

The Effect of Transformational Leadership Style, Transactional and Work Motivation on Employees Performance

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Abstract: *This study aimed at analysing the effect of transformational leadership style, transactional leadership style and motivation towards employee performance in Kolaka district public works agency. The research was conducted by using survey method on public works office civil servants in Kolaka district. The results showed that the transformational leadership style, transactional leadership style and motivation affect the performance of employees.*

Keywords: *Transformational Leadership Style, Transactional Leadership Style, Motivation, Employee Performance*

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I. Introduction

The success of a leader in realizing an effective performance depends on his or her leadership style. Effective work performance can only be achieved by matching leaders on situations in order to make compatible leader. Effective leadership depends on a number of factors. There is no effective leadership for all situations or conditions. Situations or conditions that affect leadership are the state of followers, group works, organizational norms and the environment of the organization.

These factors determine the leadership style that should be used by a leaders to obtain an effective leadership, because there is no best way to influence the others' behavior and leadership style which should be used by a person depending on the level of preparedness of people that will be affected by a leader. Leaders can improve their leadership effectiveness by changing the situation to suit their leadership. There are three factors that influence the effectiveness of situational leadership: (a) the quality of relationships between the leader and subordinate relationships, (b) the power of positional leader and (c) task structure standard. If all of three factors are exist in leadership leader, leadership is effective. Leadership is not considered good or bad but be effective in certain situations and ineffective in other situations (Fidler and Chemers, 1984, in Wirawan, 2002: 55).

Experts (eg, Bass, 1990; Berry and Houston, 1993; Burn in Pawar and Eastman, 1997; Eisenbach et al., 1999; Keller, 1992) suggests there are two styles of leadership in the organization, the leadership style transformational and transactional. One theory that emphasizes change and the most comprehensive with regard to leadership is transformational and transactional leadership theory (Bass, 1990). The initial idea of this transformational and transactional leadership style was developed by James MacFregor Gurns who applied it in a political context. This idea was completed and introduced into the organizational context by Bernard Bass (Berry and Houston, 1993). Burn (in Pawar and Eastman, 1997) suggests that transformational and transactional leadership styles can be well-defined and both are conflicting styles of leadership. Transformational and transformational leadership are crucial and requires in every organization.

The leadership style is influence toward employee performance improvement that has been demonstrated by Sarira (2009) by stating that the right leadership style will receive a positive response from employees so their performance increases, but Handoyo *et al.* (2015) found that although simultaneously the transformational leadership style and transactional leadership style had an effect on employee performance but the partial test results showed that both transformational leadership styles and transactional leadership styles were unable to improve employee performance.

Work motivation is also an important factor in improving employee performance because a high employee motivation will be accompanied by an increase in employee performance (Rafiuddi 2009; Handoyo *et al.*, 2015).

II. Literature Review and Research Hypothesis

According to Stogdill (Stonner, 1996: 161) said that leadership is a process of directing and influence the activity related to the work of members group. As according Ermaya (1999: 11). Leadership is a leader's ability to control, lead, influence the thoughts, feelings or behavior of others to achieve a predetermined goal so the performance of someone will increase. Based on the leadership definition above means that leadership is the ability to direct, influence, encourage, control other people or subordinates to be able to do any work on consciousness and a sense of volunteering in achieving a certain goal.

Podsakoff et al. (1996) suggested that transformational leadership is a decisive factor that affects the attitudes, perceptions, and behaviors of employees. According to Bycio et al. (1995) and Koh et al. (1995), Transactional leadership is a leadership style in which a leader focuses on his attention on interpersonal transactions between a leader and an employee involving an exchange relationship. Such exchanges are based on agreements on target classification, work standards, work assignments, and rewards.

Juk research Haedir Sarira (2009), states that the style of leadership affect on positive and work significant. Samsi (2006) states that Commitment of leadership directly or indirectly have a positive and significant effect on employee performance.

Rekshadiprodjo and Handoko (1996: 256) describes that motivation is the situation on individual where encourages the desire of individuals to do activities in achieve the goal. Motivation is essentially a force that can provide incentives or encouragement and morale to employees so that they can change the person's personal behavior and is used as a goal to improve their performance that are expected in the organization. High work motivation according to Rafiuddin, (2009) and Handoyo *et al.* (2015), will be motivate an employee performance.

Based on the case above so the hypothesis is proposed in this research are:

H1: Transformational leadership style, transactional leadership style, work motivations has positive and significant effect on employee performance.

H2: Transformational leadership style has a positive and significant effect on employee performance.

