

# The Influence of Transformational Leadership, Progressive Discipline, and Affective Commitment on Managerial Performance in the Fintech Sector

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## ABSTRACT

*This study explores the impact of transformational leadership and progressive discipline on managerial performance in Indonesia's fintech sector, mediated by affective commitment, to forge an integrative framework that connects leadership practices, disciplinary mechanisms, and emotional bonds to enhanced effectiveness in this nascent digital domain. Adopting a quantitative approach, primary data were collected via structured questionnaires and observations from 167 branch managers, sampled using Slovin's formula supplemented by secondary sources from company records and academic literature; analyses employed SPSS for validity and reliability assessments and SmartPLS 4 for hypothesis testing. Findings indicate that transformational leadership and progressive discipline significantly elevate affective commitment and performance, with the latter acting as a potent predictor and mediator, explaining 59.8% of performance variance; intriguingly, a direct negative effect of transformational leadership on performance highlights contextual boundaries in dynamic industries. By synthesizing these elements, the research enriches human resource management and organizational behavior scholarship in an underexplored fintech context, though its specificity to Sumatran branches limits generalizability, warranting future longitudinal studies across sectors and integration of factors like organizational culture or digital adaptability.*

**Keywords:** *Affective Commitment, Fintech, Managerial Performance, Progressive Discipline, Transformational Leadership.*

## ABSTRAK

*Penelitian ini mengeksplorasi dampak kepemimpinan transformasional dan disiplin progresif terhadap kinerja manajerial di sektor fintech Indonesia, yang dimediasi oleh komitmen afektif, untuk membentuk kerangka integratif yang menghubungkan praktik kepemimpinan, mekanisme disiplin, dan ikatan emosional guna meningkatkan efektivitas di domain digital yang masih berkembang ini. Dengan mengadopsi pendekatan kuantitatif, data primer dikumpulkan melalui kuesioner terstruktur dan observasi dari 167 manajer, dilakukan sampling menggunakan rumus Slovin dilengkapi sumber sekunder dari catatan perusahaan dan literatur akademik; analisis menggunakan SPSS untuk penilaian validitas dan reliabilitas serta SmartPLS 4 untuk pengujian hipotesis. Temuan menunjukkan bahwa kepemimpinan transformasional dan disiplin progresif secara signifikan meningkatkan komitmen afektif serta kinerja, dengan yang terakhir berperan sebagai prediktor kuat dan mediator, menjelaskan 59.8% varians kinerja; menariknya, efek langsung negatif kepemimpinan transformasional terhadap kinerja menyoroti batas konteks di*

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*industri dinamis. Dengan mensintesis elemen-elemen ini, penelitian memperkaya keilmuan manajemen sumber daya manusia dan perilaku organisasi dalam konteks fintech yang kurang tereksplorasi, meskipun spesifisitasnya pada cabang Sumatra membatasi generalisasi, sehingga memerlukan studi longitudinal masa depan lintas sektor serta integrasi faktor seperti budaya organisasi atau adaptasi digital.*

**Kata kunci:** *Komitmen Afektif, Fintech, Kinerja Manajerial, Disiplin Progresif, Kepemimpinan Transformatif.*

## INTRODUCTION

In the age of globalization and digital transformation, Human Resources (HR) is a strategic asset that impacts an organization's ability to compete. A key factor in deciding whether an organization succeeds in fulfilling its vision and goals is the caliber of its people resources, especially those at the managerial level. In addition to overseeing resources, managers are also in charge of making decisions and guiding the organization. Prior research has highlighted the importance of human resource management and leadership quality in promoting business sustainability and productivity (Priyono et al., 2020; Collings et al., 2021; Choongo et al., 2023; Rahardjo et al., 2023).

