaluation process in PLS-SEM analysis, which aims to determine the extent to which the indicators used truly reflect the same construct. This test assesses whether the indicators within a construct have high internal consistency and accurately measure the same concept. In other words, convergent validity ensures that all indicators within a construct are strongly correlated and support the single latent dimension being measured.

An indicator is considered to meet convergent validity requirements if its loading factor value exceeds 0.70. This value indicates the indicator's contribution to its construct. The higher the loading factor value, the stronger the relationship between the indicator and the construct being measured. Furthermore, the AVE value is also used to assess convergent validity. AVE reflects the average variance explained by the indicators relative to the total variance in the construct. A good AVE value is greater than 0.50, indicating that more than 50% of the indicator's variance can be explained by the latent construct.

b) Discriminant Validity

Discriminant validity is an important aspect in testing measurement models using the Partial Least Squares Structural Equation Modeling (PLS-SEM) approach. This validity aims to ensure that each construct in the research model is unique and can be clearly distinguished from other constructs. With good discriminant validity, researchers can be confident that the indicators of a construct do not reflect other constructs, but rather truly represent the intended construct. One of the most widely used approaches to assess discriminant validity is the Fornell-Larcker criterion. This criterion states that the square root of the Average Variance Extracted (AVE) for each construct must be greater than the highest correlation of that construct with other constructs in the model. If this requirement is met, it can be concluded that the construct has good discriminant validity (Fornell & Larcker, 1981). Furthermore, a modern approach that is also widely used is the Heterotrait-Monotrait ratio (HTMT). The HTMT measures the correlation ratio between different constructs compared to the correlation between indicators within the same construct. An HTMT value lower than 0.90 indicates adequate discriminant validity.

Table Direct Effect Test Results

	t-statistic	p-value	Information
Transactional Leadership Style → Continuing Commitment	4,576	0,000	Significant
Extrinsic Motivation → Continued Commitment	5,215	0,000	Significant
Sustainable Commitment → HR Performance	3,984	0,000	Significant
Transactional Leadership Style → HR Performance	2,029	0.043	Significant
Extrinsic Motivation → HR Performance	2,625	0.009	Significant

Source: Processed Primary Data, 2025

Based on Table, all direct relationships between variables in this research model show statistically significant results, indicated by a t-statistic value above 1.96 and a p-value below 0.05. This indicates that each tested direct influence pathway has a significant relationship strength. Specifically, transactional leadership style and extrinsic motivation are proven to have a significant positive influence on continuance commitment. This means that the higher the leadership quality and the greater the incentives provided, the greater the employee's commitment to remain loyal and contribute to the organization.

Furthermore, continuance commitment also significantly impacts human resource performance. Employees who feel emotionally attached and have long-term commitment to the organization tend to perform better. Furthermore, transactional leadership style and extrinsic motivation also have a significant direct impact on outsourced employee performance, independent of continuance commitment. These findings demonstrate that both leadership and incentives can directly improve employee productivity and work outcomes.

Overall, these results confirm that managerial strategies that include clear leadership and appropriate rewards are highly effective in boosting employee performance. These effects can occur both directly and indirectly, with ongoing commitment strengthening the relationship between the main variables in this study.

Table Indirect Effect Test Results

	t-statistic value	p-value	Information
Transactional Leadership Style → Continuous Commitment → HR Performance	2,573	0.010	Significant
Extrinsic Motivation → Continuous Commitment → HR Performance	3,142	0.002	Significant

Source: Processed Primary Data, 2025

Based on Table, it can be seen that continuance commitment is proven to significantly mediate the influence between transactional leadership style and extrinsic motivation on human resource performance. This is indicated by the t-statistic value on the Transactional Leadership Style → Continuance Commitment → HR Performance path of 2.573 with a p-value of 0.010, and the Extrinsic Motivation → Continuance Commitment → HR Performance path of 3.142 with a p-value of 0.002. Both values meet the significance criteria, namely $t > 1.96$ and $p < 0.05$, which indicates a significant indirect effect.

