

TRANSFORMATIONAL LEADERSHIP AS AN IMPORTANT STEP TO IMPROVE EMPLOYEE PERFORMANCE PPIC

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Abstract

This study proposed that transformational leaders use various behaviors to provoke followers' organizationally beneficial behaviors, through ignition of followers' work engagement. The purpose of this study was to describe and examine the transformational leadership associated with affects employee performance. This research is a descriptive research that digs deep data to get to the problem at hand. A thorough review of the literature was carried out, with a particular emphasis on articles, research papers, and other materials deemed relevant to the primary approaches for staff performance measurement and their associated factors and other relevant resources (N=65). The results show that transformational leadership significantly affects employee performance, influences the development and success of a PPIC, the employee performance is the result of work shown by employees at a certain time based on performance standards set. Therefore, it can be stated that organizational leaders must have transformational attributes by getting informed of their employees well because transformational leader can inspire employees to achieve anticipated. Leadership style is the effectiveness of a person's leadership is very dependent on the ability to "read" the situation he faces, adapting his style to the situation in such a way that he effectively carries out leadership functions.

Keywords:

Transformational leadership, work engagement, employee performance

1. Introduction

A leader in mobilizing all components to be able to work together effectively and efficiently has the power and leadership role to improve the execution of the work of his subordinates. Leadership as a field that needs to get attention in the organization, so that in the field of leadership management it will include planning, organizing, and supervising the various operational functions of procurement, development, and maintenance so that they can direct subordinates properly and precisely in achieving organizational goals.

The achievement of company goals will greatly depend on how employees can develop their abilities in the field of managerial, human relations, and technical operations. Therefore, it is natural for human resource management to receive serious attention from company leaders (Gilang et al., 2019). Leaders have an important role in direct employees effectively to achieve the expected goals in the organization (Jamaludin, 2017). Leaders who influence their employees and involve them actively to achieve organizational goals will create a harmonious relationship between leaders and subordinates to give birth to good cooperation (Kharis, 2015). Leadership is an important requirement in the process of change management for moving an organization create new ideas that are creative and innovative to excellence (Hargreaves, Fullan, & Hopkins, 2010). One of the leadership styles that prioritizes the achievement of the vision and a good work environment for employees is transformational leadership (Prayudi, 2020). Transformational leadership is a leadership style that can provide motivation and inspiration and can influence employees to improve performance to achieve organizational goals effectively and efficiently (Astuty & Udin, 2020; Gita & Yuniawan, 2016).

The employee performance can be affected by many factors. A number of studies have conducted by previous researchers regarding the factors that affect job performance (Saetang et.al, 2010; Razek, 2011; Azril et.al, 2010). Employee performance is essential for the company as a measure of success in running any business, because the higher the performance, the higher the chance to achieve company goals (Pradana et al., 2020), because the company expects its employees to have good performance. Given the importance of employee performance, it can be said that performance improvement is one of the important aspects of human resource management for the company. Performance improvement can be done if employees have good work quality so that employees can work competently and are able to complete work on time according to predetermined standards (Fakhri et al., 2019).

The leadership style is appropriate when the goals of the organization have been communicated and the subordinates have accepted them. A leader must apply a leadership style to manage his subordinates, because a leader will greatly influence the success of the organization in achieving its goals. It is common to find leaders who apply various leadership styles in carrying out their operations, but these efforts fail. This can be caused by the linkages between leaders and subordinates that have not been properly conditioned. Sometimes policies and authority are centered only on leaders so that subordinates only carry out orders. This condition creates an unhealthy gap between leaders and subordinates, on the other hand leaders become everything while subordinates are only "workers", even though organizational goals cannot be achieved if not through subordinates.

Based on the background mentioned in this study, the problem can be formulated; 1). How is transformational leadership applied; and 2). How is transformational leadership effective in improving employee performance. Transactional leadership is a relationship between leaders and subordinates based on a series of bargaining activities between the two. Transformational leadership as a process raises the morale and motivation of leaders and subordinates to a higher level, so that subordinates feel trusted and proud of their leaders.

