

THE INFLUENCE OF TRANSAKSIONAL AND TRANSFORMATIONAL LEADERSHIP STYLE ON EMPLOYEE PERFORMANCE AT PT DUTA MULIA CAKRAWALA MANADO

PENGARUH GAYA KEPEMIMPINAN TRANSAKSIONAL DAN TRANSFORMASIONAL TERHADAP KINERJA KARYAWAN PT DUTA MULIA CAKRAWALA MANADO

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Abstract: Someone in a particular field of expertise is indeed one of the reasons the company to contract employees. The company's leadership style uses transformational and transactional leadership. Typically, Companies need experts to deal with a special work for a certain period of time. Especially if the experts is not employed by the company. In addition, high-level for work particular times (can be in the form of projects handled by employees of the company or the job regular), is also not the reason the company open job vacancies to contract staff. Surely it is more profitable company. The purpose of this research is to examine the influence of transactional and transformational leadership style on employee performance at PT Duta Mulia Cakrawala Manado partially and simultaneously. The sample is determined for 50 employees. Tools of analysis is Multiple Regression, while hypothesis test using F test and T test. The result of research shows that transactional and transformational leadership simultaneously have significant influence. In partially the leadership style has significant influence on employee performance. The leaders should run the company by more by transactional leadership practices such as altruistic acts, have characters and have influence strategies to increase the employee performance rather than just control the organization.

Keywords: transactional leadership, transformational leadership, employee performance

Abstrak: Seseorang dengan keahlian tertentu menjadi salah satu alasan bagi perusahaan untuk dipekerjakan perusahaan. Gaya kepemimpinan perusahaan menggunakan pengaruh kepemimpinan transformasional dan transaksional. Biasanya, perusahaan membutuhkan ahli untuk menangani pekerjaan khusus untuk jangka waktu tertentu. Terutama jika ahli tidak dimiliki oleh perusahaan. Selain itu, pekerjaan tingkat tinggi untuk waktu-waktu tertentu (bisa dalam bentuk proyek yang ditangani oleh karyawan perusahaan atau pekerjaan tetap), juga bukan alasan perusahaan membuka lowongan pekerjaan untuk kontrak staf. Perusahaan pasti lebih menguntungkan. Tujuan dari penelitian ini untuk mengetahui pengaruh gaya kepemimpinan transaksional dan transformasional pada kinerja karyawan di PT. Duta Mulia Cakrawala Manado baik secara parsial dan simultan. Sampel ditentukan sebanyak 50 karyawan. Alat analisis menggunakan Regresi Berganda, uji hipotesis menggunakan uji F dan uji T. Hasil penelitian menunjukkan bahwa kepemimpinan transaksional dan kepemimpinan transformasional secara simultan memiliki pengaruh yang signifikan terhadap kinerja karyawan. Secara parsial gaya kepemimpinan memiliki pengaruh yang signifikan terhadap kinerja karyawan. Pimpinan perusahaan sebaiknya menerapkan praktek kepemimpinan transaksional seperti tindakan altruistik yang memiliki karakter dan pengaruh terhadap strategi untuk meningkatkan kinerja karyawan, daripada hanya mengendalikan organisasi saja.

Kata kunci: kepemimpinan transaksional, kepemimpinan transformational, kinerja karyawan

INTRODUCTION

PT Duta Mulia Cakrawala is producer of animal's feed, Day Old Chicks and processed foods in Indonesia. Currently, the Company focus edits efforts on agro-business activities that include poultry business, producing quality animal feed, chicken breeding fast-growing and disease resistant and produce high-quality processed chicken products. Key growth of agribusiness activity is a commitment to be involved in the entire production chain, ranging from animal feed formulation until the chicken farm to processed products with added value.

This approach has provided successful in ensuring excellence supply products for themselves or to request other industries with consistent quality of animal feed and processed chicken products in this country. Animal feed business is the main foundation of the company. The company ensures as largest and most successful manufacturers in the field of high-quality livestock feed. From an animal feed factory in Manado, the company developed the business to face the challenges in producing reliable and high quality by building production facilities. Network fodder plant makes the company became the largest producer of animal feed only in Indonesia. In addition, the network has a strategic position to meet the needs of poultry farmers throughout the country.

This makes the company as a company that is reliable fodder producer. An extensive network of distributors and agents throughout the country make chicken farmers have the ease and speed in getting our animal feed products. The company also has a dominant power in the production and supply of Day Old Chick in Manado. Such as animal feed, the company is the largest producer of DOC with high quality chicken farmers in Indonesia.

