

Transformational Leadership Approach in Effort to Achieve Good Corporate Governance

(Study at PT. PLN (Persero) Rayon Ngagel)

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Abstract—Leadership is one of the factors determining the direction and goals of the company. Leaders must have the ability to provide a constructive influence on others. In this case the leader influences subordinates to carry out a cooperative effort in order to achieve the ideals of companies that have been established to improve competitiveness. Good Corporate Governance (GCG) is one key to success for growing and profitable company in the long term, while winning the global business competition. This research is descriptive qualitative approach and is bounded by two research focus: (1) Application of Transformational Leadership Style on the Move Subordinates to Achieve Good Corporate Governance; (2) Constraints in Transformational Leadership Style Application to the embodiment of good corporate governance. Based on the results of research conducted, the leadership style leader in PT. PLN Ngagel not all illustrate the transformational leadership in realizing the principles of Good Corporate Governance. Therefore, transformational leadership characteristics are not all implemented by the leader. Specifically provide intellectual stimulation. It can be seen from the attitude of supervisors who are often unaware of the actual responsibilities to subordinates. Suggestions given related embodiment of GCG through methods of transformational leadership style among others, remain consistent to implement the functions of a leader, develop the potential of every individual through an informal approach, using the function leaders that delegate functions, and provide insight to the wider community with socialization about the service mechanism PT. PLN Ngagel.

Keywords—leadership, transformational leadership, good corporate governance

I. INTRODUCTION

Over the past few years, the term of Good Corporate Governance (GCG) is increasingly popular. Because GCG is one key to success for growing and profitable company in the long term, while winning the global business competition. The advantage is gained if the implementation of GCG one of which is to develop the company to have high competitiveness, because these companies are able to create the enterprise, net of

corrupt practices, the impact on the company to operate efficiently and produces a rich product that are no less in the global market [1]. GCG itself has a number of principles which, based on the principles of transparency, independency, accountability, responsibility, and fairness. PT. PLN (Persero) as one of the state owned company engaged (BUMN) in the field of electrical services provider, which is majority owned by the Republic of Indonesia, request maximum assistance for the community, because the need for electricity usage is the need of many people. BUMN profits and at the same time want their social mission means that BUMN should be able to align the profits with a social mission, in other words, in addition to carrying out the functions profitisasi, BUMN function is to help the community.

Implementation of GCG will enhance good governance and show that Integration strives for how to create professional expenses, transparency and efficiency, in order to realize the principles of openness, accountability, trustworthy, responsible, and fair. To embed these principles into the company needed leadership role in moving the subordinates to create the company's goal of GCG. Leaders me-transform the awareness of employees that they work not only as an obligation, but a form of devotion to the community. The leader approached the employee with the welfare of his subordinates so the impact on customer's satisfactory performance. So the purpose of the company to benefit society at the same satisfaction can be realized in accordance commitment BUMN Integration. Efforts to achieve good corporate governance, companies need to establish a conducive working atmosphere beforehand [2]. Efforts need to be implemented is to maximize the role of leader. Leaders must have an innovative nature to evoke the spirit of the employees, creating work discipline, guiding employees to increase competence, as well as establish a better organizational culture so as to create a comfortable working environment and be able to achieve its goals. With so employees able to execute orders according to the instructions given.

The first perspective (shareholding) here are considered perspective to the traditional corporation. The point is to emphasize that the company established and operationalized aims to maximize the welfare of its own shareholders as a result of its investments. While the second perspective (stake holding) looked corporation or firm as a locus that has a relationship with interested parties both inside and outside the company. Parties that include stakeholders other than shareholders including employees, customers, suppliers, creditors, and others [3]. Good Corporate Governance is an important step to build and restore public confidence. Corporate Governance which will effectively allow the formation of checks and balances system through effective oversight [4]. Companies that run GCG and sustainable has more value than a company that does not yet run GCG. Implementation of GCG is an important tool for companies in order to value creation for their factors of transparency in its management. With so PT. PLN (Persero) Rayon Ngagel under the coordination of the PT. PLN East Java Distribution has a strong desire to create a clean and healthy company. As these efforts is the realization of GCG implementation as it is already running, where PT. PLN Rayon Ngagel emphasizes the shape of good corporate governance, clean, and healthy in the region of the southern area of Surabaya. The GCG implementation efforts can be of service to the community as a form of services provided. Form of services, including: online payment and prepaid electricity, online services for new installations, as well as the filing of power online.

