Effect of Transformational Leadership on Employee Job Satisfaction and Performance

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ABSTRAK

The purpose of this study is to analyze the direct influence and indirect influence of transformational leadership through job satisfaction on employee performance. The type of research is survey research because it uses the population and the sample so it is found events and relationships between constructs. The study population was 195 people, all of which were taken as samples (saturated samples). Data collection techniques used questionnaires and were analyzed descriptively and inferentially using The Structural Equation Modeling (SEM) of the Lisrel statistical software package and Confirmatory Factor Analysis (CFA). The result of the research shows that 1) transformational leadership directly influence to employee performance, but indirectly influence to employee performance through job satisfaction of employee

Keywords: transformational leadership, job satisfaction and employee performance.

INTRODUCTION

Performance appraisal of employees is a demands of total reformation spirit that ensures the improvement of people's welfare, transparency, accountability, more democratic and fulfill the will and aspiration of people who want excellent service from employees

. An employee as a bureaucratic apparatus who serves as a servant of the state and a public servant, must be devoted to dedicating himself to the public interest over personal and group interests (Bass,1996). Here is emphasized about the necessity of professional state organizers, have a global insight and high care in providing public services with work efficiency in providing services (Dharma,2005). This is in accordance Muhajir (2010) which emphasizes on personnel management that is oriented to civil servant, giving service to society honestly, justly and equally in the implementation of state duty, government and development, not partisan and neutral, out of influence of all party and party Political and non-discriminatory within Provide services to the community. In order to realize professional employees and improvement of public services, Law No.43 of 1999 mandates the need for civil servants career development with the emphasis of performance system through a combination of performance and career system. Here employees are required to be able to improve performance by making planned and measurable changes, in accordance with their main functions and duties, as state servants and public servants, in carrying out public duties, development and service to the public.

Law No.43 of 1999, is a response to pressure on the government to improve performance that has been complained about and still considered low. Such performance improvement encourages the establishment of performance-based management system (Mahmudi, 2010). In an effort to improve the performance of its apparatus, the government established a performance management program based on performance.

Employee performance appraisal is very important, because with the performance appraisal of an organization can see the extent to which employees can support the goals of the organization, the leadership can choose (put) the right employees to occupy certain positions objectively, as the basis of employee development training and as the basis of Proportionally compensated. Performance appraisal of civil servant is regulated in PP. 46 Year 2011 which focuses on the system of performance appraisal of the effective and efficient civil servants, Inpres no. 7 of 1999 requires every employee from echelon II officials to be responsible for the implementation of the main tasks, functions, authority of the management of resources and policies entrusted to him, S. Menpan R.I. No. SE / 31 / M.PAN / 12/2004 requires echelon II officials to gradually prepare and set performance targets to be achieved annually and Permenpan no. PER / 09 / M.PAN / 5/2008 on performance indicators in government agencies.

The roles supports the development effort of performance-based employment management. Since the bureaucratic reform has been launched, the Secretariat of Makassar City officials should continue to reform their self to do their job well in order to give the best to the people, but the real condition shows symptoms that imply the low or decreasing performance of employees. The low or decreased performance of employees is suspected because of the low job satisfaction, the indication is seen in the behavior of many unemployed employees compared to those who finished their work, the activities that are done have nothing to do with the work, and some even leave the office (only check lock is present and check lock goes home). Many things that can affect the performance of employees, so the leadership should try to ensure that factors related to employee performance can be met optimally.

One of the factors that can affect employee performance is transformational leadership. Transformational leadership is essential for an organization, because it will always be related to the activities that exist within the organization. The good performance of employees depends on the style of leadership applied, in the opinion of Podsakoff et al, (1996) in Munawaroh (2011), that transformational leadership is a determining factor to influence attitudes, perceptions, subordinate behavior, increase trust to the leadership, motivate subordinates and job satisfaction And able to reduce the conflicts that occur within the organization. Transformational leadership is characterized by leadership behaviors that inspire subordinates, inspire and attention to encourage the maintenance of a more satisfactory quality of work to subordinates. In order for employees always consistent with the satisfaction of at least leaders always pay attention to the environment in which employees perform their duties such as colleagues, leaders, working atmosphere and other matters that can affect a person's ability in carrying out their duties.

