

The Influence of Transformational Leadership Style, Motivation and Organizational Communication on Employee Performance

Ahmad Badawi Saluy^{1*}, Indira Puspa Gustiah²

¹Postgraduate Program, Universitas Mercu Buana, Indonesia

²Magister Management, Universitas Mercu Buana, Indonesia

*Corresponding author

Ahmad Badawi Saluy

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Abstract: This study aims to examine and analyze the influence of transformational leadership style, motivation and organizational communication on employee performance of indirect staff of PT ABC either partially or simultaneously. Population of this research is all indirect worker that totaled 410 people by spreading using Slovin formula sampling with error tolerance 5% or reliability 95 %, but due to but due to the limited responses to questionnaires that are returned, the total number of samples used are 165 employee. Data were collected using questionnaire, with Likert scale measurement and the analysis of data using simple and multiple linear regression with SPSS program.

Keywords: Transformational leadership style, Motivation, organizational communication, performance.

INTRODUCTION

Nowadays, the globalization raises the level of intense competition in the business. The competition requires every organization to compete in order to survive. Therefore, it needs significant changes and new efforts to compete. A fast-growing and dynamic business requires an effective and efficient management system to respond to change for better performance. Progress of a company or organization must be supported by the quality of human resources performance. So, it needs reliable human resources who can confront challenges, create and fill job opportunities.

THEORITICAL REVIEW

Performance

Performance is a work achieved by a person in carrying out the tasks assigned to him based on his skills, experience, and sincerity and time [1]. Company also needs to measure employee performance. Performance measurement is needed to find out the results as well as the success rate of employees. The purpose of performance measurement is to improve the performance of employees so that will impact in improving employee performance. According to Bernardin [2], there are six performance indicators, the six indicators can be used to measure performance. The six indicators are: *Quality*. The quality indicator associated with the process or outcome is near perfect in achieving the goal. *Quantity*. This quantity indicator is related to the unit of quantity generated. *Timeliness*. This timeliness indicator is related to the time required to complete the job or in producing the product. *Cost-effectiveness*. This effectiveness indicator is related to the level of use of organizational resources such as people, money, materials, technology, etc. in producing product. *Need for supervision*. Indicator of the need for supervision is related to the ability of employees in completing the job without leadership assistance. *Interpersonal impact*. This impact indicator is related to the ability of employees to improve feelings of self-worth, goodwill, and cooperation among employees.

Transformational leadership

A leader in the company can be described as a ship's captain, who determines direction, run a ship, and take decisions about where to take the ship. Leadership is the ability to influence a group to achieve the goal of a vision or a set of goals [3]. This phenomenon addresses the leadership process in a significant formulation to change the organization by inspiring and motivating its followers to achieve greater planned results. Thus, a leader of organization needs to think about how to make changes both internally and externally so that strategies and policies are taken in accordance with the ever-changing demands of the environment. This leader is transformational leadership (Mcgregor burns). According to Bass and Avolio [4], transformational leadership has four dimensions of leadership known as the "4I" concept, namely: Idealized influence, the leader must be a good models who can be followed by its employees, so

that it will generate respect and trust in the leader. Inspirational motivation, leaders must be able to provide motivation, and a clear target to be achieved by employees. Intellectual stimulation, leaders must be able to stimulate their employees to generate new ideas and ideas, leaders must also let their employees become problem solvers and provide new innovations under their guidance. Individualized consideration, the leader must pay attention, listen to complaints, and understand the needs of its employees. The success or failure of a company in achieving its goals is closely related to the role of a leader.

Motivation

One of other influential factors in performance is work motivation. Motivation of work is a subordinate job motivation to carry out their duties in accordance with what is expected by superiors. By motivation of work, it will be easier in achieving the expected performance in an organization. Employee motivation in a company can be a simple problem and a complex problem. However motivating someone is very difficult. This is because the leadership is difficult to know the needs and wants required by employees of the results of his work.