II. RELATED WORK

Research on transformational leadership has indeed done a lot by some researchers, as an example is the study of Wahono [5] leader is a person responsible for the implementation of the programs, to be open to new ideas, and criticism both from the directors and administrators. This is necessary so that the leadership can see opportunities for improvement of the programs at the Orphanage Al Madinah Surabaya., Furthermore, a second study from Victoria [6] observed that the analysis of the transformational leadership style, employee motivation and employee engagement to performance of non-medical employees of background phenomena that occur in the performance of non-medical staff in hospitals KRMT Wongsonegoro Semarang. Lastly related research on transformational leadership is also done by Nenobais et al [7] that transformational leadership has a direct impact on the performance of employees of the Bank in the area of Jember, the present study helps researchers to see how an innovation in public services in a bureaucracy has been run, but to complement and fill the gap state of the art the author uses reviews the theory of Bass and Avolio [8], suggests transformational leadership has 4 (four) dimensions are referred to as "the four I's" to complete the study of transformational leadership.

III. METHODOLOGY

This type of research used in this research is descriptive qualitative approach. A qualitative approach was chosen to obtain a systematic and factual picture of the phenomenon and the existing problems, the study describes and analyzes the efforts Manager PT. PLN (Persero) Rayon Ngagel in the embodiment of good corporate governance through transformational leadership style. Further to the focus of this study are as follows:

- Approach Transformational Leadership Style in the Subordinate Moves to Achieve Good Corporate Governance.
 - Idealized Influence
 - Inspirational Motivation
 - Intellectual Stimulation
 - Individualized Consideration
- Constraints in Transformational Leadership Style Application to the embodiment of good corporate governance.

Meanwhile, Engineering Determination of informants using purposive sampling technique. For data collection was done by in-depth interviews and reviewing documents related to the study that the researchers examined. The informants in this study were selected on behalf of the government, private and community involved in the governance of the collaborative process. Lastly for the validity of the data in this study using data triangulation technique follows the guidelines of the interactive analysis [9].

IV. RESULTS AND DISCUSSION

A. *Application of Transformational Leadership Style Manager PT. PLN Rayon Ngagel to Realize Good Corporate Governance*

Processing system located in the Office of PT. PLN Rayon Ngagel almost all based online. Of the request for new tide, added power, to monitoring performance. See most the majority of work is done by computerized result in a communication link between superiors or subordinates are led by the distance. This means that the leadership of the company is less or rarely able to communicate directly with subordinates. Lack of leadership approach is potentially diminish the quality of employee performance that have an impact on the work does not fit the company's goals. To improve the quality of the performance of the employees optimally, Manager PT. PLN Rayon Ngagel implement transformational approach to subordinates while still referring to the principles of Good Corporate Governance. Task manager here is to ensure that GCG can be implemented with existing guidelines through a transformational approach. The principles of corporate governance are transparency, accountability, responsibility, independence, and equality. These principles

constitute the primary mission faced by the leadership to be applied to the practice of transformational leadership characteristics, namely leaders as ideal effect, as a leader inspire motivation, leadership as intellectual stimulation, and the leader as an individual consideration. These characteristics are able to create the appropriate corporate management is aspired, the Good Corporate Governance. The principles of corporate governance are transparency, accountability, responsibility, independence, and equality. These principles constitute the primary mission faced by the leadership to be applied to the practice of transformational leadership characteristics, namely leaders as ideal effect, as a leader inspire motivation, leadership as intellectual stimulation, and the leader as an individual consideration. These characteristics are able to create the appropriate corporate management is aspired, the Good Corporate Governance. The principles of corporate governance are transparency, accountability, responsibility, independence, and equality. These principles constitute the primary mission faced by the leadership to be applied to the practice of transformational leadership characteristics, namely leaders as ideal effect, as a leader inspire motivation, leadership as intellectual stimulation, and the leader as an individual consideration. These characteristics are able to create the appropriate corporate management is aspired, the Good Corporate Governance. leader as intellectual stimulation, and the leader as an individual consideration. These characteristics are able to create the appropriate corporate management is aspired, the Good Corporate Governance. leader as intellectual stimulation, and the leader as an individual consideration. These characteristics are able to create the appropriate corporate management is aspired, the Good Corporate Governance.