2. Literature Review

2.1. Transformational leadership

Leadership is one of the most widely observed topics as well as the least understood phenomenon. This is evident in the development of the many definitions put forward to formulate the concept of leadership (Udin & Firdausi, 2021). Transformational leadership is defined as the ability of a leader to change the work environment, work motivation, work patterns, and work values that are perceived by subordinates so that they are able to optimize their performance to achieve established organizational goals (Bass, 1990).

Transformational leadership can be understood as leadership that involves change in the organization. Furthermore, transformational leadership includes developing a closer relationship between leaders and followers, not just an agreement, but more based on trust and commitment (Kim, 2014). It can be concluded that within the leadership, a leader tries to build awareness of his subordinates to emphasize the importance of a work, self-value and a better transformation, especially to achieve organization goals (Fakhri et al., 2019).

According to Avolio & Bass there are four dimensions of transformational leadership including idealistic influence, inspiring motivation, intellectual stimulation, and adapted considerations (Northouse, 2019). Transformational leadership is a universal and enduring leadership style for effective organizational change management (Simarmata et al., 2021). Lian (2020) suggests that transformational leaders emphasize capacity building and changing employee behavior in the change process in organizations. In addition, transformational leaders are closely related to productivity, motivation, employee work involvement, and assisting organizations in achieving the goals set (Hairudinor, 2021),

2.2. Employee Performance

Kasmir (2016) states that performance is the result of work and behavior that has been achieved in completing the tasks and responsibilities given in a certain period. According to Kasmir (2016), to measure employee performance, several indicators of performance criteria can be used, namely, quality (quality), quantity (amount), time (period), cost suppression, supervision, and relations between employees.

Performance is defined as the degree of success in carrying out their duties and ability to achieve intended purpose (Gibson et.al, 1985). Jewell & Siegall (1990) stated that the performance is the result of the extent to which members of the organization have done the job in order to satisfy his organization. Employee performance is the extent to which a person carrying out the responsibilities and work tasks (Singh et al., 1996). Gomes (2006) stated that job performance is a record of the results or outcomes produced from a particular job function or certain activities in a certain time periods. While,

Colquitt et.al (2011) noted that job performance is “the set of employee behaviors that contribute to organizational goal accomplishment”.

The term “employee performance” signifies individual’s work achievement after exerting required effort on the job which is associated through getting a meaningful work, engaged profile, and compassionate colleagues/employers around (Hellriegel, Jackson, & Slocum, 1999; Karakas, 2010). In order to utilize HR fully and augment organizational success, effective employee performance management system is imperative for a business organization. The performance-driven objective is expected to be aligned with the organizational policies so that the entire process moves away from being event-driven to become more strategic and a people-centric perspective (Jena, & Pradhan, 2014; London, 2003; Mone, & London, 2009).

Entrusted task performance is broken into two segments: technical–administrative task performance and leadership task performance. The expected job performance comprising of planning, organizing, and administering the day-to-day work through one’s technical ability, business judgment and so on are called as technical–administrative task performance. Leadership task performance is labeled through setting strategic goals, upholding the necessary performance standards, motivating and directing subordinates to accomplish the job through encouragement, recognition, and constructive criticisms (Borman, & Brush, 1993; Tripathy, 2014).

Research Framework

Leaders are people who have the trust and formal authority to lead. However, in the perspective of social action, anyone can become a "leader or leader". In an organization a leader must be able to influence the people under his leadership. The ability of a leader to mobilize all the people under him becomes a strategy in achieving organizational goals, so that to achieve these goals, efforts are needed to improve the performance of the people he leads, as outlined in Figure 1.

Leadership is a collection of a series of abilities and personality traits, including authority, to be used as a means in order to convince those they lead so that they are willing and able to carry out the tasks assigned to them willingly, enthusiastically, have inner joy, and feel not forced.