Hasibuan states that there are six stages of the motivation process [5]: Purpose. In the process of motivating, it is necessary to establish the objectives of the organization, and then the subordinates are motivated toward that goal. Know the interests. In the process of motivation, it is important to know the needs / desires of employees and not just see it from the point of interest of leaders and organizations. Effective communication. In the process of motivation. It should be effective communication to subordinates. The subordinates must know what they will get and what conditions they must fulfill in order for the incentive to be obtained. Integration of goals. In the process of motivation, it is necessary to unify the goals of the organization and the employee's interests. Both goals should be united because it is important to adjust the motivation. Facilities. Managers in motivating must provide facilities to organizations and employees that will support the implementation of the work. Work team. Managers must create well-coordinated work teams that can achieve organizational goals. Success in realizing a company's goals is greatly stressed by employee morale. Therefore, the company made efforts to increase the motivation of the employees.

Communication organization

In addition to the style of leadership, to achieve organizational goals, it is required a communication climate that can connect, organize and foster the organization's environment concerning the structure and function in a relationship among members. Organizational communication serves to make the communication container as the basis of organizing human beings in a group and provide easiness that can enable every member of the organization to perform the work, more harmonious, better understand the planning and knowing the sustainability of the organization's activities. Communication can be applied in various ways, by phone, short message services so the communication needs between fellow employees even with the leadership can run well. This is to improve their performance both in quality and quantity.

According to Robbins and Coulter [6], there are four main functions of communication: Control, communication acts as a behavior control member in various ways. Motivation, communication encourages motivation by explaining employees what to do, how well they do it, and what to do to improve performance if it is not aligned. Emotional expression, communication provides a feeling for emotional expression and meets social needs. Information, Individuals and Groups need information to do something within the organization. Communication provides such information. All employees and leaders in a company must communicate clearly and honestly. There is no denying that the importance of communication in the workplace is important. There are many people from different social and professional backgrounds and work for the same purpose. The existence of good communication leads to a company leader ease to convey ideas, company goals and vision with great clarity. Good communication can also increase employee morale and improve employee efficiency so employee performance is also increasing [7].

Previous researches

Previous research on the influence of transformational leadership styles on performance, among others, by Quinnati S, Djamhur H, Hamidah [8] states that proven transformational leadership affects employee performance. Ujang T C, M Syamsul M, Suharjono [9] stated that transformational leadership has no significant effect on employee performance. Munawaroh [10] stated Transformational and transactional leadership style simultaneously significant on performance. Previous research on the influence of Motivation style on performance, among others, Ari S [11] stated that the research result showed a positive influence between work motivations on performance. Theodora [12] states that motivation relatedness becomes the most dominant motivation influence on employee performance compared with the motivation of existence and motivation growth. Previous research on the influence of Organization Communication on performance, among others, conducted by Anshari *et al.* [13] states that there is a significant influence between independent variables (organizational communication and organizational culture) to the dependent variable (employee

performance). Ernika [14] states that organizational communication and motivation of both variables affect the performance of employees

Hypothesis

H1 : Transformational leadership style has an effect on employee performance indirect

H2 : Organizational communication has an effect on Employee Performance Indirect

H3 : Motivation has an effect on Employee performance indirect

H4 : Transformational leadership style, organizational communication, and motivation has an effect on Employee performance indirect

RESEARCH METHODS

This research uses quantitative approach with survey research using questionnaire data. This research is aimed to find out whether there is influence and how big influence both variables and dimensions to be studied that influence of transformational leadership style, organizational communication and motivation including its dimensions to the performance of employees of PT ABC.

The population of this study was indirect employees of PT ABC which amounted to 410. Because of the limitations of questionnaire answer data using slovin formula and considering the level of correlation significance that is still believed in general, the researcher used error tolerance (e) 5% (0.05) or 95%. Thus the sample used is:

$$\frac{N}{1 + N \cdot e^2}$$

Where:

n = sample size

N = population

e = error (level of significance)

$$n = N / (1 + N \cdot e^2) = 410 / (1 + 410 \times 0,05 \times 0,05) = 202 \text{ people}$$

However, due to the limited answers of the questionnaires returned to the author, the number of samples used is 165 Employees.