When fodder and Day Old Chick has a long history in the agro-business, the company has a responsibility to increase the consumption of chicken meat with expanded the business in processed chicken products of high added value. The company's leadership style using influence transformational and transactional leadership. Someone in particular field of expertise is indeed one reason the company contract employees. Companies are in need of experts to deal with a special work for a certain period of time. Especially if experts is not owned by the company.

In addition, high-level work certain times (can in the form of projects handled by employees of the company or the job regular), is also a not her reason the company opened job vacancies to contract staff. Rather than hiring new employees, better hire a contract employees status, which can contract the period determine by the work load to began the decrease surely more profitable company.

Research Objective

Based on the research problems, the objectives of this research are to know :

1. The influence of transactional and transformational leadership style on employee performance at PT Duta Mulia Cakrawala, Manado simultaneously.
2. The influence of transactional leadership style on employee performance at PT Duta Mulia Cakrawala, Manado partially.
3. The influence of transformational leadership style on employee performance at PT Duta Mulia Cakrawala, Manado partially.

THEORETICAL FRAMEWORK

Employee Performance

Hughes, Ghinet, & Curphy (2006:244) defined performance is concerns those behaviors directed toward the organization's missions or goals, or the product or services resulting from those behaviors. A person's performance is a function of several factors, but perhaps it can be boiled down to three primary concerns: ability, motivation, and environment.

Transactional Leadership

Suwatno and Priansa (2011: 157) argues that leadership transactional this is a leadership that focuses on transactions between individuals, between management and employees, two characteristics of the underlying transactional leadership that leaders use awards contingency to motivate the employees and leaders to implement corrective actions only when subordinates failed to achieve indicator employee performance are:

- (1) Contingent reward; Doing exchange contract awards and efforts, promising reward for good performance.
- (2) Management by exception (active); View and search for deviations based on rules and standards, as well as corrective actions.
- (3) Management by exception (passive); intervene when it is not according to standards.
- (4) Laissez-faire; Removing responsibilities, avoid decision making.

Transformational Leadership

Bass (1990b:21) specified that transformational leadership occurs when leaders broaden and elevate the interests of their employees, when they generate awareness and acceptance of the purposes and mission of the group, and when they stir their employees to look beyond their own self-interest for the good of the group. Bass (1990a) stipulates that this transcending beyond self-interest is for the group, organization, or society. In essence, transformational leadership is a process of building commitment to organizational objectives and then empowering followers to accomplish those objectives (Yukl, 1998). The result, at least in theory, is enhanced follower performance (Burns, 1998 ; Yukl, 1998). Transformational leadership differs substantially from transactional leadership. It is concerned more about progress and development. Furthermore, transformational leadership enhances the effects of transactional leadership on followers (Bass, 1990a).

Previous Research

Aktar, Sachu, & Ali (2012), The Impact of Rewards on Employee Performance in Commercial Banks of Bangladesh. Parveen et al (2012), Impact of Office Facilities and workplace Milieu on employees performance. Blake (2012) have objective it is evident that CSR is being discussed within the executive sphere. This is an indication that the social responsibility of organization has become vital to organizational performance. Although many companies are now using the CSR to convey their commitment to the planet and to people, there is little evidence within the context of strategic management. Straub (2012) describe about the importance to fulfilling the economic mission of the enterprise. Business must be responsive to customer and employee needs, and in order to do so, transformational leadership is need. Kincaid (2012) describe servant-leaders appear to be one of the few groups that are achieving both their financial responsibilities and CSR initiatives with a high degree of success, the key principles of both CSR and servant Leadership and positions servant leadership as one answer to the question of how organization can develop social responsibility strategies without sacrificing their financial goals.

Research Hypothesis

There are three main hypothesis those can be drawn and further examined, which are :

- H₁: Transactional and transformational leadership style have influence on employee performance at PT Duta Mulia Cakrawala, Manado simultaneously.
- H₂: Transactional leadership style have influence on employee performance at PT Duta Mulia Cakrawala, Manado partially.
- H₃: Transformational leadership style have influence on employee performance at PT Duta Mulia Cakrawala Manado partially.

RESEARCH METHOD

Type of Research

This research is a Causal Research. Causal research is used to establish cause and effect relationships between variables.

Place and Time of Research

This study will be conducted in Manado, North Sulawesi, Indonesia. Especially will be conducted in PT Duta Mulia Cakrawala Jl.Pramuka 6 no. 75 ling 1 Jl.Siswa, kelurahan Sario Kota Baru, Manado. This research will be done during the month of may to june 2015.