H3: Transactional leadership style has a positive and significant effect on employee performance.

H4: Work motivation and significant positive effect on employee performance.

Research methods

This research was conducted by using survey method approach on 50 civil servants in Kolaka district public works office. Data analysis in this research use multiple linear regression analysis.

Research result

The summary of calculation results of multiple linear regression analysis in this study can be seen on the table below:

Table 4.1. The value Coefficient Analysis Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
	B	Std. Error	Beta			Zero-order	Partial	Part
(Constant)	,179	,199		,898	,374			
1 Transformational Leadership Style	,258	,124	,262	2,084	,043	,887	,294	,109
Transactional Leadership Style	,492	,108	,492	4,568	,000	,904	,559	,239
Work motivation	,216	,096	,232	2,240	,030	,848	,314	,117

Based on the results of multiple linear regression analysis in Table 4.1 above, are known the regression equation generated in this study are follows:

$$Y = 0,179 + 0,258 X_1 + 0,495 X_2 + 0,216 X_3$$

Referring to Table 5.9 and the equation above, it can be interpreted as follows:

1. Constanta (a) positive value indicates that the influence of other variables outside of the variables studied in this study.
2. Regression coefficients for the variables of transformational leadership style (X_1) at 0,258 showed positive influence and direction of the transformational leadership style variable (X_1) to variable employee performance (Y).
3. Regression coefficients for the variables transactional leadership style (X_2) at 0,492 showed positive influence and direction of transactional leadership style variable (X_2) to variable employee performance (Y).

4. Regression coefficients for the variables of work motivation (X_3) at 0,216 showed positive influence and direction of the work discipline variable (X_3) to variable employee performance (Y).

The correlation between the variables of transformational leadership, transactional leadership style with work motivation and performance of employees, it is known from multiple value R. Meanwhile, the contribution of three independent variables on the dependent variable on the dependent variable are known from R-square value, as shown in the following table ;

Table 4.2 Value of Multiple R, R-Squarem and Standard Error

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,935 ^a	,874	,865	,35709

Based on Table 4.2. The value of multiple R is 0,935 or 93,5 percent indicates that the correlation between the variables of transformational leadership, transactional leadership style and work motivation and employee performance is very strong, this is because the value of multiple R generated close to 1 or is over 0.50. Furthermore, the value of coefficient determination (R^2) is 0,874 showed that 87,4 percent of the variation of the dependent variable employee performance described or explained by independent variable; transformational leadership, transactional leadership style and work motivation and performance of employees. Whereas 0,126 or 12,6 other percent is explained by other variables not included in the model.

Hypothesis Testing Research

The hypothesis simultaneously test

Hypothesis testing can be tested simultaneously based on the value of F arithmetic or probability (Sig.) F as shown in the following table:

Table 4.3. F count and probability F (Sig.)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	40,537	3	13,512	105.971	,000 ^b
	Residual	5,865	46	,128		
	Total	46,403	49			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Work Motivation, Transactional Leadership Style, Transformational Leadership Style

Hypothesis 1: The leadership style of transformation, transactional and work motivation significantly influence on the performance of employees Public Works Department in Kolaka district.

The test results show that the calculated F value is generated is equal to 105.971, with a degree of probability (sig.) 0,000. The level of probability (Sig.) Generated is less than the *level of significant* (α) which is set at 0.05. These results suggest that the transactional transformational leadership, transactional leadership style and work motivation together (simultaneously) significantly effect on the performance of employees. It can be concluded that the hypothesis, which states transformational leadership, transactional leadership style and work motivation have a significant effect on employee performance is acceptable.

Hypothesis testing partial

Hypothesis 1: Transformational leadership style have a significant effect on employee performance

The test results showed that the t value for transformational leadership style variable is equal to 2,084 with a probability value (Sig.) Of 0.043. The resulting probability value is less than the *level of significant* (α) which is set at 0.05. These results indicate that the hypothesis that the transformational leadership style variables significantly influence on employee performance, unacceptable.

Hypothesis 2: Transactional leadership styles have a significant effect on employee performance

The test results showed that the t value for the variable transactional leadership style is at 4.568 with a probability value (Sig.) Of 0.000. The resulting probability value is less than the *level of significant* (α) which is set at 0.05. These results indicate that the hypothesis that the transactional leadership style variables significantly influence on employee performance, unacceptable.

