

Conceptual Approach Between Transformational Leadership, Organizational Culture, and Employee Performance for Public Sector Organization on Facing an Era of Disruption

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Abstract—Disruption affects all aspects of social life, including in an organization. That phenomenon forces the organization to behave adaptively to apply the mindset of disruption, so that managerial factors are managed more effectively and efficiently. This is not only faced by private organizations but also by public organizations. Public organization has the challenge to optimize the economic and social costs of an activity, in addition to performance challenges in a bureaucratic work environment that require extra effort to deal with the phenomenon above. The aim of this article is to describe a conceptual framework that shows the relationship between leadership style, a culture of an organization, organizational citizenship behavior, and performance variables. This article describes some empirical evidence of the influence of transformational leadership and organizational culture on employee performance and also presents differences opinion about the implementation of transformational leadership in the context of public organizations. Finally, some research objectives that might observe the relationship of leadership, culture, and performance variables especially in the field of public organizations are highly expected to develop research objectives.

Keywords—Transformational Leadership, Organizational Culture, Organizational Citizenship Behavior, and Employee Performance

I. INTRODUCTION

The world is currently in the era of industrial revolution 4.0, which emphasizes the internet of things, digital economy, artificial intelligence, big data, robotics, etc., that known as disruption. This phenomenon affects almost all aspects of social life, including in an organization, and forces the organization to behave adaptively to apply a disruption mindset, so that managerial factors can be managed more effectively and efficiently. Facing the phenomenon of social change, organizations need to improve performance through optimizing the performance of their employees, this fact is faced not only in private organizations but also to public organizations, which is a forum that guarantees the provision of public services in accordance with the general principles of good governance and to provide protection for every citizen from abuse of authority in the administration of public services, based on the rule of law that supports it. Public sector

organizations are demanded to be able to optimize the economic and social costs of an activity undertaken, although their implementation often faces challenges such as pressure at work, excessive bureaucracy, low motivation, and satisfaction which exacerbates stress and morale, culminating in weak performance (Jacobsen and Andersen, 2015).

The effectiveness of managing resources in an organization is always a priority because it determines the level of success of the organization in its efforts to achieve its goals and objectives. The aspects of organizational behavior that are the main concern in determining the effectiveness criteria including the level of achievement of the organization's final mission in performance which is reflected by an individual performance that forms the strength of organizational performance, an organizational culture which is a characteristic of the organizational environment as a guide of values, principles, traditions, and attitudes that affect the way members behave in the organization, and leadership style as an aspect of human behavior in organizational structures, which currently has a popular leadership style that has received much attention from many researchers, namely the transformational approach. Transformational leadership is part of a new leadership paradigm that pays more attention to charismatic and affective leadership elements. Transformational Leadership appears to be one of the leadership models that looks promising in terms of managing the ongoing changes in the organization.

Interestingly, the usefulness of transformational leadership in the public context turns out to be much debated, many public sector researchers argue that organizational contexts in public organizations in terms of size and structure, make transformational leadership difficult or even unethical to apply (Bumgarner, 2016; Tafvelin, 2013). Also, empirical studies that specifically apply the theory of transformational leadership in public organizations are on the rise, but are still rare, scattered, and rarely referring to one another. More studies are needed on the broader range of employee performance outcomes, as well as studies on how the factors that characterize this context can hinder or assist the process of transformational leadership.

Facing increasingly dynamic social change, and demands for improved organizational performance which are reflected through optimizing employee performance, public organizations need accelerators who are able to drive the change process to run well, which are able to align the main supporting elements of organizational reform through the perspective of organizational culture and leadership style. One important aspect of task success that is highly correlated with performance is the role of organizational employees as demonstrated by Organizational Citizenship Behavior (OCB). OCB is an extra role behavior that is beneficial to the organization and a unique aspect of individual activities while on duty. Podsakoff (1993) explains that OCB is proven to affect performance in terms of increasing colleague productivity, increasing manager productivity, preventing organizational crises and conflicts, helping to save resources to maintain organizational functions, can be an effective means to coordinate work activities, and improve performance stability of an organization.

The description above raises the problem described in this article as follows: Does the variable of Transformational Leadership, Organizational Culture, and Organizational Citizenship Behavior affect Employee Performance in Public Sector Organization?