Conceptual Framework

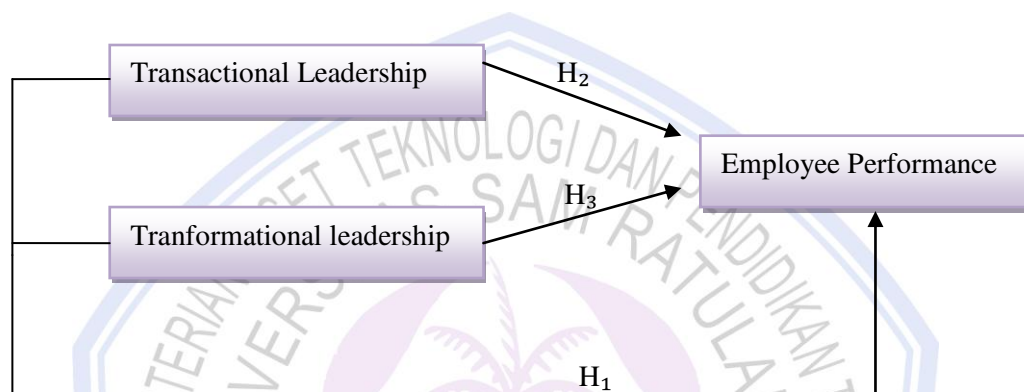


Figure 1. Conceptual Framework
Source : Data processed, 2015

Population and Sample

Population

Population is generalized to the object/subject which have a certain quantity and characteristic that is required by researcher to studying and to gain conclusion (Sekaran and Bougie, 2005:262). Population in this research will be the employees at PT. Duta Mulia Cakrawala Manado.

Sample

If sampling is chosen, the researcher must determine which and how many people to be interview. The sample were the people who work at PT Duta Mulia Cakrawala Manado. The samples using the confidence level which produce a margin of error of 0.05 from the population of PT Duta Mulia Cakrawala employees that the researcher found was about 100 people. With the formula $n = N / (1 + N * e^2) = 100 / (1 + 100 * 0.05^2) = 80$. According to this Formula, The researcher decide to use 80 people as the respondent as the sample of this research.

Data Analysis Method

Validity Test

Validity is evidence that the instrument, technique, or process used to measure a concept does indeed measure the intended concept (Sekaran and Bougie 2009:449) to analyze the validity of questionnaire, Pearson Product Moment is used. An instrument measure is valid if the instrument measure what should be measured

Reliability Test

Reliability is a test to the consistency and stability of the measuring instrument (Sekaran and Bogie 2009:444). The higher of the coefficient prove the better of measuring instrument.

Multiple Regression Analysis Model

Uma Sekaran (2003:203), multiple regression analysis we enter several independent variable into the same type of regression equation and predict a single dependent variable. A separate regression coefficient then is calculated for each independent variable that describes its individual relationship with the dependent variable. These coefficients enable the researcher to evaluate the relative influence of several independent variables on the dependent variable. Multiple regression is a more realistic model because in the world we live in predictions almost always depend upon multiple factors, not just one. The relationship between each independent variable and the dependent measure is assumed to be linear as it was with bivariate regression.

The general form on general equation of multiple regression models in this research is shown below:

$$Y = a + b_1X_1 + b_2X_2 + \dots + e$$

This research use the model or regression as followed:

$$Y = a + b_1X_1 + b_2X_2 + e$$

Where :

- Y : Employee's Performance
- a : The Constant, when all the independent variable equal to 0
- b_1, b_2 : The regression coefficient of each variable
- X_1 : Transactional leadership
- X_2 : Tranformational leadership
- 3 : errors

RESULT AND DISUCSSION

Validity Test Result

Table 1. Validity test result

Indicator	Result
- Transactional Leadership	0,071
- Transformational Leadership	0,742
- Employee Performance	0,812

Source: Data Processed, 2015

The table shows the result of validity testing of variable Y – Employee performance. It can be seen the value of correlation of each variable is more than 0.3 meaning the result instrument valid. Variable X_1 – Transactional Leadership. It can be seen the value of correlation of each variable is more than 0.3 meaning the result instrument valid. Variable X_2 – Transformational Leadership. It can be seen the value of correlation of each variable is more than 0.3 meaning the result instrument valid.

Reliability Test

Table 2. Reliability test

Cronbach's alpha	N of Items
0,646	3

Source: Data Processed, 2015

Data above we can see that the significant score for each statement is $< \alpha$ that is 0.05. Can be conclude that each statemet is valid. The alpha score cronbach for each statement > 0.6 so can be conclude also that each statement is reliable.