Thus, it can be concluded that transactional leadership and extrinsic motivation not only have a direct influence on improving the performance of outsourced employees, but also have a significant indirect influence through increased continuance commitment. This means that when employees feel clearly led and given appropriate incentives, this fosters a strong commitment to continue working and contributing to the organization. This commitment then drives employees to perform optimally, which ultimately has a positive impact on their overall performance.

This finding emphasizes that HR management strategies, particularly in the context of outsourcing workforces, should not only focus on leadership styles and incentive systems,

but should also pay attention to efforts to build employees' psychological and emotional commitment to the organization as a support for sustainable performance.

Hypothesis Testing

Hypothesis testing in this study was conducted to examine the causal relationship between latent variables according to the established hypothesis formulation. The test was conducted using the path coefficient value, which indicates the magnitude and direction of the influence between variables. Furthermore, the significance of the influence was tested using the t-statistic and p-value using the bootstrapping method in SmartPLS. The hypothesis is accepted if the t-statistic value is greater than the critical value (usually 1.96 for a 5% significance level) and the p-value is less than 0.05. The following are the results of the hypothesis testing in this study:

Table Hypothesis Test Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation	T Statistics	P Values
Transactional Leadership Style -> Human Resource Performance	0.228	0.228	0.081	2,811	0.005
Transactional Leadership Style -> Ongoing Commitment	0.521	0.503	0.118	4,402	0.000
Sustainable Commitment -> Human Resource Performance	0.298	0.287	0.124	2,407	0.016
Extrinsic Motivation -> Human Resource Performance	0.31	0.323	0.116	2,685	0.008
Extrinsic Motivation -> Ongoing Commitment	0.388	0.401	0.126	3,082	0.002

Source: Processed Primary Data, 2025

Transactional leadership style has a positive and significant influence on human resource performance with a path coefficient of 0.228, a t-statistic of 2.811, and a p-value of 0.005 (<0.05). This indicates that the better the transactional leadership style, the better the performance of outsourced employees at PLN ULP Bangkir. Transactional leadership style also has a positive and significant influence on continuance commitment with a path coefficient of 0.521, a t-statistic of 4.402, and a p-value of 0.000. This means that an effective transactional leadership style can increase the continuance commitment of outsourced employees.

Continuance commitment has a positive and significant effect on human resource performance, with a path coefficient of 0.298, a t-statistic of 2.407, and a p-value of 0.016. This indicates that increasing employee continuance commitment will improve their performance.

Extrinsic motivation has a positive and significant influence on human resource performance with a path coefficient of 0.310, a t-statistic of 2.685, and a p-value of 0.008. Thus, motivation originating from external factors can improve the performance of outsourced employees. Extrinsic motivation also has a positive and significant influence on continuance commitment with a path coefficient of 0.388, a t-statistic of 3.082, and a p-value of 0.002.

This indicates that good extrinsic motivation can strengthen employee commitment to their continued work.

4.2. Discussion

The Influence of Transactional Leadership Style on Continuance Commitment

The most dominant indicator of a transactional leadership style is rewards, namely the provision of incentives to employees who successfully achieve work targets. This demonstrates that a clear reward system is a key factor in fostering employee commitment to remain with the organization.

Based on the results of the first hypothesis test, it was found that transactional leadership style has a positive and significant effect on continuance commitment. This result indicates that the higher the implementation of transactional leadership style in an organization, the higher the level of continuance commitment demonstrated by employees. This finding indicates that work interactions based on clear rewards and punishments can encourage employees to remain and be loyal to the organization, not solely because of affective attachment, but also because of the existence of structured consequences and incentives.

Descriptive analysis of respondents' responses to transactional leadership style indicators showed that the highest scores were for the rewards indicator, while the lowest scores were for the punishment indicator. This indicates that employees respond more positively to a leadership approach that rewards achievement than to one that imposes sanctions. This situation supports the formation of ongoing commitment because the rewards are perceived as fair and motivating.

Transactional leadership style, according to Bass (1985), emphasizes the exchange relationship between leaders and subordinates, where employees receive rewards for achieving certain performance, and will receive sanctions for violations or failures in carrying out tasks. In this context, transactional leadership style plays an important role in building ongoing commitment because employees feel there is clarity in work expectations and a logical cause-and-effect relationship between work efforts and compensation received.

