The Effect of Transformational Leadership and Motivation on Employee Performance

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Abstract

This study aims to analyze the influence of Transformational Leadership and Motivation toward the performance of the Faculty of Economics, State University of Padang. This research was conducted with quantitative approach with 47 respondents as samples. The collected data were processed using path analysis to know the influence of exogenous variables, that is transformational leadership and work motivation, toward an endogenous variable, which is employee performance. The results showed that transformational leadership had a significant positive effect on work motivation; transformational leadership had a significant positive effect on employee performance; and work motivation had a significant positive effect on employee performance of State University of Padang.

Keywords: transformational leadership, motivation, performance

Introduction

Guritno and Waridin (2005) defines performance as the comparison of work achieved by employees against standards that have been determined with a good leadership style to subordinates. Factors that can be used to improve performance include leadership, motivation and work discipline. Leadership to Hasibuan (2007) is the way a person leads, influencing the behavior of subordinates to want to work together and productively for the sake of achieving organizational goals. A good leader will be able to motivate his employees to work. This can be a motivation given to the leadership of employee completion of work, rewards given leadership and organization of the work of employees.

However, a lot of leadership practices in the field are still found not to involve related subordinates in setting organizational targets. The fact found in the workplace is that subordinates and bosses remain less communicative so that complaints and problems in the field is not conveyed perfectly to the boss. The impact is that the problem is buried under and the boss continues pressing subordinates with targets and tasks, resulting in employees being uncomfortable in working and reaching targets. Another phenomenon is the lack of emphatic leaders in enforcing regulations and rules that have been set such as the lack of sanctions to employees who do not enforce the rules or violate the rules of work.

Without good discipline, one cannot be said as a leader figure as expected by the organization and society. Performance of employees is necessary to achieve organizational goals. It is related to several factors that influence it, such as leadership, motivation, and discipline of employees because without good leadership, employees will find it difficult to achieve the expected performance in the organization.

Leaders with a transformational style causes followers to perform more than expected on the ground belief that leaders will not take advantage of them. A person who has more trust in others will apply in accordance with what should be so that expected work standards can be achieved. Leaders must apply a transformational leadership style to manage their employees because a leader will greatly affects the success of an organization in achieving its objectives. The organization needs a reformist leader who is able to become a motor of organizational change (transformation) towards a more positive change, including improving employee discipline.

One fact that occurs based on observations in leadership in the field is that leaders lack of approach to employees that employees are less comfortable to linger in office, leaders often make subjective decisions.
in making decisions, unfair leadership in doing the division of tasks this makes the relationship of fellow employees to not be good, leaders are often busy with himself so many employees who leave the room without the knowledge of the leadership.

Leaders did not fully facilitate employees for career development so that employees are less motivated in working. In addition, motivational leadership style also affects employee work discipline. Motivation is also the cause of employee discipline in the work. Employees who have a high motivation in work will perform their jobs well, but if the motivation is low, then the employee will be lazy in work and also the results of his work are not maximal.

According to Robbins (2003), motivation is as a willingness to issue high levels of effort for organizational goals, which is conditioned by ability. The effort is directed to meet the needs of individuals. He further states that motivation as a process to determine the intensity, direction and persistence of individuals to achieve the target. Motivation of work has a very big role and affects the level of employee effectiveness because without such motivation the work will not be done well and smoothly.

With a good working environment, employees can be encouraged to do the job well. They will feel happier and easier to concentrate on working. A conducive working environment where there is a good relationship between fellow employees help each other and support the work will make the employees become diligent in working so that the completion of tasks will be timely. The phenomenon that occurs shows the existence of unhealthy competition among fellow employees shown by seeking more attention of the leader. Conducive working environment can not be separated from leadership in the organization. Good leadership will certainly trigger conducive working environment for employees and is thus able to improve employee performance.

This study explains the effect of transformational leadership and work motivation on employee performance. The literature review is described in the beginning of the article, followed by the conceptual framework and research hypothesis. In the next section, research methods, samples, and data analysis techniques are explained. Then, the results of the study are discussed to answer the proposed hypothesis. Finally, the conclusions and suggestions from the results of this study are laid out.

Performance is an action performed by a person / individual whose actions can be recognized or assessed. According to Rivai (2004) performance is a function of motivation and ability. In completing a task or job, a person must have a certain level of willingness and level of ability. Furthermore, according to Robbins (2008) performance is a function of the interaction between ability, opportunity, and motivation. Meanwhile, according to Wibowo (2007) performance is about what is done and how to do it. From these various opinions about the performance, it can be concluded that the performance is the action and effort of individuals in carrying out their duties performed based on ability, effort, and opportunity to achieve the desired work. Based on the concept of performance, the performance of employees is an action employees do in carrying out their duties. Successful employees are employees who are able to perform their duties and responsibilities well.

