

A Transformational Leadership and It's Implication on Employee Performance through Organizational Culture and Motivation

Mohammad Lutfi¹, Siswanto²

^{1,2}*Faculty of Economics, Universitas Islam Negeri Maulana Malik Ibrahim Malang, Indonesia*
siswanto@pbs.uin-malang.ac.id

(Diterima: 08 Oktober 2018, direvisi: 19 Oktober 2018, dipublikasikan: 24 Oktober 2018)

Kepemimpinan Transformasional dan Implikasinya Terhadap Kinerja Karyawan Melalui Budaya Organisasi Dan Motivasi

Abstrak

Kinerja karyawan ditentukan kepemimpinan dalam organisasi. Salah satu kepemimpinan yang dapat mendorong kinerja karyawan adalah kepemimpinan transformasional. Tujuan penelitian ini untuk menganalisis pengaruh kepemimpinan transformasional terhadap kinerja karyawan melalui variabel budaya organisasi dan motivasi. Jumlah sampel dalam penelitian sebanyak 77 orang. Teknik pengumpulan data menggunakan kuesioner. Analisis data menggunakan *path analysis*. Hasil penelitian menunjukkan kepemimpinan transformasional tidak berpengaruh terhadap kinerja karyawan secara langsung. Kepemimpinan transformasional berpengaruh terhadap kinerja karyawan secara tidak langsung melalui variabel motivasi. Sedangkan, kepemimpinan transformasional tidak berpengaruh terhadap terhadap kinerja karyawan melalui variabel budaya organisasi. Hasil penelitian memiliki implikasi manajerial, yakni untuk meningkatkan kinerja karyawan perlu mengoptimalkan peran kepemimpinan yang mendorong motivasi kerja karyawan. Penelitian ini menekankan kontribusi kepemimpinan transformasional dan motivasi dalam meningkatkan kinerja karyawan. Penelitian ini unik terkait dengan model yang komprehensif dan telah divalidasi.

Kata kunci : Kinerja karyawan, motivasi, budaya organisasi, kepemimpinan transformasional

Abstract

The employee performance was determined by a leadership in an organization. One of leadership that can increase the employee performance is a transformational leadership. The purpose of this study is to analyze the influence of transformational leadership on employee performance by organizational culture and motivation variables. The total samples in this study were 77 persons. The technique of data collecting was used questionnaire. The data analysis used path analysis. The result of this study showed that the transformational leadership does not influence directly the employee performance. The transformational leadership influenced indirectly the employee performance through motivation. Whereas, the transformational leadership had insignificant impact on employee performance trough organizational cultural variable. The result had managerial implication, that was for improving the employee performance it necessarily optimized the leadership role for forcing the working motivation of employees. The research emphasises the contribution of transformational leadership and motivation in improving employee performance. The research is unique to a comprehensive model that is developed and validated.

Keywords : Employee performance, motivation, organizational culture, transformational leadership

INTRODUCTION

Human resource has a strategic role in an organization. The success of the organization is determined by the human resource management. Manullang (2004) stated that human resource quality will determine the success of an organization. One of the success capacity of human resource management is improving the employee performance. The

employee performance is the important working attitude for the organization, because the performance of organization can improve the performance and effectivity of the organization (Pawirosumarto, Sarjana, & Muchtar, 2017). Therefore, it is significant to analyze the determinant employee performance.

A significant factor influencing the employee performance was leadership. Suhendi & Sahya (2010) stated that one factor influencing the employee performance is leadership. Sanjiwani and Sauna (2016) showed that a transformational leadership had a significant positive influence to the performance of hotel employees in Kuta Bali. However, Nurhidayah (2005) showed that the transformational leadership did not influence significantly to the employee performance. Similar to Nurudin & Rohendi (2016) showed that the transformational leadership did not influence significantly to the employee performance. Based on this contradiction, the study of transformational leadership and the employee performance is required.