This research aligns with the findings of Irfansyah et al. (2025), who stated that transactional leadership can create stronger working bonds between employees and the organization, through objective rewards and consistent rule enforcement. When employees feel that their achievements are recognized and fairly rewarded, they tend to feel secure and stable professionally, making them more likely to remain with the organization in the long term.

Samudera and Agustina (2024) also suggest that a strict supervisory structure and performance-based rewards from transactional leaders can create a work environment that supports long-term commitment. In the context of modern organizations that demand concrete results, this transactional approach is relevant because it provides certainty and accountability for employees in contributing to organizational goals.

These findings reinforce the argument that continuance commitment is not only built on emotional attachment or normative values, but also on instrumental factors such as

pragmatically mutually beneficial working relationships. Employees with high levels of continuance commitment tend to stay because they perceive benefits in maintaining the working relationship, whether in the form of job stability, financial rewards, or clear career prospects—all elements that are part of a transactional leadership system.

Thus, the results of this study broaden our understanding of the importance of implementing a transactional leadership style as a managerial strategy for maintaining long-term employee loyalty. Practically, organizations need to ensure that reward and punishment systems are implemented consistently and transparently, and that leaders have the ability to clearly communicate expectations and goals to their subordinates.

The Influence of Continuance Commitment on Human Resource Performance

The strongest indicator of continued commitment is loyalty, an employee's desire to remain despite other job opportunities. This reinforces the idea that the decision to stay isn't solely driven by emotional attachment, but rather by pragmatic considerations and job stability.

The results of the third hypothesis testing in this study indicate that continuance commitment has a positive and significant effect on human resource (HR) performance. This means that the higher the continuance commitment an employee has, the better their performance in carrying out organizational tasks. Continuance commitment is a dimension of organizational commitment based on rational considerations, such as economic benefits, job security, and the personal sacrifices that must be made when leaving the organization. Employees with a high level of continuance commitment usually assess that remaining in the organization is the most personally beneficial decision, so they strive to demonstrate optimal contributions as a form of reciprocity for the continuation of the working relationship.

Descriptive analysis of respondents' responses to the ongoing commitment indicator shows that the highest scores were for the loyalty indicator, while the lowest scores were for the long-term responsibility indicator. This indicates that employees have a strong desire to remain with the organization, although some have not yet demonstrated a long-term orientation toward the organization's goals. This loyalty is a crucial asset in driving improved employee performance.

The results of this study align with the findings of Meyer and Allen (2019), who explained that continuance commitment is positively correlated with performance because employees feel "tied" to the organization in a calculative sense. They maintain their positions because they perceive added value (both economic and social) in remaining with the organization. This feeling motivates employees to maintain their professional reputation and ensure their contributions remain valuable to the organization.

Vandenberghe et al. (2004) also suggest that employees with continuance commitment tend to have better work discipline, lower absenteeism rates, and a high level of dedication to completing their work because they recognize that poor performance can damage their position and prospects within the organization. This motivates them to perform at their best to maintain their job stability.

From a managerial perspective, these results underscore the importance of employee retention strategies that foster ongoing commitment, particularly through approaches based on organizational equity, job security, and career development opportunities. By creating a stable work environment and offering long-term added value to employees, organizations can encourage employees to remain productive and contribute optimally.

Practically, organizations can implement policies such as merit-based promotion systems, competitive benefits, and tenure recognition programs to foster a sense of continuity and employee engagement. When employees perceive that leaving the organization will result in a loss, they will be more committed to improving their performance and loyalty.

Thus, it can be concluded that ongoing commitment is not only a determining factor in the stability of the working relationship between employees and the organization, but also functions as a driver of individual performance that contributes to the achievement of the organization's overall strategic goals.

The Influence of Transactional Leadership Style on Human Resource Performance

The indicator of transactional leadership style that most impacts performance is purpose, namely the clarity of direction and targets provided by the leader. This clarity makes it easier for employees to design efficient and productive work strategies.