Despite the vital role of managers, various reports indicate that managerial quality in Indonesia continues to face serious challenges. The World Bank (2022) reports that Indonesia's labor productivity reaches only 23% of the Organization for Economic Cooperation and Development (OECD) average. At the same time, the Indonesian fintech industry has experienced rapid growth, with total loan disbursements reaching IDR 260.41 trillion as of December 2022 (OJK, 2023). However, this growth is accompanied by pressing challenges, including a Non-Performing Loan (NPL) ratio of 3.36% higher than the banking standard of  $\leq 2.5\%$  and an employee turnover rate in the fintech sector of 35% per year (Ramdani & Dewi, 2022).

Beyond the challenges of productivity and financial performance, recent data also reveal critical leadership and behavioral gaps in Indonesia's fintech industry. A regional survey by McKinsey (2021) indicates that approximately 60% of firms in Southeast Asia report a shortage of digital leadership, underscoring the scarcity of leaders equipped with strategic and technological capabilities. Complementing this finding, Deloitte (2022) notes that only 35% of fintech managers in Indonesia have undergone formal leadership training, markedly lower than the 60% average observed in developed economies.

Moreover, soft organizational factors such as emotional commitment and discipline have demonstrated substantial influence on managerial outcomes. Affective commitment has been empirically linked to higher levels of Organizational Citizenship Behavior (OCB) and managerial performance (Meyer & Allen, 1991; Susanti et al., 2021). Meanwhile, progressive discipline systems have been found to enhance accountability and performance consistency among managers (Muktiadji et al., 2020; Widodo & Nugroho, 2023).

A number of studies have stated that transformational leadership can enhance managerial performance by building a clear vision, fostering loyalty, and encouraging subordinates' innovation (Hoch et al., 2018; Afsar et al., 2020; Purwanto, 2022; Murniawati & Achmad, 2024; Muftiyanto & Jatmika 2025). However, it has also been demonstrated that affective commitment is crucial in enhancing workers' emotional engagement and attachment, which in turn boosts output (Susanti et al., 2021; Prayitno et al., 2022). In addition, recent research confirms that progressive discipline can serve as an effective instrument in maintaining accountability and improving work ethics within organizations (Widodo & Nugroho, 2023).

Although the literature has extensively discussed transformational leadership, affective commitment, and work discipline, several research gaps remain. First, most previous studies have examined these variables partially rather than within an integrative framework. Second, the majority of studies have been conducted in public sector

organizations or large corporations in developed countries, while research in the micro-fintech context of developing economies, particularly Indonesia, remains very limited. Third, prior research has largely focused on employee outcomes such as job satisfaction and loyalty, whereas managerial performance as the key driver of organizational achievement has received relatively little scholarly attention.

The purpose of this study is to examine the influence of transformational leadership, progressive discipline, and affective commitment on managerial performance within Indonesia's micro-fintech sector. This study seeks to develop an integrative model that links transformational leadership, progressive discipline, and affective commitment to managerial performance, provide empirical evidence within the under-researched context of Indonesia's micro-fintech industry, and present practical implications to strengthen the competitiveness of fintech companies through improvements in leadership quality, organizational discipline, and managerial emotional commitment. Thus, this study not only expands the theoretical discourse on leadership and performance but also offers actionable insights for human resource development and sustainability in Indonesia's fintech ecosystem.

## **LITERATURE REVIEW & HYPOTHESIS DEVELOPMENT**

### **Factors Affecting Affective Commitment**

Transformational leadership is a leadership style that inspires followers to prioritize organizational goals above personal interests. The core dimensions, such as idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration, are positively associated with employees' innovative behavior, particularly in digital environments (Afsar et al., 2020). Idealized influence reinforces loyalty through role modeling, inspirational motivation nurtures optimism regarding organizational progress, intellectual stimulation drives creativity, and individualized consideration increases satisfaction and engagement (Li et al., 2022). Leaders who articulate a clear vision and respond to individual needs cultivate a strong sense of belonging and emotional attachment. Transformational leadership significantly enhances affective commitment, which in turn improves motivation and loyalty (Jufrizen et al., 2023). Affective commitment also mediates the relationship between managerial support and performance, highlighting its strategic importance in linking leadership behavior to employee outcomes (Ribeiro et al., 2020).