Based on the description, then the problem formulation in this research is how the influence of transformational leadership on employee performance in the Secretariat of Makassar? The purpose of this study is to assess, analyze and assess the influence of transformational leadership on the performance of employees in the office of Regional Secretariat Makassar directly or indirectly through job satisfaction.

METODE PENELITIAN

Type and Location Research

The types of research are grouped according to purpose, approach, level of explanation and data type (Sugiyono, 2007; 2). This study includes the type of survey research because it uses the population and the sample so that found the events and relationships between constructs, the relationship or influence of transformational leadership on the performance of employees directly and indirectly through job satisfaction. The study was conducted at Makassar City Secretariat Office Jalan Kalimantan No.1 Makassar.

Population and Sample

The population in this study is the civil servants (PNS) in the office of Regional Secretariat of Makassar City amounted to 195 people and entirely used as sample research (saturated samples).

Research Variables and Operational Definition

Transformational leadership articulates a realistic vision of the organization's future, stimulates subordinates in an intellectual way, and cares about the differences that its subordinates possess. Job satisfaction is as a general attitude of an individual to his work. Employee performance is an outcome that combines the perspective of process and outcomes achieved by employees in their work according to certain criteria that apply to a particular job.

Techniques and Data Collection Procedures

The data needed in this study is the primary data using questionnaires distributed to the respondents. Respondents may choose answers that match their perceptions. Measurement data using likert scale with the size between strongly agree = 5 agree = 4, less agree = 3, disagree = 2 and strongly disagree = 1, whereas negative answers are scored otherwise.

Data Analysis and Hypothesis Testing

Data processing, using descriptive statistical analysis techniques and statistical infrastructures Structural Equation Model (SEM) and Lisrel statistical software package.

Data Analysis Result

Normality Test

Variabel	P _{skewness}	P _{kurtosis}	Z _{Skewness} dan Z _{kurtosis}
X	0.314	0.098	-1,96 until +1,96
Y ₁	0.75	0.014	
Y ₂	0.324	0.084	

Normality test using Lisrel software found that Zskewness and Zkurtosis were between -1.96 to +1.96 this indicates that all variables are normally distributed.

Multicollinearity test

Variabel	Tolerance	VIF
Employee performance (Constant)		
Leadership (X)	.329	3.044
Job satisfaction(Y ₁)	.228	4.389

Based on multicollinearity test results on Coefficients table (tolerance value and VIF) it is known that VIF value less than 10 and tolerance value more than 0.1 or close to one for all variables, it is concluded that there is no multicollinearity problem.

Linearity Test

Variabel	Linearity	Requarment	Conclution
X and Y ₁	0.000	< 0.05	Linear
X and Y ₂	0.000	< 0.05	Linear

Based on the results of linearity test using SPSS for windows software help as seen in the table above, where all constructs obtained results smaller than 0.05 then concluded the relationship between endogenous constructs with exogenous constructs is linear.

Fix Model Test (*Goodness of Fit*)

Output software Lisrel 8.80 :

Goodness of Fit Statistics

Degrees of Freedom = 0

Minimum Fit Function Chi-Square = 0.00 (P = 1.000000)

Normal Theory Weighted Least Squares Chi-Square = 0.00 (P = 1.000000)

The Model is Saturated, the Fit is Perfect !

DISCUSSION

From the relationship of causality according to the result of path coefficient analysis, it appears that transformational leadership has the greatest direct influence 0.99501 on employee performance, then transformational leadership has indirect influence through job satisfaction of 0.00120 to employee performance in Makassar Secretariat office, as shown in the following table:

Variabel	Path Coefisien	$T_{\text{count}} \geq t_{\text{table}} (0,05; 193=1,97)$
X - Y ₂	0,99501	$125,96728 \geq 1,97$
X - Y ₂ cross Y ₁	0.00120	$0.63041 \leq 1,97$

The hypothesis proposed: transformational leadership (X1) directly affects the performance of employees. Findings: transformational leadership directly affects employee performance. The result of analysis obtained coefficient value of path $P_{Y2|X1} = 0.99501$, $t\text{-count} = 125.96728$. Level of significance 0,05, respondent (n) = 195, $t\text{-table} = 1,97$ (appendix 8), $t\text{-count} > t\text{-table}$ ($125.96728 > 1.97$), then reject H0 and accept H1 or transformational leadership influence Directly to employee performance (hypothesis accepted).