The organizational culture also influences the employee performance. Djuremi, et al. (2016) showed that the organizational culture has significantly positive influence to the employee performance in Market Service in Semarang. Nurudin & Rohendi (2016) also showed that the organizational culture influenced the employee performance. Moreover, working motivation is one of determinant employee performance. Employees who have great working motivation will also have great performance.

Leadership had an important role in determining the organizational culture and improving motivation. Bass & Avolio (1993) said that there was a very close relationship between transformational leadership and organizational culture. AbuAlRub & Nasrallah (2017) showed that leadership behavior determined the organizational culture. Rijal (2016) showed that transformational leadership influenced the organizational culture. One of leader role is to motivate his/her employees to have great performance. Baskoro & Yudi (2015) showed that transformational leadership influenced the working motivation. Tampi (2014) showed that motivation influenced significantly positive to the employees of PT. BNI Regional Sales of Manado. It means that working motivation improvement will enhance the employee performance.

This study was conducted in a foreign corporation in Pasuruan – East Java, PT. Sung Hyung. This company had been a manufactured company that produces shoes and trinkets of shoes. It was built on 18th of August 2008 with the holding company in Korea. Leadership applied in this corporation was the transformational leadership. The obedience and submission of employees to the leader are the characteristics of transformational leadership implementation. However, the leader and subordinates have good work relation and fraternity.

The leader and employee in the company respected one another and did not discriminate the superior and subordinates, thus it created a good culture in the company. When the employees got problems both in their jobs or their relationship with other employees, they did not hesitate to bring the problems to the leader and the leader made good solutions to solve the problems. Based on the background of the study above, the purpose of this study is to analyze the influence of transformational leadership to the employee performance both directly and indirectly in PT. Sung Hyung Indonesia. There had been a contradiction relating study on transformational leadership and employee performance. Hence, the research clarifies it confusion.

THEORY REVIEW

Transformational Leadership, Organizational Culture, Employee Performance

Transformational leadership is a development of charismatic leadership. The leader creates vision and environment that motivate the employees to make great performance. In this case, the employees are trusted, amazed, loyal, and respect to their leader so that they are motivated to do whatever they are expected to be (Supriyanto, 2005). According to Robbins & Coulter (2007), transformational leader is a leader who gives individual and intellectual stimulation considerations, and also charismatic.

Organization culture involves assumption, belief, values, norms existed in the organization. Organization culture is the behavior orientation of the members in the organization to adapt with external and internal environment. Mangkunegara (2005) explained that organization culture as the beliefs and values in the organization that are believed and made as a reference by all members in doing work, as a guide in understanding, thinking, and feeling on certain problems, so that it will be a value, a rule, and references in the organizational environment.

Employee performance is one of the most researched work attitudes. Employee performance has meaning as the output produced from a job. Wirawan (2009) stated that performance is an output produced by the function of a job or a profession within a certain period of time. Meanwhile, Hasibuan (2001) suggested performance as a result of work achieved by a person in carrying out tasks that are charged to him based on skills, experience and sincerity and time. Based on a number of notions above it can be concluded that employee performance is the work of both quality and quantity that has been achieved by a person based on a predetermined target in accordance with the roles and responsibilities in the company.

Some studies showed that transformational leadership influenced organizational culture and employee performance. Carter, Armenakis, Feild, & Mossholder (2013) showed that transformational leadership influenced the performance. Nevertheless, Nugroho (2013) showed that leadership and culture influence the employee performance. Whilst, Rijal (2016) showed that transformational leadership influenced organization culture. And, Trang (2013) also showed that cultural variables affect employee performance. Therefore, we decided to make hypotheses as follows;

- H1 : Transformational leadership significantly influences to employee performance directly
- H2 : Transformational leadership significantly influences to employee performance indirectly through organizational culture