Progressive discipline provides a systematic framework for managing employee behavior by prioritizing corrective opportunities before imposing sanctions. Key indicators include attendance, punctuality, adherence to rules, loyalty to agreements, and learning from previous violations. These indicators show strong associations with accountability and managerial performance in Indonesia's financial sector (Widodo & Nugroho, 2023), while consistent attendance management and compliance with policies drive productivity and reduce recurring violations (Manoppo et al., 2023). When applied fairly and transparently, progressive discipline supports affective commitment by fostering trust and emotional security. Fair disciplinary practices strengthen loyalty and attachment to the organization (Suryawan et al., 2024), and clear, consistent policies create predictability and a sense of justice within the workplace (Paychex, 2023). Such transparency signals organizational integrity, enhancing employees' perception of being valued and reinforcing their emotional commitment.

H1: Transformational leadership has a positive effect on affective commitment.

H2: Progressive discipline has a positive effect on affective commitment.

### **Factors Affecting Managerial Performance**

Transformational leadership directly contributes to managerial performance by promoting clarity of vision, intrinsic motivation, and individual development. Leaders who act as role models and intellectually stimulate their subordinates foster better decision-making and higher work quality. Jufrizen et al. (2023) and Jun et al. (2023) both

noted that transformational leadership drives performance improvement through enhanced engagement and creativity. Pahos et al. (2022) further confirmed that transformational leadership positively affects performance when combined with emotional commitment and managerial alignment.

Progressive discipline also plays a vital role in improving managerial performance by promoting accountability, consistency, and compliance with organizational standards. Suryawan et al. (2024) reported that clear and equitable disciplinary mechanisms enhance productivity and managerial outcomes, while Leonard (2020) found that transparent and consistent disciplinary systems cultivate a culture of accountability that supports organizational effectiveness. Moreover, progressive discipline provides managers with a structured framework for decision-making and conflict resolution, thereby reinforcing their leadership capabilities. In dynamic sectors such as fintech, where adaptability and fairness are essential, progressive discipline ensures that managerial duties are executed effectively and with integrity.

Affective commitment further reinforces managerial performance by sustaining motivation, perseverance, and willingness to exceed expectations. Kania (2023) and Hartono and Putri (2024) found that individuals with strong affective commitment demonstrate better accountability and performance consistency. Moreira (2024) also showed that affective commitment decreases turnover intentions and enhances long-term work stability, making it an essential factor for managerial success. Mollah et al. (2024) observed that managers with greater affective commitment demonstrate consistent performance and loyalty, while Hafstad et al. (2024) emphasized that a familial sense within organizations enhances adaptability to changing work environments.

H3: Transformational leadership has a positive effect on managerial performance.

H4: Progressive discipline has a positive effect on managerial performance.

H5: Affective commitment has a positive effect on managerial performance.

### **Affective Commitment as a Mediating Variable**

Affective commitment refers to an employee's emotional attachment to, identification with, and involvement in the organization. Affective commitment functions as a psychological mechanism that bridges the influence of transformational leadership and progressive discipline on managerial performance. Through individualized consideration, inspirational motivation, and a compelling vision, transformational leaders strengthen subordinates' emotional attachment to the organization. This attachment, in turn, fosters loyalty, dedication, and goal alignment, ultimately improving performance outcomes. Jun et al. (2023) confirmed that affective commitment amplifies the positive impact of transformational leadership on creative behavior and organizational performance, while Pahos et al. (2022) found that it mediates the link between Human Resource Management (HRM) practices and employee performance.

Affective commitment mediates the relationship between progressive discipline and managerial performance. Fair and transparent disciplinary practices build trust and respect for organizational integrity, leading to stronger emotional bonds and greater performance motivation. Pahos et al. (2022) emphasized that affective commitment strengthens the positive outcomes of progressive discipline, while Moreira (2024) demonstrated its importance in reducing turnover and promoting sustainable managerial effectiveness. Within fast-evolving industries like fintech, affective commitment ensures that progressive discipline contributes not only to compliance but also to enduring organizational stability.