Terry in Toha Mitfah (1993) mentions the success and failure of an organization in carrying out its mission is highly dependent on the responsibilities of a leader. For that leadership can be defined as an activity to influence people to be directed to achieve an organizational goal. Henry in Kartono (1998) argues that the leader in a broad sense is one who leads by exposing social behavior by organizing, directing and organizing or controlling the efforts or efforts of others, or through prestige, power or position. Hersay (1988) says that the style of leadership is a pattern of behavior that someone does when trying to influence the activities of others as seen by others. Robbins (1989) concludes there are four approaches to leadership theory, including: leadership attribution theory, charismatic leadership theory, visionary leadership theory, transactional leadership theory and transformational leadership.

According to Burn (1997) developed the concept of transformational leadership and transactional with Maslow's opinion on the hierarchy of human needs. In the opinion of Bass and Avolio (1994) transformational leadership is an extension of transactional leadership, transactional leadership...
emphasizes on transactions or exchanges that occur between leaders and subordinates, this exchange occurs in the discussion of leaders with others, related to what is applied and specialize conditions as well as the circumstances that other people will accept if they meet the requirements.

According to Bass and Yulk (in Wahjusumitjo, 2001) transformational leadership is as a leader who has the power to influence his followers in certain ways, by applying transformational leadership the leader feels trusted, cherished, loyal and responsive to leadership. At the same time, James (in Rahmi, 2014) defines transformational leadership as a leadership style whereby leaders and subordinates seek to achieve higher levels of morality and motivation. Meanwhile, according to Luthan (2006) transformational leadership is more based on the shift in values and beliefs of leaders and the needs of followers.

Work motivation is a complex problem within an organization. According to Luthan (2006) Work motivation is something that motivates a person in the work. According to Luthan (2006) motivation is a process that starts from the psychological or psychological efficiency that drives the behaviors or impulses shown for a particular purpose. Robbins (2005) argues that motivation is an internal process that activates guides and retains behavior over time.

In connection with this Toha (2003) suggests that leadership style of superior and authority leaders determine the motivation of employee work, while Mangkunegara (2005) states the motivation is formed from the attitude (attitude) employees in the face of work situations in the company. Motivation is a condition or energy that moves the targeted or targeted employees to achieve the goals of the organization.

Therefore, motivation is very important for the smooth work by employees and organizations, if employee motivation is low, then the employee will be lazy to carry out duties and responsibilities and the results will not be as expected by the organization. As a social creature the employees also need a sense of affection, recognition of existence, the desire to have these various needs with this motivation then man will work and bend over backwards to meet those needs.

The conceptual framework in this study is as follows:

Based on the formulation of the problem and associated with the foundation of the theory used, the researchers can put forward the following hypothesis:

H1: Transformational leadership has a significant effect on employee work motivation
H2: Transformational leadership has a significant effect on employee performance
H3: Motivation has a significant effect on employee performance

Methods

This research is done by quantitative approach by using path analysis technique, that is a research which aims to analyze the influence of exogenous variables, namely transformational leadership (X1) and work motivation (X2) to endogenous variable, ie employee performance (Y).
The technique of collecting data in this research is by using questionnaire. Population in this research is Employee Faculty of Economics State University of Padang which amount to 47 people. Sampling technique used in this study was done by using total sampling that is the technique of taking the sample members of the research population or all members of the population is the research sample. So, the sample in this study is 47 employees.

Results and Discussion

Path Analysis Test Results

Path analysis aims to explain the direct and indirect consequences of a set of independent variables with a set of dependent variables. On the relationship of causality that shows the direct and indirect effects between variables that can be measured magnitude. However, some assumptions need to be considered in path analysis, (1) the relationship between variables must be linear and additive, (2) all residual variables have no correlation with each other, (3) the relationship pattern between variables is recursive, (4) measurement of all variable minimum intervals.

Based on the path diagram shown in Figure 1 above consists of three substructures. The causal relationship between the variables in Substructure 1, consisting of the influence of transformational leadership on work motivation. The following is the result of the first substructure of path analysis in this study:

| Table 1 Results of Calculation and Testing of Sub-Line Coefficient of First Structure |
|------------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Path | Path Coefficient | t value | Sig. | Result |
| \( \rho X2X1 \) | 0.773 | 8.072 | 0.000 | Significant |

R Square = 0.597

Source: Primary Data Processed (2018)

From the above calculation results, the coefficient of transformational leadership path to work motivation \( \rho X2X1 \) is 0.773 and t arithmetic of 8.072 on sig. 0.000 which is smaller than alpha 0.05 means significant path coefficient.