Transformational Leadership, Work motivation, Employee Performance

Transformational leadership had influenced work motivation. The leaders motivated their followers to achieve ultimate organization goals. They motivates members in the organization to give their best performance. Hasibuan (2001) stated that motivation is an encouragement for individuals to be high-performing to realize their intended goals. Textual motivation is interpreted as factors that encourage a person to behave in a certain way towards the goal to be achieved. Jusmaliani (2011) stated that motivation as a willingness to increase efforts towards achieving organizational goals. The purpose of starting from this need can be used as a motivational generator. The need or desire contained in the person is how to achieve his goal, because as long as this goal cannot be realized, the person will feel restless and uneasy. These feelings lead to behaviors that lead to the fulfillment of these goals. Some studies showed that transformational leadership had impact on work motivation and employee performance. de Gennaro, (2018) showed that transformational leadership

influenced public service motivation. Ryanto, Sutrisno, & Ali (2017); Christian (2018); Nabi, Islam, Dip, & Hassain (2017) showed that motivation influences employee performance. While, Otto, (2018) showed that transformational leadership and work motivational had significant impact on employee performance. Kharis (2015) showed that transformational leadership affected employee performance through motivational variables. We hypothesize therefore as follows:

H3 : Transformational leadership significantly influences to employee performance indirectly through work motivation

METHOD OF THE STUDY

This study used a positivistic research paradigm. Where, because it triggers the effect. Siswanto (2012) stated that the positivistic paradigm understands that causes determine outcomes. Employee performance is a result or work attitude that is influenced by variables of transformational leadership, organizational culture, and motivation. Meanwhile, the approach used in the research is a quantitative approach. Namely, research that emphasizes testing theories through measuring research variables with numbers and requires data analysis with statistical procedures. This research measuring instrument is in the form of a questionnaire, the data obtained in the form of answers from employees to the statement submitted. Based on the stated research objectives, this type of research is explanatory.

Explanatory research aims to examine the relationship between variables hypothesized (Supriyanto & Machfudz, 2013). This research contained a hypothesis that would be tested for truth. This hypothesis describes the relationship between two variables, to determine whether the variables are associated or not with other variables, or whether the variables are caused or influenced or not by other variables. Research location at PT. Sung Hyung, a foreign corporation in Pasuruan, East Java.

Accidental sampling was used to select employee. The total samples were 77 persons. The research was used *path analysis method* because there are mediating variables between the independent variable and the dependent variable. This study consists of four variables, namely; transformational leadership variables, employee performance variables, and organizational culture variables, as well as motivation variables. In accordance with the purpose of the study, namely to find out the effect of transformational leadership on employee performance through organizational culture and motivation as an intervening variable.

RESULT AND DISCUSSION

Respondents in this study amounted to 77 people. The respondents were grouped into several characteristics. Distribution of characteristics of respondents consists of gender, age, education, and working period. Respondent distribution is shown in table 1 below.

Table 1. The distribution of respondent characteristics

variable	Variable categories	Number	%
Sex group	Male	21	27
	Female	56	73
Age group	Less than 25 years	55	71
	26-35	11	14
	More than 36	11	14
Education	Senior high school	65	84
	Diploma	3	4
	Undergraduate	9	12

variable	Variable categories	Number	%
Experience	Less than 5 years	41	53
	6-10 years	23	30
	11-15 years	10	13
	More than 15 years	3	4

Respondents based on gender groups include men and women. Based on gender group, female respondents were more than male respondents. Male respondents were 21 people or 27%, while female respondents were 56 people or 73%. Based on the age group of respondents, respondents were less than 25 years old as many as 55 people (71%), respondents aged 26-35 years were 11 people (14%), and respondents aged over 36 years were 11 people (14%).

The level of education of respondents in this study is categorized into three, namely the level of high school education, diploma, and bachelor degree. Most of the respondents in this study were high school students, as many as 65 people (84%). Meanwhile, respondents with diploma education amounted to 3 people (4%), and bachelor was 9 people (12%). The work experience of most respondents less than 5 years were 41 people (53%). Meanwhile, respondents with a working period of between 6-10 years were 23 people (30%), working period between 11-15 years were 10 people (13%), and the working period more than 15 years were 3 people (4%).