By reinforcing emotional engagement and loyalty, affective commitment transforms leadership influence and disciplinary fairness into sustained managerial effectiveness. Thus, it serves as a crucial psychological bridge linking leadership behavior and organizational systems to high-performing, resilient managerial outcomes.

H6: Affective commitment mediates the relationship between transformational leadership and managerial performance.  
H7: Affective commitment mediates the relationship between progressive discipline and managerial performance.

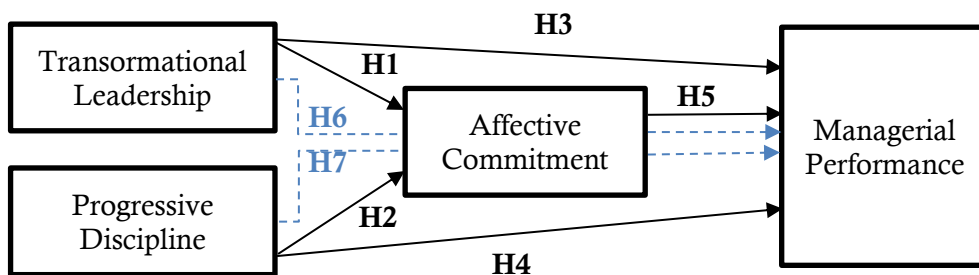


Figure 1. Conceptual Framework

Figure 1 illustrates the conceptual framework of this study, which examines the effects of transformational leadership and progressive discipline on managerial performance, with affective commitment serving as a mediating variable. Transformational leadership and progressive discipline are hypothesized to have direct positive influences on affective commitment (H1–H2) and managerial performance (H3–H4). In addition, affective commitment is expected to directly enhance managerial performance (H5). Furthermore, affective commitment is proposed to mediate the relationships between transformational leadership and managerial performance (H6), as well as progressive discipline and managerial performance (H7).

## RESEARCH METHODS

In order to investigate the correlations between the variables developed in the conceptual framework, this study uses a quantitative technique. Because it enables objective analysis based on numerical data and makes it easier to extrapolate results to the population, the quantitative approach was selected (Hair et al., 2021). The research population comprises all branch managers of PT Amarta Mikro Fintek in the Sumatra region, including Aceh, North Sumatra, West Sumatra, Riau, Riau Islands, Jambi, Bengkulu, South Sumatra, Bangka Belitung, and Lampung, totaling 287 managers. 167 respondents were deemed representative for analysis once the sample size was established using Slovin’s formula (Ahrholdt et al., 2019).

Both primary and secondary data are used in the investigation. Direct responses to surveys, field observations, and documentation were used to collect primary data. Questionnaires were selected for their efficiency in measuring respondents’ perceptions regarding transformational leadership, progressive discipline, affective commitment, and managerial performance (Bougie & Sekaran, 2019). Secondary data were collected from company reports, scholarly publications, and relevant journal articles that provide theoretical and empirical foundations. This combined approach enables cross-validation between field data and the literature, thereby enhancing the study’s external validity (Weyant, 2022).

Data were analyzed using two statistical approaches. First, SPSS was employed for reliability and validity testing, as well as descriptive analysis. Second, to investigate the connections between latent variables and gauge the degree of influence between constructs, Structural Equation Modeling (SEM) based on Partial Least Squares (SmartPLS) was employed (Hair et al., 2021). SEM-PLS was chosen for its flexibility in analyzing complex models, suitability for non-normally distributed data, and appropriateness for medium-sized samples, such as in this study. As a result, it is anticipated that this research approach will yield solid and pertinent findings to answer the research questions.