Second sub-structure

The causal relationship between variables in Substructure 2 is the influence of transformational leadership \( X1 \) and work motivation \( X2 \) on performance \( Y \). The following is the result of the calculation of Substructure 2 path analysis in this study:

| Table 2 Result of Calculation and Testing of Sub Structure of Second Substructure Structure |
|------------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Path | Path Coefficient | t value | Sig. | Result |
| \( \rho YX1 \) | 0.553 | 3.896 | 0.000 | Significant |
| \( \rho YX2 \) | 0.299 | 2.103 | 0.041 | Significant |

R Square = 0.650

Source: Primary Data Processed (2018)

From the above calculation results, the path coefficient of each independent variable along with t test results as follows:

1. The coefficient of transformational leadership path to performance \( \rho YX1 \) is 0.553 and t count is 3.896 at sig. 0.000 which is smaller than alpha 0.05 means significant path coefficient.
2. The coefficient of work motivation path to performance \( \rho YX2 \) of 0.299 and t arithmetic of 2.103 on sig. 0.000 which is smaller than alpha 0.05 means significant path coefficient.

The results of direct and indirect influence in this study can be seen in the following table:

The below table shows the results of the direct and indirect effects of the variables. Transformational leadership has the highest influence on performance at 30.7%. Furthermore, work motivation has a direct
influence on performance of 8.9%. Then there is no direct influence on the influence of transformational leadership on performance through job motivation of 9.8%. This suggests that a good transformational leadership will have a direct effect on better performance than on indirect effects.

<table>
<thead>
<tr>
<th>No</th>
<th>Path</th>
<th>Direct Effect</th>
<th>Indirect Effect</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The effect of transformational leadership on performance directly</td>
<td>30.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>The effect of work motivation on performance directly</td>
<td>8.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>The effect of transformational leadership on performance through work motivation</td>
<td>9.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total direct and indirect effect of transformational Leadership variables</td>
<td>49.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Effect of other variables</td>
<td>50.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Primary Data Processing, 2018

Hypothesis Testing Results

1. Hypothesis 1: Transformational leadership of employee work motivation State University of Padang.

   The first hypothesis states that transformational leadership (X1) has a significant effect on work motivation (X2). Based on the calculation shows the coefficient of the path px2x1 = 0.773, and the value of tcount of 8.072 and the value of sig 0.000 <0.05 then H0 is rejected and Ha accepted. Test results can be concluded that transformational leadership has a significant effect on employee work motivation State University of Padang. This means that H1 hypothesis is accepted.

2. Hypothesis 2: Transformational leadership towards the performance of employees of State University of Padang.

   The second hypothesis states that transformational leadership (X1) has a significant effect on performance (Y). Based on the calculation shows the coefficient of the path pyx1 = 0.553, and the tcount is 3.896 and the value of sig 0.000 <0.05 then H0 rejected and Ha accepted. Test results can be concluded that transformational leadership significantly influence the performance of employees of State University of Padang. This means Hypothesis H2 is accepted.


   The second hypothesis states that work motivation (X2) has a significant effect on performance (Y). Based on the calculation shows the coefficient of the path pyx2 = 0.299, and the tcount is 2.103 and the value of sig 0.000 <0.05 then H0 rejected and Ha accepted. Test results can be concluded that the motivation of work affects the performance of employees of State University of Padang. This means the H3 hypothesis is accepted.

Based on the results of analysis shows that transformational leadership (X1) has a significant effect on work motivation (X2) employee of State University of Padang. Transformational leadership variables have a significant effect on work motivation, meaning that the findings indicate that transformational leadership gives meaning or contribution to work motivation. So, the better the charismatic leader, able to provide inspirational motivation, better in increasing the intellectual stimulation of employees, and able to give attention to every employee can increase employee motivation.

From the results of the first hypothesis testing is known that transformational leadership influence on employee motivation State University of Padang. The direct effect of transformational leadership on work motivation is 59.8%. This shows that there is a direct influence of transformational leadership variable on employee work motivation. If the better the transformational leadership, it will increase the work motivation of employees of State University of Padang.
The results of descriptive analysis show that the level of respondents’ achievement for transformational leadership variables are in good category. Transformational leadership is seen from Charismatics, Inspirational Motivation, Intellectual Stimulation, and Individual Consideration. In terms of transformational leadership variables, the inspirational motivation indicator has the highest level of respondent achievement. This is the cause of employee motivation.