Table 2 shows the average values of variables, level of implementation, correlation, and reliability of each variable. The variable implementation of transformational leadership has an average value of 3.99. The level of implementation of transformational leadership variables is categorized as high. Implementation of organizational culture variables is also high, with an average value of 3.91. Motivation variables have an average value of implementation of 3.85, so that they are categorized as high as well. Likewise, the implementation of employee performance variables is also high, with an average value of 3.94.

Each variable has a correlation. Based on the results of the correlation test, each variable has a significant correlation. Whereas, the results of the reliability analysis shows that each variable has a fairly high reliability. Reliability of the leadership variable is 0.767. Whereas, the variables of organizational culture, motivation and performance of employees have reliability, namely; 0.770; 0.716; and 0.776 respectively.

Table 2. Mean, Level of Implementation, Correlations, Reliabilities

Variable	Mean	Level of implementation	1	2	3	4
1 Transformational leadership	3.99	High	(0.767)			
2 Organizational culture	3.91	High	0.877**	(0.770)		
3 Motivation	3.85	High	0.420**	0.523**	(0.716)	
4 Employee performance	3.94	High	0.385**	0.435**	0.408**	(0.776)

Cronbach's alpha is presented in parenthesis

** p < 0.01

Table 3 shows the results of path analysis using software SPSS version 21. The results of the analysis show that transformational leadership has no effect on employee performance. This is indicated by the t value of 0.261 with a probability value of 0.795. The probability

value of t is less than 5%, so it can be concluded that transformational leadership does not affect employee performance.

Table 3. Path analysis

	β	T values	P values	R2	F value
Transformational leadership to employee performance	0.056	0.261	0.795		
Organizational culture to employee performance	0.255	1.118	0.267	0.235	7.47 (0.000)
Motivation to employee performance	0.251*	2.082	0.041		
Transformational leadership to organizational culture	0.877**	15.827	0.000	0.770	250.49 (0.000)
Transformational leadership to motivation	0.420**	4.011	0.000	0.1777	16.08 (0.000)

** p < 0.01

* p < 0.05

The variables of transformational leadership influence organizational culture. The magnitude of the effect of transformational leadership on organizational culture is 0.877, with t value of 15,827, and a probability value of less than 1%. Therefore, transformational leadership has a significant positive effect on organizational culture. That is, transformational leadership is increasingly implemented, will be able to increase cohesiveness in the organizational culture.

The analysis results in table 3 also show that transformational leadership has a significant positive effect on employee motivation. This is indicated by the value of the coefficient of 0.420, with t value of 4.011, and a probability value of less than 1%. Therefore, the higher the implementation of transformational leadership, the higher the work motivation of employees. Organizational culture variables do not affect employee performance. This is shown by the probability value t calculate the influence of organizational culture on employee performance by $0.267 > 0.05$. Meanwhile, motivation variables have a significant positive effect on employee performance. Increasingly motivated, employee performance will increase.

In Figure 1, the results of path analysis show that transformational leadership does not affect employee performance directly. Transformational leadership influences employee performance through motivation. The results of the analysis show that transformational leadership influences motivation, and motivation influences employee performance. Therefore, transformational leadership influences employee performance indirectly through motivational variables. Meanwhile, transformational leadership cannot influence employee performance through organizational culture variables. Transformational leadership can indeed improve organizational culture, but organizational culture does not affect employee performance. Therefore, transformational leadership does not affect employee performance indirectly through organizational culture variables.