Multiple Regression Test Result

The analysis result of multiple regression models using SPSS statistic. 21 are the multiple regression formula which displayed in Table 3.

Table 3. Multiple regression test

Model	T	Understandardized	Coefficient	Standardized
		B	Std.Error	coefficient Beta
	(Constant)	3,414	1,919	,562
1	Transactional_Leadership	,475	,278	,472
	Transformational_Leadership	,120	,078	,197

$F\text{-Count} < F\text{-Table}$, H_0 is accepted

$F\text{-Count} > F\text{-Table}$, H_0 is rejected

Source: Data Processed, 2015

Table 3 shows, the analysis output is described as this multiple regression equation:

$$Y = 1.919 + 0.475 X_1 + 0.120 X_2 + e$$

- Constant 1.919 shows the influence of Transactional Leadership (X_1) and Transformational Leadership (X_2). It means that, in a condition where all independent variables are constant (zero), Employee Performance (Y) as dependent variable is predicted to be 1.919.
- Variable X_1 (Transactional Leadership) has an effect to Y (Employee Performance) as many as 0.475. In condition where other variables are constant, if there is one unit increasing in X_1 (Transactional Leadership), Y is predicted to be increased by 0.475.
- Variable X_2 (Transformational Leadership) has an effect to Y (Employee Performance) as many as 0.120. In condition where other variables are constant, if there is one unit increasing in X_1 (Transactional Leadership), Y is predicted to be increased by 0.120.

Hypothesis Testing**F-Test (simoltaneos)****Table 4. F-test result**

Model	Sum of Squares	Df	Mean Square	F	
1	Regression	2,093	2	1,047	11,687
	Residual	4,209	47	,090	
	Total	6,302	49		

Source: Data Processed, 2015

Predictors: (Constant), Transactional Leadership, Transformational Leadership

Dependent Variable : Employee Performance

Table 4 shows the value of F_{count} . To know the value of F_{table} the calculation would be as follows:

$$F_{count} = 11,687$$

$$F_{table} = FINV(0.05, k-1, n-k) \\ = FINV(0.05, 3-1, 50-3) \\ = 3.195$$

k = the number of variables

n = the number of respondents

T-test (partial)**Table 5. T-test result**

Model	Understandadized	Coefficient	Standardized	
	B	Std. Error	Beta	T
(Constant)	3,414	1,919	,562	
1Transactional_Leadership	,475	,129	,472	3,672
Transformational_Leadership	,120	,078	,197	1,535

Source: Data Processed, 2015

Calculation of T_{table} :

$$t_{count} X_1 = 3.672$$

$$t_{count} X_2 = 1.535$$

$$\begin{aligned} t_{table} &= TINV(0.05, n-k) \\ &= TINV(0.05, 79-3) \\ &= 1.9917 \end{aligned}$$

k = the number of variables

n = the number of respondents

Discussion

The result shows that reward has significance influence on employee performance. Most of the respondents agree that reward influence their performance. This is happened because for employee, reward could be defined as a form of feedback and appreciation from company. Reward also could motivate employee to increase their performance and achieve organizational goals. Ajila and Abiola (2004) stated that reward package can influence on employee performance. They concluded that reward system helps to increase employee performance by enhancing employee skills, knowledge and abilities in order to achieve organizational objectives. Blake (2012) conduct the experimental research on objective in CSR, this is the indication that the social responsibility of organization become vital to organizational performance. Straub (2012) describe about how important transformational leadership inside the CSR. Kincaid (2012) describe the key principles of both CSR and servant leadership and positions servant leadership as one answer to the question of how organization can develop social responsibility strategies without sacrificing their financial goals.

CONCLUSION AND RECOMMENDATION**Conclusion**

After examining the findings and discussing them, the researcher finally arrived at some conclusion in this research.

1. Transactional Leadership and Transformational Leadership have significant and simoltanous influence on Employee Performance at PT Duta Mulia Cakrawala Manado.
2. Transactional Leadership has significant and partial on Employee Performance at PT Duta Mulia Cakrawala Manado.
3. Transformational Leadership has significant and partial on Employee Performance at PT Duta Mulia Cakrawala Manado.

Recommendation

The conclusion above, there are some recommendation for PT Duta Mulia Cakrawala, Manado should consider that Transactional Leadership positively influencing Employee Performance. It means that transactional leadership positively will contribute a positive result to employee performance when is conducted well. Then it is suggested that the leaders should run the company by more transactional leadership practices

such as altruistic acts, have characters and have influence strategies to increase the employee performance rather than just control the organization.

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