## RESULTS

The study variables' validity test has a significant criterion of  $>0.5$ . The validity test of this study included thirty samples, each of which was used without regard to the particular features of the respondents. Table 1 displays the findings of this study's validity test.

**Table 1.** Validity Test of Indicators

Variable	Indicators (Code)	Correlation Coefficient (r)	Threshold ( $\geq 0.5$ )	Decision
Transformational Leadership (X1)	Idealized influence (X <sub>1.1</sub> )	0.667	0.5	All Valid
	Inspirational motivation (X <sub>1.2</sub> )	0.819		
	Intellectual stimulation (X <sub>1.3</sub> )	0.876		
	Personalized attention (X <sub>1.4</sub> )	0.875		
Progressive Discipline (X2)	Attendance (X <sub>2.1</sub> )	0.924	0.5	All Valid
	Tardiness (X <sub>2.2</sub> )	0.978		
	Consistency in adhering to policies (X <sub>2.3</sub> )	0.909		
	Loyalty to agreements (X <sub>2.4</sub> )	0.818		
	Learning from past transgressions (X <sub>2.5</sub> )	0.876		
Affective Commitment (Z)	Happiness with the firm (Z <sub>1</sub> )	0.874	0.5	All Valid
	Viewing personal difficulties as company's (Z <sub>2</sub> )	0.817		
	Emotional attachment (Z <sub>3</sub> )	0.796		
	Feeling like part of the family (Z <sub>4</sub> )	0.964		
Managerial Performance (Y)	Work accomplished (Y <sub>1</sub> )	0.649	0.5	All Valid
	Goals met (Y <sub>2</sub> )	0.720		
	Punctuality (Y <sub>3</sub> )	0.659		
	Cooperation (Y <sub>4</sub> )	0.877		
	Independence (Y <sub>5</sub> )	0.791		
	Communication skills (Y <sub>6</sub> )	0.733		

Reliability tests, according to Ghazali (2018), are used to determine whether measurement results from the same measuring device are consistent. An indication on the questionnaire may be accepted if its alpha coefficient is higher than 0.7. The study's reliability test findings are displayed in Table 2.

**Table 2.** Reliability Test of Study Constructs

Construct (Code)	Cronbach Alpha	Threshold	Decision
Transformational Leadership (X <sub>1</sub> )	0.821	$\geq 0.70$	Reliable
Progressive Discipline (X <sub>2</sub> )	0.894	$\geq 0.70$	Reliable
Affective Commitment (Z)	0.924	$\geq 0.70$	Reliable
Managerial Performance (Y)	0.797	$\geq 0.70$	Reliable

The validity and reliability of every item in the study tool were established. Each indicator has a correlation value higher than 0.5, according to the validity test results shown in Table 2, indicating that the items accurately reflect the constructs being examined. Consequently, no indicators were eliminated, as all met the minimum validity criteria recommended for quantitative research. This high level of validity also indicates that the instrument can capture significant variations in each latent variable, including transformational leadership, progressive discipline, affective commitment, and managerial performance.

Furthermore, the reliability test results shown in Table 2 confirm that all research variables have Cronbach's Alpha values greater than 0.7. This indicates a strong level of internal consistency, meaning respondents' answers to each item within a variable tend to be stable and aligned. For example, the affective commitment variable recorded a very high reliability value (CA = 0.924), reflecting the cohesion of indicators such as emotional attachment, sense of belonging, and job satisfaction within the organization. Meanwhile,

the progressive discipline variable with a CA of 0.894 also demonstrates strong consistency in responses regarding aspects such as attendance, punctuality, and adherence to organizational rules.

The combination of validity and reliability results provides methodological confidence that the research instrument meets scientific standards for accurately and consistently measuring the constructs. With a valid and reliable instrument, further analysis using SmartPLS to examine the relationships among transformational leadership, progressive discipline, affective commitment, and managerial performance can be trusted to produce robust empirical findings, support generalization, and offer theoretical and practical contributions to human resource management development in the Indonesian fintech sector.