The results of the study indicate that transactional leadership has a direct and significant positive effect on human resource performance. This means that the higher the implementation of transactional leadership by superiors, the higher the level of performance achieved by employees. Transactional leadership focuses on an exchange relationship between leaders and subordinates, where good performance is rewarded and non-compliance or failure is punished. In this context, leaders act as objective supervisors and performance evaluators, providing direction, close supervision, and measurable expectations for work results.

This finding aligns with research by Samudera and Agustina (2024), which states that a transactional leadership style is effective in improving human resource performance through a structured reward system and intense supervision. Employees will be more motivated to deliver optimal performance due to the clarity of the reward system. In other words, when work expectations and rewards are clearly defined, employees will feel compelled to meet targets to reap the benefits of the system.

Descriptive analysis of respondents' responses to transactional leadership style indicators also showed that rewards scored the highest, while punishment scored the lowest. This confirms that a reward system implemented by leaders is more effective at boosting employee performance than a penalty system. Employees are more motivated to work when they know their achievements will be recognized and appreciated.

Pokhrel (2024) also stated that a transactional leadership style has positive implications for human resource productivity. The emphasis on performance control, enforcement of work standards, and incentive systems can create structured and efficient work patterns, thus directly impacting increased employee output.

This leadership style also fosters a sense of fairness and certainty in the workplace, as employees know that their achievements will be recognized and that violations will be prosecuted. This creates a competitive and focused work environment, which indirectly fosters professional growth among employees. Practically, these results suggest that organizations need to equip leaders with managerial skills to effectively implement a transactional leadership style. This includes the ability to set realistic targets, provide constructive feedback, and consistently reward and punish employees based on performance.

However, it's also important to consider that transactional leadership should not be used exclusively. In the long run, employee performance will be more stable if transactional leadership is combined with other motivational elements, such as emotional support and career development (as offered by transformational leadership).

Thus, these findings support that transactional leadership style plays an important role in driving improved HR performance through a clear, effective, and consistent reward and sanction system.

The Influence of Extrinsic Motivation on Human Resource Performance

The most influential indicator of extrinsic motivation on performance is incentives, in the form of financial compensation received based on work results. Relevant incentives can be a real driver of increased individual productivity.

The results of this study indicate that extrinsic motivation has a direct, positive, and significant impact on human resource performance. This means that the higher the extrinsic motivation employees receive in the form of rewards, bonuses, salaries, or other incentives, the higher their performance in carrying out their duties and responsibilities.

Descriptive analysis of respondents' responses to extrinsic motivation indicators showed that bonuses were the indicator with the highest scores, while recognition was the indicator with the lowest scores. This finding confirms that material rewards have a greater impact on performance improvement than symbolic rewards. This means that employee motivation is more influenced by the tangible benefits received.

This finding is consistent with the motivation theory proposed by Gagné and Deci (2005), which states that external incentives, such as material rewards or symbolic recognition, can increase employees' intentions to achieve work targets. Extrinsic motivation creates a strong drive from outside the individual to complete work to a high standard in order to obtain the desired reward.

This is further supported by research by Lee et al. (2000), who found that measurable and fair rewards can drive increased work productivity. When employees know that their work achievements will be concretely recognized, they will work harder, be more focused, and be more disciplined in completing their responsibilities.

In practice, companies that implement competitive incentive systems, whether in the form of benefits, promotions, achievement recognition, or achievement-based rewards, successfully create a productive and healthy competitive work environment. Employees will

compete to achieve their best performance due to the expectation of results (expectancy) and the value of the reward (valence), in accordance with Vroom's Expectancy Theory.

Furthermore, extrinsic motivation has also been shown to play a significant role in creating consistent work routines. For most employees, especially those at the operational level, concrete rewards are a key driver for maintaining sustained work performance. Therefore, organizations seeking to directly and quickly improve employee performance can leverage this incentive-based strategy.

However, it's also important to note that extrinsic motivation is limited and short-term if not accompanied by intrinsic motivation. Over-reliance on incentives can lead to decreased morale when rewards are no longer available. Therefore, the best strategy is to combine extrinsic approaches with creating meaningful work, job challenges, and employee emotional engagement.