These problems can be specified in several questions that require answers that are built into a conceptual framework for a problem in this article, these questions are:

- 1) Is there any influence of Transformational Leadership on Employee Performance?
- 2) Is there any influence of Organizational Culture on Employee Performance?
- 3) Is there any influence of Transformational Leadership on Organizational Citizenship Behavior?
- 4) Is there any influence of Organizational Culture on Organizational Citizenship Behavior?
- 5) Is there any influence of Organizational Citizenship Behavior on Employee Performance?
- 6) Is there any influence of Transformational Leadership, Organizational Culture, and Organizational Citizenship Behavior on Employee Performance?

II. LITERATURE REVIEW

A. Transformational Leadership

A transformational leader has the ability to change the organization through their vision for the future, and by clarifying the vision, they can empower employees to take responsibility for achieving it. According to Robbins and Judge (2017), Transformational Leadership is a style of leaders that inspires followers to transcend their own interests and who are able to have profound and extraordinary effects on followers. Transformational leadership is defined as real leadership because it works according to organizational goals through the act of directing the organization to a goal that has never been achieved before. A humane transformational approach is commonly used in formulating change processes, where a participatory work environment, opportunities to develop personalities, and openness are considered as the conditions behind the process.

B. Transformational Leadership and Employee Performance

Transformational leaders generally change their followers to a higher level of performance. Studies examining the relationship between Transformational Leadership and follower performance have emerged. Researchers who examined the positive impact of Transformational Leadership on task performance argue that Transformational Leadership is related to employee performance and innovation. Some empirical evidence related to the effect of transformational leadership on employee performance has mixed research results. Some researchers find a positive and significant relationship between transformational leadership and employee performance (Saleem, 2019; Indrayanto, 2014). But contrary to previous findings, several other researchers found insignificant influence between transformational leadership on employee performance (Prabowo, 2018; Sudiantha, 2017).

C. Organizational Culture

Robbins and Judge (2017) illustrates that organizational culture as a system of shared meaning held by members that distinguishes the organization from other organizations. In most organizations, the values and practices of the organization's culture have evolved over time, to a large extent, and how things are usually done. Robbins also defines organizational culture containing three things. First, organizational culture is perception, not something that can be touched or seen physically, but some people see culture based on something they experience in the organization. Second, organizational culture is descriptive, this relates to how members understand the culture and describe it. Third, although individuals may have different backgrounds or work at different organizational levels, they tend to describe an organizational culture in the same terms, namely aspects of shared culture. Culture in organizations plays three important roles, namely providing an identity for its members, increasing commitment to the organization's vision and mission and strengthening standards of behavior. When organizational culture is firmly attached, each member will feel that they are part of the organization. Feelings as part of the organization will strengthen members' commitment to the organization's vision and mission. Culture will also direct the behavior of members of the organization. Organizational culture gives a lot of influence to individuals and organizational processes because it gives emphasis to individuals to act in a certain direction, think and act in a way that is consistent with the culture of the organization.

D. Organizational Culture and Employee Performance

Organizational culture plays an important role in determining employee performance. Organizational culture is a system of shared values that interact with staff, structures, and organizational control systems. Organizational culture defines the norms of employee behavior that lead to employee performance productivity. Organizational culture has a positive influence on the performance of human resources and employee development. Organizations that describe high levels of employee performance have a good organizational culture. Employees adapt to this culture when they are employed in an organization, they utilize cultural

values and practices when carrying out tasks and achieving success. Organizational culture is very important in an organization because it functions to ensure the continuity of information and strong organizational values. Continuity of beliefs, ethics, art, law, skills, and habits is what results in the success of an organization. Research on the influence of organizational culture on employee performance also has mixed results. Haerani (2016) and Syafii (2015) find the fact that organizational culture has a positive and significant relationship to employee performance. But research Pawirosumarto (2017) and Harwiki (2016) find the fact that organizational culture has no significant effect on employee performance.

E. Organizational Citizenship Behavior

OCB is individual behavior that is free and explicit, does not receive appreciation from the formal reward system, and as a whole encourages the effectiveness of organizational functions (Organ, 2015). Organizational citizenship behavior (OCB) also as an actions taken by members of an organization that are more than the formal requirements of their work. Organizational citizenship behavior (OCB) is often also called prosocial behavior, which is a work behavior of employees who work not only on their duties but also works not on a contract to get compensation based on a reward system or formal payroll system. Employees play a role that contributes to other employees. Contributions such as behavior to help others, willingness to do additional work, uphold work procedures and rules regardless of personal problems. This is a form of social behavior, as positive, constructive, and helpful social behavior. Podsakoff (1993) explains that the influence of OCB increases co-worker productivity, increases manager productivity saves resources owned by management and the organization as a whole, helps save energy scarce resources to maintain group functions, becomes an effective means to coordinate work activities, increases ability organization to attract and retain the best employees, increase the stability of organizational performance, and enhance the organization's ability to adapt to changing environments.