This study used Cronbach's Alpha (CA), rho\_A, Composite Reliability (CR), and Average Variance Extracted (AVE) to do additional evaluations of composite reliability and convergent validity in addition to the initial validity and reliability tests. While CR guarantees the overall stability of the constructs, CA and rho\_A are utilized to assess internal consistency among indicators. The degree to which the indicators account for the variation of the latent constructs being examined is evaluated using AVE. Methodological requirements state that a concept is deemed reliable if its CA, rho\_A, and CR values are greater than 0.7, and that it satisfies convergent validity if its AVE value is greater than 0.5 (Hair et al., 2021). A summary of these test results is presented in Table 3.

**Table 3.** Reliability and Convergent Validity Test

<b>Construct (Code)</b>	<b>CA (≥0.70)</b>	<b>rho_A</b>	<b>CR (≥0.70)</b>	<b>AVE (≥0.50)</b>	<b>Interpretation</b>
Affective Commitment (Z)	0.883	0.886	0.919	0.740	Reliable & valid (strong convergent validity)
Transformational Leadership (X <sub>1</sub> )	0.893	0.900	0.925	0.756	Reliable & valid (high consistency)
Managerial Performance (Y)	0.890	0.895	0.916	0.645	Reliable & valid (acceptable AVE)
Progressive Discipline (X <sub>2</sub> )	0.905	0.906	0.929	0.724	Reliable & valid (excellent reliability)

All research variables, managerial performance, affective commitment, progressive discipline, and transformational leadership, have AVE values larger than 0.50, according to the findings of the reliability and convergent validity tests. This figure indicates that each construct satisfies the requirements for convergent validity as it can account for over 50% of the variation of its indicators. Additionally, every construct has very strong internal consistency in assessing the intended concepts, as evidenced by CR values exceeding 0.60. CA values, which are all over 0.70 and consistent with the minimal dependability requirements suggested by Hair et al. (2021), further confirm this. As a result, every study variable can be regarded as trustworthy and appropriate for application in structural model analysis.

Furthermore, the R<sup>2</sup> values, which indicate the percentage of variance in the dependent variable that can be accounted for by the independent variables, confirmed the structural model. Affective commitment in this study had an R<sup>2</sup> value of 0.543, which indicates that progressive discipline and transformational leadership account for 54.3% of its variance. Affective commitment, progressive discipline, and transformational leadership together can account for 59.8% of the variance in managerial performance, according to the R<sup>2</sup> value of 0.598 for managing performance. Based on Table 4, these findings demonstrate that the suggested research model has strong predictive capacity and can be dependably applied to explain the correlations between variables in the context of fintech companies in Indonesia, with modified R<sup>2</sup> values of 0.436 and 0.591, respectively. R<sup>2</sup> indicates the proportion of variance explained. Adjusted R<sup>2</sup> accounts for the number of predictors in the model.

**Table 4.** R<sup>2</sup> and Adjusted R<sup>2</sup> of Endogenous Variables

Dependent Variable	R <sup>2</sup>	Adjusted R <sup>2</sup>	Interpretation
Affective Commitment (Z)	0.543	0.436	54.3% of variance explained by Transformational Leadership (X1) and Progressive Discipline (X2)
Managerial Performance (Y)	0.598	0.591	59.8% of variance explained by X1, X2, and Affective Commitment (Z)

The following study tests for a direct relationship between the variables using the p-value. The effect is deemed significant if the p-value is less than 0.05; if it is greater than 0.05, the effect is not deemed significant. The results of studies on the direct impacts of transformative leadership, progressive discipline, affective commitment, and manager performance are shown in Table 5.