Thus, the findings of this study clearly confirm that extrinsic motivation can be an effective tool in improving HR performance, as long as it is managed wisely and adapted to the characteristics and needs of employees.

Influence Indirect Effect of Transactional Leadership Style and Extrinsic Motivation on HR Performance through Continuous Commitment

Based on the results of the indirect influence analysis, it was found that continuance commitment plays a significant role as a mediating variable in the relationship between transactional leadership style and extrinsic motivation on human resource performance. This indicates that employee performance is not only influenced by direct encouragement from leaders or incentive systems, but also by the employee's level of engagement with the organization.

The test results on the indirect path of transactional leadership style → ongoing commitment → HR performance showed a t-statistic value of 2.573 and a p-value of 0.010. Meanwhile, the extrinsic motivation path → ongoing commitment → HR performance showed a t-statistic value of 3.142 and a p-value of 0.002. Both paths met the significance criteria ($t > 1.96$ and $p < 0.05$), which means that ongoing commitment was statistically proven to be able to bridge the influence of independent variables on performance.

This means that both transactional leadership styles and extrinsic motivation not only directly impact the performance of outsourced employees but also enhance performance through the intermediary role of ongoing commitment. When employees feel led clearly and fairly and receive commensurate incentives, they develop a sense of engagement, responsibility, and a desire to remain and contribute maximally to the organization.

This finding aligns with Meyer and Allen's (1997) commitment theory, which states that continuance commitment plays a role in shaping long-term employee loyalty and contribution. Employees with high commitment are more motivated to maintain high-quality work, even when faced with pressure or job opportunities elsewhere. In this context, continuance commitment acts as a psychological bridge connecting external influences (leadership and incentives) with optimal performance.

Furthermore, this study also supports the findings of Vandenberghe et al. (2004), which asserted that emotional attachment to an organization can mediate the relationship between managerial systems and work outcomes. In practice, organizations that rely solely on extrinsic strategies tend to fail to create stable employee loyalty. Therefore, the existence of ongoing commitment is a crucial component of a sustainable HR management strategy.

These findings have important implications: in the context of outsourced employees, building commitment is not simply a matter of employment contracts or compensation, but involves fair leadership, appropriate rewards, and the creation of a work environment that fosters a sense of belonging and hope for the future. Sustained commitment is a force capable of maintaining morale and encouraging real employee contributions, even in flexible and challenging work situations like outsourcing.

Thus, it can be concluded that the strategy for improving the performance of outsourced employees is not sufficient only with direct intervention in the form of leadership and incentives, but must also be focused on strengthening long-term commitment as a link between managerial policies and expected performance results.

4. Conclusion

Based on the results of the analysis and discussion of research data regarding the influence of transactional leadership style and extrinsic motivation on human resource performance with ongoing commitment as an intervening variable on outsourcing employees of PLN ULP Bangkir, the following conclusions were obtained: 1. Transactional leadership style has a significant positive effect on the ongoing commitment of outsourced employees. This means that the clearer the rewards and punishments given by management, the greater the employee's desire to remain loyal to the organization. 2. Extrinsic motivation It has also been shown to have a significant positive effect on continuance commitment. Financial incentives and other forms of organizational rewards can foster emotional engagement among outsourced employees. 3. Ongoing commitment positively impacts human resource performance. Employees who feel emotionally and psychologically connected to the organization will be more motivated to deliver optimal work results. 4. Transactional leadership style has a direct impact on HR performance. Leadership that emphasizes results and rewards can increase the productivity of outsourced employees. 5. Extrinsic motivation has a direct impact on HR performance. This means that external rewards can directly improve the quality and quantity of outsourced employees' work output. 6. Continuance commitment has been shown to significantly mediate the influence of transactional leadership style and extrinsic motivation on human resource performance. This means that in addition to their direct influence, transactional leadership style and extrinsic motivation can also indirectly improve the performance of outsourced employees by increasing their commitment to the organization. The stronger the employee's continuance commitment, the stronger the positive impact of leadership and incentives on their performance.

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