Figure 1. Research Framework, (2023)

3. Methodology

This research uses descriptive and causal research methods with a quantitative descriptive approach. The technique sampling in this research is a saturated sampling. Data in this research was obtained by using primary and secondary data. Research questionnaire distributed directly by involving 65 respondents. Secondary data obtained from various sources such as books, journals, literature and previous research related to research variables. The data analysis technique used is descriptive analysis and regression analysis. To measure the strength of the relationship between transformational leadership and employee performance, researchers used regression analysis

Validity Test

In research there are 28 questionnaire items of the product quality variable which were distributed to 50 respondents, had a correlation value (r-count) above 0.361 (r-table) of 28 questionnaires distributed to 50 respondents, had a correlation value (r-count) above 0.361 (r-table) so that all statements are valid and fit for use in simple linear regression analysis.

Reliability Test

The Cronbach's Alpha value in this study is 0.847 and 0.869 so it can be concluded that all the questionnaires in this study are reliable or consistent because the Cronbach's alpha value is > 0.600 .

Table 1. Test the Validity and Reliability

Indicator Code	Validity			Reliability	
	KMO	Component Matrix		Cronbach's Alpha	
Transformational Leadership (X)	.746			.847	Reliabel
1. Ideal Influence		.639	Valid		
2. Inspirational Motivation		.806	Valid		
3. Intellectual Stimulation		.844	Valid		
4. Adapted considerations	.631	Valid			
Employee Performance (Y)	.689			.869	
1. Quality		.666	Valid		
2. Quantity		.708	Valid		
3. Time		.817	Valid		
4. Cost Emphasis		.675	Valid		
5. Supervisio		.786	Valid		
6. Relations Between Employees	.677	Valid			

Source: primary data analyzed, (2023)

4. Result and Discussion

In table 2, the description of respondents based on education presented in table 4.2 shows that most of the respondents had a bachelor's degree (S1), namely 51 people (78.46%), then respondents with high school education were 8 people (12.31%) while respondents who have the same number of Diploma and Masters degrees, namely 3 people (4.62%). So that it is in accordance with the conditions required to obtain the appropriate data.

Table 2. Description of Respondents by Education

No	Education	Amount (Respondents)	Percentage (%)
1	SMA (senior high school)	-	-
2	Diploma	8	12,31
3	Sarjana (bachelor)	3	04,62
4	S2	51	78,46
5	S3	3	04,62
Jumlah		65	100

Source: primary data, (2023)

Table 3, the description of the respondents based on length of service as civil servants presented in the table shows that most of the respondents have worked for more than 10 years as many as 42 people (64.62%), then respondents who have worked between 6-10 years as many as 19 people (29.23%) while only 4 respondents (6.15%) worked for 1-5 years. Thus most of the respondents have long experience in work so that it can be ascertained that they have good abilities in carrying out each of their duties. So that it is in accordance with the conditions required to obtain the appropriate data.

Table 3. Description of Respondents by Work

No	Length of work	Amount (Respondents)	Percentage (%)
1	< 1 year	-	-
2	1 – 5 year	4	06,15
3	6 – 10 year	19	29,23
4	> 10 year	42	64,62
Amount		65	100

Source: primary data, (2023)

The results of the analysis presented in table 4 show the results of the analysis of the relationship between transformational leadership and employee performance. Research has the 8 items statement of transformational leadership style and 12 items of proposed employee performance statements, the total average response of respondents to transformational leadership style is 81 percent and 78 percent for the employee performance variable. It can be said transformational leadership style and employee performance. Based on the results of the partial structure of the Transformational Leadership; 1). Ideal Influence, has a significant relationship with the t-count value of 2,665 where the Beta value is 0.235 so that it has an influence on performance of 23.5% which includes aspects of Quality, Quantity, Time, Cost Emphasis, Supervisio and Relations Between Employees; 2). Inspirational Motivation, has a significant relationship with the t-count value of 3,850 where the Beta value is 0,471 so that it has an influence on performance of 47.1% which includes aspects of Quality, Quantity, Time, Cost Emphasis, Supervision and Relations Between Employees; 3). Intellectual Stimulation, has a significant relationship with the t-count value of 3,273 where the Beta value is

0,315 so that it has an influence on performance of 31.5% which includes aspects of Quality, Quantity, Time, Cost Emphasis, Supervision and Relations Between Employees; and 4). Adapted considerations, has a significant relationship with the t-count value of 3,737 where the Beta value is 0,345 so that it has an influence on performance of 34.5% which includes aspects of Quality, Quantity, Time, Cost Emphasis, Supervision and Relations Between Employees.