Table-1: Operational Definition and Variable Measurement

Number	Variable	Definition of Operational	Dimension
1	Transformational leadership (X1)	Leadership style is a behavior and strategy that is liked and often applied by a leader [15].	1. <i>Idealized influence.</i> 2. <i>Inspirational motivation.</i> 3. <i>Intellectual simulation.</i> 4. <i>Individualized consideration.</i> Bass dan Avolio [4]
2	Motivation (X2)	Work motivation can be interpreted as the desire or the needs of an individual's background so that he is motivated to work	1. Goals. 2. Knowing interests. 3. Communication is effective. 4. Integration goals. 5. Facilities. 6. The work team. Hasibuan [5]
3	Organizational Communication (X3)	Communication is the process of transferring an information, ideas, understanding from someone to another person can interpret it in accordance with the intended purpose [16].	1. Control. 2. Motivation. 3. Expression. 4. Information Robbins and Coulter[6]
4	Employee performance (Y)	Performance as an achievement of work that is the comparison between the actual work with the standard work set, thus the performance focuses on the hasill work [17]	1. Quality. 2. Quantity. 3. Timeliness. 4. Cost-effectiveness. 5. Need for supervision. 6. Interpersonal impact. Bernadin [2]

The method of data collection in this study is a questionnaire referring to the Likert scale. Each is made using a scale of 1 ~ 5 categories of answers, each answer is given a score or weight of 1 ~ 4. The method of analysis in research data uses multiple regression analysis. Multiple regression formula is as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3$$

Where:

- Y = Employee performance variables
- a = Constants, Y value if X= 0
- b = Multiple linear regression coefficients
- X1 = Leadership style variables
- X2 = Organizational communication variables
- X3 = Motivation variables

Relationship among dimensions will be implemented as an amplifier against multiple regression analysis. This analysis is conducted to analyze the relationship among dimensions as the basis of strength or weakness of the instrument made from the research.

RESULTS AND DISCUSSION

Sample selection results

Primary data and research object of the study are employees indirect PT ABC about 165 people. Distribution is done by distributing questionnaires via email directly to the respondents since December 18th, 2017 to December 27th, 2017 as much as 47.8% of the total population of 410 respondents. Number of questionnaires returned about 20 questionnaires that were unnamed print out form. Determination of sample uses slovin formula with 5% precision level. It is 165 samples, and the total number of returned and complete questionnaires has filled the criteria of minimum sample size.

Characteristics of respondents

Characteristics in this study are intended to classify the data of respondents by age and years of service.

Table-2: Characteristics of respondents based on age

Age	Frequency	%
≤ 25 Years	1	0.6
26 Years ~ 30 Years	8	4.8
31 Years ~ 40 Years	57	34.6
41 Years ~ 50 Years	82	49.7
> 50 Years	17	10.3
Total	165	100

Table-3: Characteristics of respondents based on years of work

Duration	Frequency	%
≤ 5 Years	22	13.3
6 Years ~ 10 Years	30	18.2
11 Years ~ 15 Years	41	24.9
16 Years ~ 20 Years	15	9.1
> 20 Years	57	34.5
Total	165	100

Quality test instrument research

Based on the results of the validity test data, it shows that all statements in the questionnaire have a correlation (r) with the total score of each statement in each dimension ≥ 0.3 (critical r Pearson Correlation), so that each statement within each dimension variable X and Y can be stated that the assumption of data validity has been fulfilled.

Based on the results of reliability test data, it can be seen that all the instruments formed in this study have a value of cronbach's alpha ≥ 0.3, so it can be concluded that the all variable is reliable or very feasible to use as a research instrument

Classic assumption test

Normality Test

On the chart of Normality Probability Plot, It can be seen that dots spread in the direction of diagonal. Similarly, in the histogram graph is showing the normal distribution pattern (No slope occurs). Both graphs above show that the regression model is feasible to use because it fills the assumption of normality.