Burn (1997) develops transformational and transactional leadership concepts based on Maslow’s view of the hierarchy of human needs. Such association can be understood by the idea that lower employee needs, such as physiological needs and sense of security can only be met through transactional style leadership practices. The results of this study in line with the results of research Barling (2000) showed there is a relationship between motivation and transformational leadership. Further research results Zhang (2010) showed that leadership has an effect on motivation, especially employee intrinsic motivation. Then the results of research Zhu (2004) showed that leadership affects the motivation of work, especially individual intrinsic motivation. In line with the results of Eyal’s (2011), Cloud (2014), Simanjuntak (2012), and Savitri (2014) studies which showed that transformational leadership influences motivation.

Based on the results of analysis shows that transformational leadership (X1) has a significant effect on the employee performance (Y) State University of Padang. The transformational leadership variable has a significant effect on performance, meaning that the findings indicate that transformational leadership gives meaning or contribution to performance. So, the better the charismatic leader, able to provide inspirational motivation, better in increasing the intellectual stimulation of employees, and able to give attention to every employee can improve employee performance.

From the results of testing the second hypothesis is known that transformational leadership affect the performance of State University of Padang. The direct effect of transformational leadership on performance was 30.6%. This shows that there is a direct influence of transformational leadership variable on employee performance. If the better the transformational leadership, then the increased performance of employees of State University of Padang. Transformational leadership also affects the performance indirectly through work motivation of 8.9%. This shows that if the better the transformational leadership can improve employee work motivation which will then affect its performance. Viewed from direct and indirect influences, transformational leadership provides a greater direct outgrowth than its indirect influence on performance.

The results of descriptive analysis show that the level of respondents’ achievement for transformational leadership variables are in good category. Transformational leadership is seen from Charismatics, Inspirational Motivation, Individual Consideration, and Intellectual Stimulation. In terms of transformational leadership variables, the inspirational motivation indicator has the highest level of respondent achievement. This is the cause of increased employee performance.

The results of this study are in line with the results of research Piccolo (2010), Cavazotte (2013), Jiang (2017), and Iqbal (2015) which indicates that leadership influences on performance. Furthermore, Braun’s (2013) research results show that transformational leadership affects performance. Gupta’s research results (2010) also show that leadership has an effect on performance. Later, Wang’s (2014) research results also show that leadership influences performance.

Based on the results of the analysis shows that the motivation of work (X2) has a significant effect on the performance (Y) employee State University of Padang. Job motivation variable has a significant effect on performance, meaning that the findings indicate that work motivation gives meaning or contribution to performance. Thus, the fulfillment of physiological needs, security needs, social needs, and reward needs (self esteem) can improve employee performance.

From the results of testing the third hypothesis is known that the motivation of work affect the performance of employees of State University of Padang. The direct effect of work motivation on performance was 8.9%. This shows that there is a direct effect of work motivation variable on employee
performance. If the better motivation of employee work, it will be increasing katkatnya employee performance State University of Padang.

The result of descriptive analysis shows that the level of respondent's achievement for work motivation variable is in good category. Work motivation is seen from physiological needs, security needs, social needs, and reward needs (self esteem). Indicator of physiological requirement has highest level of respondent achievement. This is the cause of increased employee performance.

According to Wagner and Hollenbeck (2009), someone who is motivated to work will continue to want to learn to know new things to improve the performance of his work. The results of this study in line with the results Shahzardi research (2014) which shows that the motivation of employees affect the performance of employees. Then the results of research Zameer (2014) also showed that motivation factors affect the performance. Further research results Ngima (2013), Asim (2013), Ibrahim (2015), and Nadeem (2014) showed that motivasi influence dalm improve performance

Conclusions

The results recommend that affect the performance of employees of State University of Padang that is transformational leadership and work motivation. Transformational leadership has a significant and positive impact on employee work motivation State University of Padang. Transformational leadership has a significant and positive impact on the performance of employees of Padang State University. Motivation of work has a significant and positive impact on the performance of employees of State University of Padang. This means that work motivation can affect the performance of employees of State University of Padang.

Based on the research, to improve the performance of employees of State University of Padang, it is suggested to the leadership of some policies and actions that is Improving transformational leadership by increasing charismatic leadership, increasing individual consideration, increasing intellectual stimulation, and increasing inspirational motivational.

Increasing employee motivation by meeting social needs, meeting employees' security needs, meeting the need for reward (self esteem), and meeting the physiological needs of employees.

References