Table 4. Partial Significance Test Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.845	1.953		4.106	.000
	Transformational Leadership					
	1. Ideal Influence	0.677	0.254	.235	2.665	.002
	2. Inspirational Motivation	0.951	0.247	.471	3.850	.000
	3. Intellectual Stimulation	0.756	0.231	.315	3.273	.001
	4. Adapted considerations	0.852	0.228	.345	3.737	.000
a. Dependent Variable: Employee Performance						

Source: primary data analyzed

Note: *) t-count > t-table 2.05 (5% significance level)

The study of transformational leadership became useful and important to the social sciences, being also explained the concept of charismatic leadership because it is historically related with transformational leadership. The second section presents the theoretical models of charismatic and transformational leadership. In addition, it defines the primary constructs and characteristic of these leadership types. As in the first section, the major goal of this section is to provide an historical perspective of the conceptual approaches to the study of charismatic and transformational leadership. The third section analyzes the impact of transformational leaders. Its goal is to demonstrate the changes introduced by transformational leaders and to observe the impact of these changes on followers and organizations.

This movement concerned itself with the study of leaders who have the transformational potential of changing situations and others. Interestingly, the leader-trait approach has been to challenge the idea that the personality variables do not explain leadership effectiveness (for a review, see Zaccaro, Kemp, & Bader, 2004) and somehow the charismatic and transformational leadership models raised again the importance of personal qualities as determinants of leadership effectiveness in conjunction with the situations in which leadership occurs (House, 1988). This return to the study of the leader characteristics is well represented by the neocharismatic theories of leadership (Bass, 1985; Bennis & Nanus, 1985; Beyer, 1999; Burns, 1978; Conger & Kanungo, 1987; House, 1977; Kouzes & Posner, 1987; Sashkin, 1988; Shamir, House, & Arthur, 1993). These theories share a “focus on the characteristics and behaviors of leaders described as charismatic or visionary and whose effects on followers are more profound than those specified by past theories” (Erickson et al., 2007).

It becomes clear from the literature that organizational effectiveness is essentially concerned with assessing an organization's performance based on a variety of criterion. These criterion include financial, social, economic, input, output, productivity and efficiency among others. It is supposed that measuring organizational performance corresponds to assessing organizational effectiveness and that appropriate performance management strategies spur behaviours that contribute to the organization's successful operation and profitability (Upadhaya *et al.*, 2014).

5. Conclusion

Regression analysis, means, percentages and standard deviation were used to analyze the data. Employee performance was found to have a substantial affirmative association linking employee appraisal and feedback on employee performance. Although prior research examined the underlying processes of the relationships between transformational leadership and beneficial outcomes, few attempted to address how transformational leaders *motivate* their members to help them achieve in-role task requests and exceed expectations.

Leadership plays a very important role, because they become the driving force and the ability to influence others in order to achieve organizational goals effectively and efficiently. In general, the success or failure of an organization depends on the leadership role adopted by the leadership at all levels, the ability or skill of the leadership is the backbone of the organization in achieving its goals, namely by achieving better employee performance in carrying out tasks and obligations. Everyone has several styles, it's just that some are more dominant and some are less dominant, a dimension is the situation of a leader, regardless of his style, he will be effective as a leader if he can make the right diagnosis regarding the demands of the situation and play the right style with these demands.

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Competing interests:

This article original is a requirement for completing for Tri Dharma University which must be published and I chose the this Journal. I am willing to comply with the rules of journal and I have assumed responsibility for any made to the manuscript, if problems occur in any form, then I declare full responsibility for my paper.

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