F. The Role of Organizational Citizenship Behavior

The success of an organization is not only determined by the behavior of employees who are determined according to the job description (in role behavior) but also the behavior of employees that are outside the job description (extra-role behavior). Extra-role behavior in organizations is known as Organizational citizenship behavior (OCB). Therefore, many organizations want their employees to have OCB, and doing things or work outside the job description to prove their superiority compared to other organizations. OCB is one factor that plays an important role in determining employee performance. The higher an employee's OCB, the higher its performance, and vice versa. Some empirical studies that in line with this statement are researched by Harwiki (2016) and Maharani et al., (2013), whose results found a positive and significant correlation between OCB and employee performance. In short, OCB is seen as one of the critical factors for the success of tasks that are highly correlated to performance, it is believed because OCB is a "lubricant" of

"social machine" behavior which has a role more than the formal tasks carried by each employee.

G. Employee Performance

Performance management is an approach to achieving a shared vision of goals and targets. This is related to the synergy and collaboration between individuals and teams to achieve their potential, realize their role, and contribute to achieving targets. Performance in an organization is carried out by all human resources in the organization, both elements of the leaders and workers. Performance is a set of results achieved and refers to the actions of achieving and carrying out a job that is requested, is one of the total collections of work that exist in workers, a function of motivation and ability, to complete a task or work one must have a degree of willingness and a certain level of ability, the level of success in carrying out the task and the ability to achieve the goals set, the quality and quantity of task achievement tasks, whether carried out by individuals, groups or organizations, and the results of the work of a process carried out by humans. Factors that affect employee performance according to Mangkunegara (2011) are individual factors consisting of abilities and expertise, background, and demographics, psychological factors consisting of perception, attitude, personality, learning, and motivation, and organizational factors consisting of resources, leadership, rewards, and structure. Factors that influence employee performance consist of internal factors and external factors. Internal factors (dispositional) are factors that are related to one's traits, while external factors are factors that affect the performance of someone who comes from the environment such as leaders, work facilities, and organizational culture climate. Therefore, it can be concluded that performance is the result of activities carried out by employees after being limited by time and goals. The work activities are limited so that they can be completed according to specified targets and not deviate from the objectives to be achieved.

III. CONCEPTUAL FRAMEWORK

From the theoretical and empirical studies it can be stated a relationship between Transformational Leadership, Organizational Culture, Organizational Citizenship Behavior, and Employee Performance in the following conceptual framework diagram :

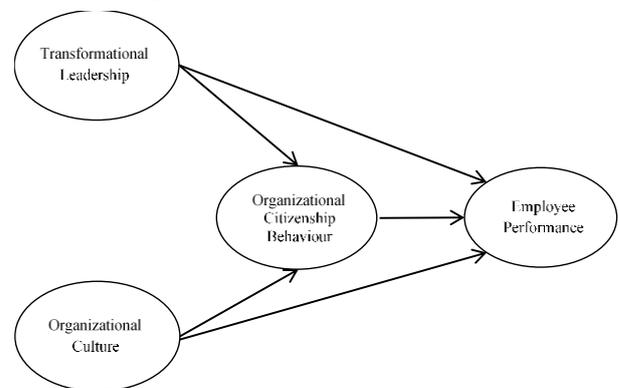


Fig.1. *Conceptual Framework that shows the relationship of Transformational Leadership, Organizational Culture, Organizational Citizenship Behavior, and Employee Performance.*

IV. CONCLUSION

In accordance with the issues raised in this article that require conceptual answers, it can be concluded that the variables of Transformational Leadership, Organizational Culture, and Organizational Citizenship Behavior affect Employee Performance. It is recommended to conduct research to test the conceptual framework in public sector organizations, as well as to re-investigate the use of transformational leadership in the context of public organizations, to increase the contribution of knowledge, especially in the area of Organizational Behavior.

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