**Table 5.** Path Coefficients and Hypothesis Testing

Relationship	Original Sample	Sample Mean	Standard Deviation	T-Statistic	PV (p < 0.05)
Transformational Leadership → Affective Commitment	0.298	0.296	0.122	2.431	0.015
Progressive Discipline → Affective Commitment	0.414	0.415	0.123	3.374	0.001
Transformational Leadership → Manager Performance	-0.249	-0.247	0.068	3.657	0.000
Progressive Discipline → Manager Performance	0.228	0.234	0.081	2.836	0.005
Affective Commitment → Manager Performance	0.759	0.756	0.057	13.395	0.000

With a t-value of 13.395 and a coefficient of 0.759, the study's findings show that affective commitment significantly and favorably influences managerial performance. This demonstrates that a manager's motivation, sense of accountability, and productivity at work all increase with the strength of their emotional bond with the company. One important psychological component is affective commitment, which motivates managers to go above and beyond expectations and make a greater contribution to the accomplishment of corporate objectives. The results also demonstrate that emotional commitment is positively and significantly impacted by transformational leadership, with a t-value of 2.431 and a coefficient of 0.298. This suggests that managers' emotional commitment to the company can be strengthened by a leadership style that prioritizes inspiration, vision, and mentorship. Regarding the direct impact of transformative leadership on managerial performance, however, a distinct pattern shows up. A coefficient of -0.249 with a t-value of 3.657 indicates that transformational leadership has a significant negative effect on managerial performance. This finding is surprising, as it contradicts much of the existing literature, which generally reports positive effects. In the context of Indonesia's fintech industry, this result can be interpreted to mean that high expectations, demands for innovation, and the idealism of transformational leaders may generate excessive pressure on managers, thereby reducing their performance effectiveness.

With values of 0.414 and 0.228, respectively, progressive discipline has been demonstrated to significantly improve managerial performance and affective commitment. The implementation of gradual, consistent, and fair discipline fosters a sense of justice and responsibility in managers, thereby not only enhancing their emotional attachment to the organization but also directly strengthening productivity and performance. This underscores that structured work discipline is a fundamental foundation for improving managerial performance, particularly in dynamic sectors such as fintech. All things considered, these results suggest that one important factor mediating the impact of discipline and leadership on management performance is affective commitment. Although transformational leadership may initially reduce performance, it ultimately enhances affective commitment, resulting in a positive effect. Therefore,

human resource management strategies should emphasize consistent discipline enforcement and leadership aligned with practical conditions to foster strong emotional commitment, ultimately leading to improved managerial performance

**Table 6.** Indirect Effect (Mediation) Test

Relationship	Original Sample	Sample Mean	Standard Deviation	T-Statistic	PV (p< 0.05)
Leadership Transformation → Affective Commitment → Manager Performance	0.226	0.224	0.093	2.428	0.016
Progressive Discipline → Affective Commitment → Manager Performance	0.314	0.313	0.096	3.279	0.001

Table 6 indicates that affective commitment, a measure of transformational leadership’s impact on manager performance, is  $0.016 < 0.05$ , and the t-statistic value is  $2.428 > 1.96$ . Affective commitment is the mechanism by which the application of progressive discipline influences manager performance, as demonstrated by a t-statistic value of  $3.279 > 1.96$  and a P value of  $0.001 < 0.05$ .

## DISCUSSION

Employee affective commitment is positively impacted by transformational leadership, which cultivates a strong organizational connection, emotional loyalty, and a sense of belonging (Sari et al., 2017; Bhaskara & Subudi, 2019; Mansoor et al., 2020; Park et al., 2022). Visionary and inspiring leaders who support individual development strengthen employees’ motivation and commitment to organizational goals. Recent research by Mollah et al. (2024) highlights that leadership that inspires, builds trust, and encourages participation enhances affective commitment. In the fintech sector, such leadership not only boosts employee satisfaction and loyalty but also promotes organizational sustainability through improved retention, productivity, and innovation.