B. Obstacles in Implementation of Transformational Leadership Style in PT. PLN (Persero) Rayon Ngagel to Achieve Good Corporate Governance

The company is the performance of the workmanship done by the leadership and employees who coordinate with each other to achieve the ideals of the company. In achieving the objectives of the company there are aspects of inhibiting both leaders and subordinates, namely:

1) *Employees not understand concept of good corporate governance:* Every employee has different characteristics. Not all of them can easily accept the manager's leadership style. Lack of knowledge and ability of each employee in the manager's instructions, in particular, perceives employees' lack of understanding of the meaning of GCG even though they repeatedly explain how GCG should work. The ability of each employee is different because of the different educational backgrounds of employees. In addition to employees who have different characters, one thing that can influence the successful implementation of transformational leadership to achieve good governance is the lack of understanding of employees' perceptions of GCG itself. GCG, which is the standard guideline for realizing good corporate governance,

really needs to be understood by all employees equally. Employees who do not understand also have the potential to become work motivation. Low motivation can result in difficulty concentrating on employees in doing their jobs.

2) *There is still a lack of understanding society:* Sources other obstacles that could hinder the implementation of GCG to make good corporate governance is derived from the attitude of the people themselves. Not only non-subscribers but also from customers PLN. The uneven information about the service mechanism of the company resulted in ignorance of the community in particular who are not customers of PLN to use the services. There are still people who think that all the maintenance at the PLN office is convoluted is the impact of the lack of communication from the company to the public about the application or platform refers to the implementation of GCG. So they often are still using the services of brokers that it is definitely detrimental to the customer itself. There is still a group of people who do not understand the mechanisms of services provided PLN shows that lack of access to information obtained by the public against the company. This is evident from the results of interviews conducted by researchers that people often use the services of brokers to manage services in PLN. Certainly obviously very detrimental to the community itself. And to get PLN service, customers can access via online or contact the call center 123 which will then be guided by staff.

V. CONCLUSION AND FUTURE SCOPE

A. Conclusion

The leadership style adopted by PLN Manager (Rayon) Ngagel in an effort to improve the quality of employee performance that leadership is the ability to influence others to do the job so as to achieve a goal that has been set. Leadership in influencing others to make the interaction between leaders and subordinates both oriented to the task or not. The interaction between leaders and subordinates will greatly affect the performance of subordinates within the organization. Interaction is done for example in the form of leadership's decision-making, communication environment within the organization, supervision performed by the leadership, and delegation of tasks and responsibilities. Such activities will determine how the leadership style of a leader and its effect on improving the quality of employee performance in achievement goal. The motivation provided by the Manager to its employees PLN Ngagel impact on increasing awareness of the functions and duties of employee jobs stretcher. This had a positive impact on corporate accountability to the public or customers. With motivated employees, they can quickly respond to the job. So that the work or services provided to the public or customers were able to be resolved quickly. This shows that the efforts of the embodiment of good corporate governance principles, namely accountability and responsibility.

B. Future Scope

- Viewed from the implementation of leadership styles that have been made in realizing the Good Corporate Governance, showing that not all corporate governance principles instilled through transformational leadership characteristics. So that leaders continue to consider the situation in order to use the instructions as well as a control function consistently.
- Recognizing additional employees, the ability to understand the concept of good corporate governance is low, the thing to do is to develop the potential of every individual through informal approach. This informal approach be to learn something from the experience of work or discussion among employees. Such learning is certainly less effective than a formal approach yet informal approach has advantages richer and deeper because it occurs naturally.
- To simplify the leader in running the company into good governance, which leaders can optimize their function as a function of the delegation. Before granting authority, leaders need to align the principles and vision and mission towards whom he appointed in order to achieve its goals which have been determined jointly. Thus arose the relationship of mutual trust in order to avoid tensions that have the potential to blame each other.
- Provide insight to the wider community with the socialization of service mechanism PT. PLN Ngagel. Socialization can be done by developing community participation in the formulation of policies and programs of public services via the mechanism of dialogue with residents in the settlement company work areas.

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