Hetero-scedestity test

The points spread randomly either above or below the number 0 on the Y axis. It shows that there is no hetero-cedasticity in the regression model. Thus, the regression model is feasible to be used for variable leadership style, motivation and organizational communication to the performance of employees of PT ABC

Multi-collinearity test

The magnitude of VIF (Fariance Inflation Factor) of each variable <10 and tolerance (TOL)> 0.1 so that it can be concluded that regression is out of multi-colonierity problem.

Multiple Linear Regression Analysis

The interpretation of the equation is also relatively similar. As an illustration, the influences among the Transformational leadership style (X1), Motivation (X2) and Organization Communication (X3) on employee performance (Y) yields the following equation:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3$$
$$Y = 11,788 + 0,020 X1 + 0,327 X2 + 0,671 X3$$

- If the variable of Transformational Leadership Style increases with the assumption that Organizational communication variable and motivation are constant, work performance of employees will also increase
- If the variable of compensation increases, assuming the variable of motivation and leadership constant, then job satisfaction will also increase.
- If leadership variables increase, assuming variable motivation and compensation constant, so job satisfaction will also increase.

Hypothesis test

Simultaneous Significance Test (F Test)

F arithmetic is 160,842 with level of significance / probability 0,000 <0,05. It can be concluded that simultaneously independent variable Transformational leadership style, Organizational Communication and Motivation significantly influence to dependent variable that is employee performance indirect PT ABC. H4 => Ha (Accepted), transformational leadership style, Motivation and Organizational Communication simultaneously have a significant effect on Employee Performance Indirect PT ABC.

Test Significance of individual parameters (t test)

The value of t arithmetic for transformational leadership style is 0.192 with the level of significance / probability 0.848> 0.05, for Organizational Communication = 8.543 with significance level 0.000 <0.05, for Motivation = 6.042 with a significance level of 0.000 <0.05. Based on these results can be summarized as follows:

- The transformational leadership style has an effect on the employee performance indirect PT ABC, but it is not significant because the result of significance is 0.192> 0.05
- Motivation has a significant effect on employee performance indirect PT ABC.
- Organizational Communication has a significant effect on Employee performance indirect PT ABC.

Rejecting or Receiving Hypotheses

Based on the results of the above analysis and hypothesis of this study, here are the results as follows :

- H1 → Ha (Accepted), transformational leadership style has an effect on employee performance indirect PT ABC, but it is not significant with the low significance level of 0192> 0.000
- H2 → Ha (Accepted), Motivation significantly affects Employee performance indirect PT ABC.
- H3 → Ha (Accepted), Organizational Communication significantly influences Employee Performance Indirect PT ABC

DISCUSSION

The result of this inter-dimensional relationship is as an amplifier analysis of multiple regression analysis. The following will be measured by independent variable dimensions (transformational leadership style (X1), Motivation (X2) and Organizational Communication (X3)) against each dimension of dependent variable Y (Y1: Quality, Y2: Quantity, Y3: Timelines, Y4 : Cost-effectiveness, Y5: Need for Supervision and Y6: Interpersonal impact). To easier understand the relationships of each dimension that will be analyzed; the authors make the following table matrices for each dimension of the variable:

The transformational leadership dimension (X1) on the performance dimension (Y)

- For all dimensions of transformational leadership style variables have a positive effect on the dimensions of performance variables.
- For the transformational leadership style variable, the most powerful dimension affects almost every dimension of performance is X1.2. It is followed by dimensions X1.4 and X1.3, except dimension X.1.4 to dimension Y6 has a weak effect.
- All dimension variable X1.1 has a weakly influence to dimension of variable Y.
- In more detail, each dimension of which leadership style variables are strongly influenced and which has a weaker effect can be seen in the summary of the table below:

Motivation Dimension (X2) on performance dimension (Y)

- For all dimensions of motivational variables have a very positive effect on the dimensions of performance variables.
- For organizational communication variables, it can be summarized that all dimensions of the variable strongly affect the entire dimension of performance.
- Dimensional variables that still look lower than others are X2.1, X2.2 and X2.5
- In more detail each dimension of which motivation variables that have strong effect and which have weak effect can be seen in the following table:

Organizational Communication Dimension (X3) on performance dimension (Y)