Additionally, this study discovered that affective commitment is positively impacted by progressive discipline. The finding supports the studies of Manurung and Riani (2017), Perdanakusuma and Widodo (2021), and Suryawan et al. (2024), which indicate that employees who are disciplined and consistent with organizational rules tend to have stronger emotional attachment. This can be explained through social exchange theory, whereby employees who comply with rules receive rewards such as recognition, trust, and a sense of security, which in turn enhances affective commitment. In the context of this study, progressive discipline serves as a behavioral control mechanism capable of strengthening employees’ emotional bonds with the organization.

The study’s Yurianto (2022) findings suggest that management performance is significantly and favorably impacted by transformational leadership. Marlius and Melaguci (2024) and Mutiah and Suryani (2024) emphasize that transformational leaders can enhance work effectiveness through inspiration, motivation, and the trust they instill in subordinates. This finding supports Bass and Riggio’s (2006) view that transformational leadership not only directs but also transforms subordinate behavior toward the achievement of higher-level goals. In the fintech industry, transformational leaders are practically necessary for promoting innovation, negotiating the intricacies of online marketplaces, and creating long-lasting competitive advantages.

The study demonstrates that managerial performance is positively and significantly impacted by progressive discipline. This result is consistent with research by Sarmigi et al. (2022) and Wulandari and Suryalena (2024), which emphasize the significance of behavioral consistency, timeliness, and adherence to organizational policies as critical performance factors. When progressive discipline is applied methodically, it not only increases output but also cultivates an accountable culture. Disciplined managers can improve team collaboration, lower error rates, and preserve the integrity of operational procedures in practice (Manoppo et al., 2023).

Managerial performance is positively impacted by affective commitment. Highly emotionally attached workers are more devoted to the company, more accountable, more flexible, and more driven (Mollah et al., 2024; Palma-Moreira et al., 2024; Yuarin & Gunawan, 2024). It also promotes better team collaboration and a positive work culture. Enhancing affective commitment through leadership development, recognition of achievements, and supportive work environments can improve overall managerial effectiveness.

This study demonstrates that the relationship between transformational leadership and management performance is mediated by affective commitment, in line with Febriyanti and Nisa (2024) and Saputri et al. (2024). These results demonstrate how transformational leadership improves performance by raising emotional commitment. Furthermore, in support of Ramadhani et al. (2025), affective commitment also mediates the association between managerial performance and progressive discipline. This suggests that in addition to having a direct impact on performance, discipline and leadership also increase managers' emotional commitment to the company, which eventually boosts output. By emphasizing the significance of mediation in the connections between performance, discipline, leadership, and commitment, the findings make a theoretical contribution. These findings highlight the strategic importance of developing inspiring leadership and consistent disciplinary practices to strengthen emotional commitment and enhance managerial effectiveness in the fintech sector.

## CONCLUSION

This study empirically demonstrates that transformational leadership, progressive discipline, and affective commitment are critical determinants of managerial performance in Indonesia's fintech sector. The results confirm that transformational leadership and progressive discipline both enhance affective commitment and managerial performance, with affective commitment serving as a key mediating mechanism that strengthens these relationships. Interestingly, a negative direct effect of transformational leadership on managerial performance was also observed, suggesting that overemphasis on visionary leadership without practical alignment may create trade-offs in managerial efficiency. This research integrates leadership, discipline, and affective commitment into a unified model, extending organizational behavior and HRM theories within the fintech context of a developing economy. The findings imply that fintech firms should strengthen leadership development programs, apply progressive discipline consistently, and cultivate emotional commitment among managers to sustain competitiveness and performance.

This study is limited by its focus on branch managers of PT Amarta Mikro Fintek in the Sumatra region, which may restrict the generalizability of findings to other organizations or geographic areas. The use of a cross-sectional design also prevents the examination of causal relationships over time. Furthermore, data were based on self-reported questionnaires, which may introduce perceptual bias. Future research should employ longitudinal or mixed-method approaches to capture dynamic changes in leadership and commitment. Expanding the study to other industries or regions, and incorporating additional variables such as organizational culture, digital adaptability, or psychological empowerment, would provide a more comprehensive understanding of managerial performance determinants.

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