The direct influence of transformational leadership on employee performance is greatest, indicating that the Mayor applies the principles of transformational leadership so that transformational leadership feels very important role in influencing employee performance. This direct influence is a reflection of the open Mayor's behavior of accepting criticism and giving opportunities to employees both in performing their basic tasks as well as in career development, credibility, orientation towards subordinates as needed and always a meaningful member of the example. This makes the employees not rigid in carrying out their duties and aware of them as servants of the state and the public servant should perform the best possible duties whatever form and type of work that exists within the organization.

Someone will be good performance because it is supported by a transformational leadership style within the organization. This statement is in line with the theory expressed by Tichy and Devanna (1990), the existence of transformational leaders has the effect of transformation at both the organizational level and the individual level. Hater and Bass (1988) states that "the dynamic of transformational leadership involves strong personal identification with the leader, joining in a shared vision of the future, or going beyond the self-interest exchange of rewards for compliance". Thus, transformational leaders are charismatic leaders and have a central and strategic role in bringing the organization to its goal. The findings of this study according to findings Munawaroh (2011), transformational leadership style more dominant influence on teacher performance. But unlike the findings Febria Kurniadi Fajra (2011), which turns out leadership style does not affect The performances of the Regional Personnel Agency Agam District. Furthermore there is an indirect influence of transformational leadership on employee performance of 0.00120 through job satisfaction. The second hypothesis: transformational leadership indirectly affect the performance of employees through job satisfaction. Findings: transformational leadership does not indirectly affect employee performance through job satisfaction. The analysis results obtained by the coefficient of $P_{Y2|X1-Y1} = 0.00120$ with details of the effect of X1 to Y1 of 0.19626 and Y1 to Y2 of 0.0060920 ($0.19626 \times 0.00609 = 0.00120$). The indirect effect of X1 to Y2 through Y1

Py2X1-y1 is 0.00120 while the value of t-count = 0.63041. Level of significance of 0.05, respondents (n) = 195 then t-table = 1.97 (appendix 8). T-count < t-table (0.63041 < 1.97), reject H1 and accept H0. (X1) does not indirectly affect (Y2) through (Y1).

This finding can be interpreted that there is no role of transformational leadership in improving employee performance through employee job satisfaction. This can happen because the application of the principles of transformational leadership has not been perfect and has not been done by all structural officials, so they are difficult to move subordinates to perform tasks and functions to the maximum that support the improvement of employee performance. It may also be due to job satisfaction as a trigger for employee performance improvement, not only influenced by environmental factors and restructuring of work within the organization, but also influenced by other factors such as transformational leadership style, organizational culture and work motivation from the boss. This means that transformational leadership should serve as a driver of job satisfaction and employee performance both directly and indirectly, but the facts in this study indicate another, that transformational leadership does not indirectly affect the performance of employees through job satisfaction in the Secretariat of Makassar. This is in line with the results of interviews that imply low employee performance due to low job satisfaction seen in employee behavior. In addition, in accordance with the results of research Abdul Razak, that transformational leadership has an indirect effect through greater job satisfaction than the direct impact on employee performance.

On the other hand, the findings of this study are not in line with the theory that employee job satisfaction can be created if the variables affecting leadership, work motivation and organizational culture can be well accommodated and accepted by all employees within the organization (Brahmasari 2008: 96).

Conclusion

Based on the analysis and discussion of research results, it is concluded as follows:

1. Transformational leadership directly affects the performance of employees.
2. Transformational leadership does not directly affect the performance of employees through job satisfaction in the Secretariat of Makassar.

Suggestion

Based on the conclusions presented earlier, the following suggestion is suggested that the application of the principles of transformational leadership should be perfected and done by all structural officials, so they can move subordinates to carry out tasks and functions to the maximum that support the improvement of employee performance.

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