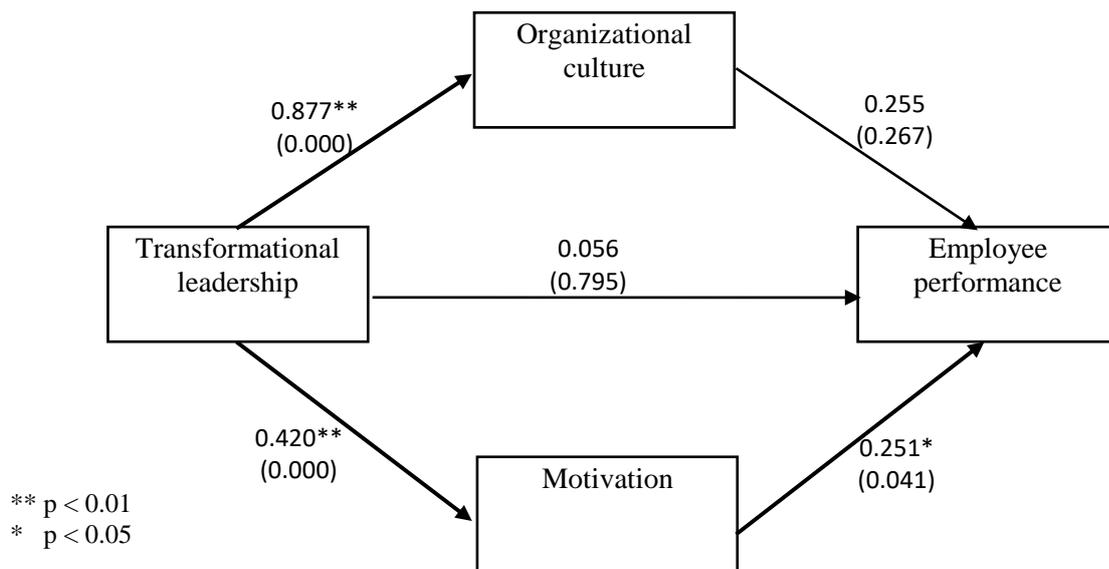


Figure 1. Result of Path Analysis

The results of the analysis showed that transformational leadership variables did not directly affect employee performance. Transformational leadership requires other variables, or mediating variables to improve employee performance. The results of this research support Trang's research, (2013); Nurhidayah, (2015); Nurudin & Rohendi (2016), which showed that transformational leadership had not affect employee performance. The results of this study do not support the results of previous studies conducted by Sanjiwani and Sauna (2016), Carter, Armenakis, Feild, & Mossholder, (2013), Walumbwa et al., (2011) which showed the influence of leadership on employee performance. The result showed that transformational leadership couldn't increase employee performance in the company. The leaders came from abroad. They have different characteristics with their subordinates. Notwithstanding, they have great leadership, but trust and value congruence variables need to be improved. Trust and value congruence have a significant role in an organization.

Path analysis results also show that transformational leadership does not affect employee performance indirectly through organizational culture variables. This research is different from the results of the study (Thoyib, 2005) which stated that leadership influences employee performance through organizational culture. The function of transformational leadership in this study is indeed able to improve organizational culture. However, the organizational culture in this organization has not been able to influence employee performance. Therefore, it needs to be carried out more deeply about the role of organizational culture that has not optimally improved organizational performance.

Path analysis shows that transformational leadership improves employee performance indirectly through motivational variables. Transformational leadership has a significant positive effect on employee performance through motivational variables. Thus the better transformational leadership is applied and accompanied by good motivation can improve employee performance. These results support the research of Kharis, (2015) which showed that transformational leadership has an indirect effect on employee performance through work motivation.

CONCLUSION

The results of this study indicate that there is a fairly high implementation of transformational leadership variables. However, transformational leadership has not been

effective enough to directly affect employee performance. Transformational leadership can improve employee performance through motivational variables. Therefore, the role of leaders to enhance employee motivation is very important. Young employees tend to have high morale. They have the ability to continue to be developed. However, the tendency of young people to move to other jobs is also very large.

The results of this study also conclude that the role of leaders also influences organizational culture. However, this organizational culture is still unable to improve employee performance. Meanwhile, organizational culture tends to be able to increase cohesiveness between groups. However, this is understandable because most employees still have less than 5 years of work experience. Managerial implications in this study are the leaders should take advantage of the leadership role to encourage the motivation of the work of its employees so that there is an increase in their work. We recommend future research to incorporate the role of trust and value congruence variables. Therefore, those variables have significant role to leadership effectiveness.

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