Hypothesis 3: Transformational leadership styles have a significant effect on employee performance

The test results showed that the value of t for work motivation variable is equal to 2,240 with a probability value (Sig.) Of 0.030. The resulting probability value is less than the *level of significant* (α) which is set at 0.05. These results indicate that the hypothesis that work motivation significantly influence on employee performance, unacceptable.

III. Discussion

The discussion of the test results are influence on the transformational leadership style, transactional leadership style and work motivation on employee performance in public works in Kolaka that can be described as follows:

3.1. Transformational Leadership Style, Transactional Leadership Style and Work Motivation Significant Influence on Employee Performance

Based on the results of data analysis shows that the transformational leadership style, transactional leadership style and work motivation together affect the performance. The findings of this study extend the empirical evidence of the results of research Juk Haedir Sarira (2009), Samsi (2006) and Rafiudin (2009), which states that the transformational leadership style, transactional leadership style and work motivation influence on employee performance

The results of this study indicate that a leadership style that always motivates and inspires employees, and emphasizes on working according to predetermined standards and carefully take action will improve employee performance, as well as employees will be motivated to work well if leaders pay attention to employees and improve good relationship with employees.

3.2. Transformational Leadership Style Influential Significant to Employee Performance

Transformational leadership refers to the process of building commitment to organizational goal and gives credibility to the followers to achieve those goals. Transformational leadership style in general play a role to change the culture and organizational structure to make it more consistent with management strategies to achieve organizational goals (Bass, 1985).

The results of this study prove the transformational leadership style is able to modify the performance of employees, it means that leaders who charismatic, communicate directly with subordinates, attention and motivate and inspire his subordinates is an important factor to improve employee performance or in other words the more charismatic a leader the better performance of employees , the more often leaders communicate directly with employees the better the performance of employees, and the more leaders give motivation and inspiration to the employees then the performance of employees is also increasingly too.

This finding is supported by research results Juk Haedir Sarira (2009) which states that the leadership style favored by employees is an important factor for improving the performance of employees for leadership style favored by the employee will drive employee satisfaction and the effect of employees will work diligently.

Based on the description of transformational leadership style variables indicates that the leader indicator always gives motivation and inspiration perceived by respondent as the most dominant indicator to form the transformational leadership style, it can be explained that the transformational leadership style which is reflected by the leader by always motivating and inspiring the dominant employee in improving the performance of public works officers in Kolaka District. It is also supported by the characteristics of the respondents were dominated by employees who work past 10 years of age and certainly not too experienced that still need motivation and inspiration of leadership.

3.3. Transactional Leadership Style Influential Significant To Employee Performance

Transactional leadership allows leaders motivate and influence subordinates by way of exchanging *reward* with a certain performance. Leaders promised rewards for the business achieved, and the leader of responsiveness to subordinate personal interests when he was satisfied with the performance (Bass, 1985).

The findings of this study indicate that transactional leadership style is able to improve employee performance in public works office in Kolaka District. This is demonstrated by leaders who emphasize working in accordance with established standards and carefully taking action and actively supervising subordinates not to take action is an important factor affecting the performance of public works officers in Kolaka District. This finding can be explained that the more active leaders oversee employees who work and the more stringent standards and prudential principles that applied leadership will increase employee performance.

This finding is supported by respondent characteristic data based on education level of employee in Kolaka district public works office which more than half of them still have high school education and diploma which of course they still need to be directed to work in accordance with work standard and supervised in order not to take action which is not according to standard and procedure which has been set.

3.4. Work Motivation Significant Influence On Employee Performance

Motivation questioned how to encourage subordinate work passion, so they will work hard by giving all the ability and skill to realize the purpose of company or organization. (Hasibuan, 1999: 92). The results of this study indicate that high work motivation will improve the performance of employees in the public works office in Kolaka District. The findings of this study also proves that of the three needs that motivate employees

to work better, it turns out the need for linkage is the most powerful indicator form the work motivation employee public works in Kolaka district, especially good relations with superiors and good relationships with fellow employees.

It can be explained that employees will work well if the relationship with the leadership with colleagues is good so that if employees need direction and reporting, they need not hesitate let alone afraid to face the leadership.

IV. Limitations of Research

This research has been carried out with the optimal effort but the results of this research still have limitations as follows:

1. The object of the research is only to the employee on public works department in Kolaka district thus limiting the generalizability of the findings of this research. Therefore, for next research can be test in other organizations, especially in the private sector (*private sector*).
2. The study was based on survey data that only presents an analysis of the relationship in one period (*cross section*) so as to analysis at different periods of time will be greatly influenced by changes in the environment, so it needs further research and reexamine whether the relationship between the variables examined in the study this changed

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