

Does Transformational Leadership Need to Enhance Effectiveness of Natural Resources Management?

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Abstract—The transformational leadership is proven essential in securing organizational performance. The leader who possesses the transformational characteristic is able to foster the follower to adapt in very fast changing environment that characterized any modern organization. The culture in organization is developed based on trust that lead to effective and efficient organization performance. However, some studies found that transactional leadership is not always lead to effectiveness of organizational performance. This study found that the leader of Leuwipuh village who possess a transformational leadership characteristic does not secure the effectiveness of palm oil plantation management. The high risk in agriculture management create imbalance of power that influence the trust building within the village member.

Keywords—*transformational leadership, head of village, agriculture risk, palm oil plantation, culture of organization, trust building*

I. INTRODUCTION

Transformational leadership has been believed as a cure of the ineffective public sector performance. Bass and Avolio [1] stated that organizational culture is able to transformed as the result of transformational leadership. Transformational leadership has the ability to lead the organization to be more flexible in a complex world that has been characterized with high uncertainty. This exceptional leadership will help public organization to deal with complex demand of its clients.

The complex environment and stakeholder have been the most challenging aspects that add to the complexity problem faced by the public institution. There are abundant stakeholders that can influence the public policy making that will decrease the ability of public sector to adapt to the very dramatic change in global world.

As the largest sector to contribute to Indonesia's economy, Palm oil industry has become the priority sector to boost local economic income. As there are some dilemma that influence the effective leadership exist, there is a need to study how an institution react to these dilemma. Leuwipuh village is one example of institution that is not immune to these dilemma. The leader of village possess some degree of transformational

leadership, however, he can change the organizational culture in overnight. As the leader of a village that is depend on palm oil plantation, the structure of natural resource plantation is heavy equipped with conflict. Many small-private holders are possessing the conflicted land ownership. The existence of legal certificate land ownership has become a huge problem that lead to inefficiency of plantation management. As the result, the small-private palm oil plantation has failed to engage in collaborative framework to increase the benefits gained by individual. This research, aimed to offer an insight on how transformational leadership style by the head of village can bring to minimize the conflict and increase the palm oil plantation effectiveness.

II. LITERATURE REVIEW

As the challenge on public sector management has become complex, transformational leadership is introduced to expedite the public sector organization change. Bass and Avolio [2] found that any transformational leader foster a culture of creative change and growth rather and avoid to maintain the status quo. One of important characteristic that lead to organizational effectiveness is that the leader takes personal responsibility for the development of their followers. As the result, followers build a similar assumption of any organizational members should be developed to their full potential.

The transformational leadership, however required a comprehensive value to be carry out by every leader that aspire to be the critical aspect of culture change. These aspects include: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration [3]. Therefore, any transformation leader should consistently and comprehensively implement all aspect to assure the change.

Ability to listen is one important skill that required to generate effective leading with transformational style. Avolio and Bass [2] argue the consistent listening forum held by Oregon governor, Barbara Robert, proven to bring a radical and consensus change on tax reform that has been gained full support from Oregon people. This communication style is effective since Robert always show up in every communication

forum even though only small number of people attend the meeting [2]. Basically, Robert has been implementing what Burns [4] affirmed as the core value of transformational leadership that leaving self-interest into serve collective interests.

Transformational leadership has important effects on creativity at both the individual and organizational levels. The leader who possess transformational style has been effectively influence transformation of followers' personal values and self-concept's, and always motivate them to higher level of needs and aspirations [5].

However, the actualization of transformational leadership is without existence of some dilemma. Storey and Salaman [6] argues that modern organizations are driven by: a rational - instrumental logic; unitary phenomenon based on predictability, order and control; increased direction and control; the current business model and the current product and service offerings that prohibit new model to meet changing times and circumstances. Therefore, there is higher possibility that institutions' advantages and strengths simultaneously become its disadvantages and vulnerability to the leadership [6].

III. RESEARCH METHODS

The study is conducted using qualitative research approach. The qualitative approach is selected to gain a deep understanding on how head of village lead the people involved in palm oil plantation to minimize the conflict and increase the palm oil plantation effectiveness. The method of collecting data include Forum Group Discussion and interview using open question guide.

The informant is selected based on their capacity and role in palm oil plantation. These informant includes:

- Worker and manager of Perseroan Terbatas Perkebunan Nusantara (PTPN) VIII, State Owned Enterprises in agriculture plantation
- Head of Leuwipuh village
- Worker and manager of Bank Rakyat Indonesia, State-owned bank which responsible to distribute the re-plantation fund for small holders
- Dinas pertanian (Agriculture Agency)
- middle-man Included (collector, seller, transporter, and driver)
- private- palm oil holder
- laborer

IV. FINDING

This study found that head of Leuwipuh village foster a culture of creative change and growth through set himself as an example of the one of successful palm oil holders. He drove the

change by leading the internal and external meeting as a source of discussion and support for every citizen in need. As the result, villagers, and State Owner Enterprises (SOE) worker as well as Agriculture Agency worker build a similar assumption that anyone should strive for their best potential. The lowest power, laborer, is even highly motivated to contribute to the village development.

In order to be an effective transformational leader. The head of village posses his idealized influence through the meeting with any stakeholders. He set example of inspiring motivation through the use of word, attitude and behavior. Whenever a problem arise such as conflict over legal document on land ownership, he motivate the citizen in need as well as the SOE and Agriculture Agency worker to work above their expectation. He also set an intellectual stimulation by using his experience and knowledge as an example. Finally he always brought about his individualized consideration to any decision making as if the problem happen to himself.

The head of village always tried to listen to generate effective leading with transformational style. The head of village always be the first to presence and patiently wait for late villager and institutions member in any formal and informal meetings. He put his self-interest behind (not to show off his power as head of village in front of his citizen) and prioritizing into serve collective interests.

At the end, the actualization of transformational style of head of village is not free from problems. Storey and Salaman [6] argues that modern organizations are driven by: a rational - instrumental logic; unitary phenomenon based on predictability, order and control; increased direction and control; the current business model and the current product and service offerings that prohibit new model to meet changing times and circumstances.

V. CONCLUSION

The study support the argument where any transformational leader foster a culture of creative change and growth rather and avoid to maintain the status quo proposed by Bass and Avolio [1]. It is proven where the village of Leuwipuh village takes personal responsibility for the development of his followers. He set example to invest in palm oil plantation at the time where government assistance were not present. He has been showed off his future vision and always be in the position on looking forward for innovative means of village development.

The head of village consistently demonstrated a comprehensive values to be carry out by every leader that aspire to be the critical aspect of culture change. To some degree, he showed what Bass and Riggio [3] as the core values of idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration.

The head of village created a routine village meeting that allow every citizen to communicate directly with him. The head of village meet the required aspect of transformational

leadership such as to presence and listen in every meeting [2], and) leaving self-interest into serve collective interests [4].

However, the effectiveness of his transformational style is not reaching its maximum level do to the nature of modern organization. The cultural village change is hampered by four paradox of modern organization offered by Storey and Salaman [6]. As a rational - instrumental logic exists in village administration, the radical and fast change is administration is almost impossible. Besides that an unitary phenomenon based on predictability, order and control as well as increased direction and control, lead to minimum creativity and innovation. Moreover, the existence current business model and the current product and service offered are not always leave a room for new model to meet changing times and circumstances.

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