- For all dimensions of organizational communication variables have a positive effect
- To the dimensions of performance variables.
- For organizational communication variables, it can be concluded that all dimensions of the variable strongly affect the entire dimension of performance
- In more detail, each dimension of organizational communication variables which have strong effect and which have weak effect can be seen in the following table:

CLOSING

Conclusion

Based on the analysis of the relationship between the dimensions of each independent variable to each dimension of the dependent variable in accordance with the correlation test, is as follows:

The most powerful variable dimension of the transformational leadership style is Intellectual Simulation dimension. The weakest is the dimension of Idealized influence on employee performance. The most powerful dimensional variables of motivation on the dependent variable (Y) is the goal Integration dimension. The less influence is the dimension of the working team. The organizational communication variable dimension that has the most powerful influence on employee performance is the Control dimension. The weakest is the dimension of Expression.

The most strongly variable dimension of transformational leadership style on dependent variable dimension is the Inspirational Motivation, Dimension to the Quality Dimension. While the less influential is the Idealized Influence Dimension to Quantity dimension. The dimension of the Motivation variable that indicates more influence to the dependent variable dimension is the Destination Integration Dimension to the Quality Dimension. The weak influence is the Dimension of understanding the importance of Interpersonal Impact dimensions. Dimensions of variables Organizational communication itself that has a strong influence on the dimensions of variable Y is the Dimension of Motivation to the Quality Dimension. While less influential is the Expression Dimension to Interpersonal Impact dimension.

Suggestion

Based on the results of the above, there are several suggestions that the author wants to convey to:
To Company

In order to improve the performance of PT ABC indirect employees, the company should take improvement step based on the test of the relationship between the dimensions of the independent variable to the dependent variable dimension. The authors' suggestions regarding the results to Transformational Leadership Style are:

Things to keep

- That the superior always gives positive encouragement to the subordinates to be able to solve problems rationally.
- That the boss always provides innovation in solving a problem.

Things to keep on mind

Referring to the weakest dimension of the transformational leadership style variable that focuses on leaders should be good role models and models, it is better for superiors to be more effective in the implementation of transformational leadership, where models and honesty should be the main concern. Models and honesty in question are the union between words and deeds. If you want a subordinate to do something, then the leader must do it first, so that the boss can be a good role model to subordinates.

To Motivation

Things to keep

- In order to maintain employee motivation, the company always considers the integrity of the goals in the work.
- The company always pays attention to the points that motivated employees in terms of achieving the goals set.

Things to be focuses on

Referring to the weakest dimension of motivational variables is work teams that focus on Teamwork. The author suggests that the delegation of the task of the team should be described in detail. What to do and how to do it (if needed), then let the team develop its own way to accomplish the task given. Entrust the task to each individual on the team as a whole to complete the tasks in accordance with the time set. Give confidence to the team to be able to meet their respective deadlines. The last important thing is to continually inspire all team members.

To Organizational Communication

Things to keep

- As an effective communication Organizations between subordinates and superiors, superiors controls the work of subordinates.
- Ensure to the subordinate that all the work he does is well controlled.

Things to look out for

Referring to the dimension of the weakness of the dimensions of the variables of communication, it is focuses on delivering the feelings of employees hence, the author suggests that the company should seek improvement of organizational communication, so that emotional expression of communication functions as a channeling of the feelings of employees and can meet the social.

The way is to apply the Interpersonal Communication approach to subordinates, beginning with the five general qualities considered: openness, empathy, supportiveness, positiveness and equality. More concretely within the organization, leaders should have a special meeting with their subordinates to inquire about the difficulties they face while doing their work and seeking an atmosphere of openness between superiors and subordinates so that subordinates feel comfortable to convey something to their superiors with feelings off.

The next researcher

- The author hopes this research can be useful and become reference to related material. In addition to that other variables that potentially affect performance can be added to the next research variables for the more accurate results.
- If there are researchers taking the same place, the research is also conducted for direct employee population so that the results of research which can be donated to the more complete company.
- Thus suggestions that can be conveyed to the author to the company to further improve the performance of employees indirect and to the next researcher so that research can be done more thorough and complete.

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