

EFFECT OF TRANSFORMATIONAL LEADERSHIP TOWARDS EMPLOYEE'S PERFORMANCE THROUGH SATISFACTION AND MODERATED BY CULTURE

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Abstrak

Penelitian ini bertujuan untuk menganalisa dampak menyeluruh dari gaya kepemimpinan transformasional terhadap kinerja karyawan baik secara langsung maupun yang dimediasi oleh kepuasan kerja dan dimoderasi oleh budaya organisasi. Lebih lanjut, penelitian ini diadakan untuk menemukan adanya pengaruh antara gaya kepemimpinan transformasional, kepuasan kerja dan budaya organisasi terhadap kinerja karyawan didalam institusi pendidikan di Indonesia. Penelitian ini dilakukan berdasarkan riset yang terdahap survey yang diberikan kepada responden. Didalam penelitian ini digunakan pengumpulan data primer dan sekunder. Data utama didapatkan dari metode interview dan kuesioner baik secara resmi yang bersifat administratif maupun tidak. Sampel pada penelitian ini sebesar 320 yang di analisis dengan metode deskriptif, uji validitas dan reabilitas serta di analisis menggunakan pemodelan *structural equation*. Hasil penelitian pada institusi pendidikan di Indonesia menunjukkan bahwa gaya kepemimpinan transformasional memiliki pengaruh positif terhadap kinerja karyawan, dimana hasil yang sama baiknya juga dinyatakan saat pengaruh tersebut dipengaruhi oleh mediasi kepuasan kerja dan dimoderasi oleh budaya organisasi. Pengaruh dengan nilai tertinggi dalam pencapaian peningkatan kinerja karyawan adalah faktor gaya kepemimpinan transformasional. Penelitian ini merupakan kebutuhan dalam memperkaya pengetahuan dalam bidang ilmu sumber daya manusia khususnya gaya kepemimpinan transformasional, kepuasan kerja, budaya organisasi dan kinerja karyawan.

Kata Kunci: Pendidikan, Institusi, Kepuasan

Abstract

This paper aims to analyze the overall impact of transformational leadership style directly and indirectly on employees' job performance mediating by work satisfaction and moderating by organizational culture. Furthermore, to find the influence of transformational leadership on employees' job performance mediating by work satisfaction and moderating by organizational culture within educational institution in Indonesia. This is a survey-based research study. Primary and secondary data were used in this study. Primary data were gathered via questionnaire formal and informal interview. Sample size is (n = 320); therefore, descriptive statistics, validity reability analysis and structural equation modelling analysis have been used. The overall results support that transformational leadership style has a significant positive impact on employees' job performance as well as mediating by work satisfaction and moderating by culture at selected educational institution in Indonesia. Transformational leadership style is the most important factor for achieving work satisfaction goals. This study fulfils an acknowledged necessity of learning the impact of transformational leadership, work satisfaction, culture on employees' job performance.

Key words: Educational, Institution, Satisfaction,

Background

Employee's job performace can be realized if the factors that have influences such as works satisfaction, good leadership style and organizational culture can be accommodated

properly and accepted by all employees in the company. Company should be able to integrate organization goals and employee's persp

Effective under good leadership style in order to achieve the company's objectives in

general. Under the good leadership, employee can manage with dedication and loyalty to their work, clearer guidance and direction as well as better coordination to his subordinates.

We see that in this era of globalization, multinationals, and monolithic organizations are considered similar to nations in their own right. These organizations, due to their sheer size and history have developed a competency driven culture of their own. The competency driven culture has been shaped by the history of their respective experiences as well as the leaders who dedicated the policies in maximizing employee's performance.

There is a management transformation in research object, where the exchange leadership style in particular will have an impact on changes in work satisfaction and employee performance. It is important to measure the effects of such changes on the continuity of the research object vision in the long term. In particular, these management changes will have an impact on all organizations and employees under the headquarter of institution management.

Literature Review

Human Resources

Human resources is the ability of the human himself in order to achieve well-being. Human resources is one very important factor in a company beside other factors such as capital (Gibson, 2006). For that reason, the human resources must be managed properly to improve the effectiveness and efficiency of the organization, it should integrate as a function in a company called Human Resource Management (HRM) (Dessler, 2003).

In carrying out the functions of human resource management in organization, human resource management have a role that is expected to help managers achieve the company's goals. According to Dessler (2003) the role of Human Resource Management (HRM) is to regulate and define staffing program that includes things like: first, set the amount which is quality and job placement in accordance with company requirements. Second, employee recruitment which is selection and deployment of qualified staff and employees needed. In other words, place the right people in the right job.

Transformational Leadership

Every leader has dissimilar leadership style. Appropriate leadership style in company will bring a positive contribution in company management. Moreover, being able to improve or motivate employees to work, good leadership style also contributes to increasing productivity of employees (Bass and Riggio, 2005). According to Bass and Riggio (2005) introduce the concept of charisma in leadership. It states the charismatic leader has a very significant influence for his subordinates. Bass and Riggio (2005) describe that transformational leadership is a process where leaders and subordinates develop integrated degree of morality and motivation.

Bass and Riggio (2005) indicates that a transformational leader is someone who creates a charismatic leadership, inspirational leadership, intellectual stimulation and feeling that all subordinates must be taken into one team and one objective. DuBrin (2012) explains that the transformational leaders will be able to encourage, using the values, beliefs and can meet the desires of subordinates. Leaders who do it in a fast-changing situation called the leader of transformational crisis.

Transformational leaders can succeed in shifting the organization status quo by practicing appropriate behavior at every stage of transformation process. When the old ways considered to be no longer appropriate, at that point leaders should draw up a new vision of the future with a strategic focus and motivational. The vision and functions should be clear in stating the organization purpose and commitment.

Organizational Culture

Denison (1990) suggested that the organizational culture as a concept that to measuring the suitability of the organization's goals, strategy and organizational tasks, as well as the resulting impact. Without a valid and reliable measure of the critical aspects of organizational culture, the statement about the impact of culture on performance will be established on speculation, personal observations and case studies.

According to Robbins (2006) suggests that organizational culture is often portrayed in sense that is shared. The patterns of beliefs, symbols, rituals, and myths developed over

time and serves as the glue that holds the organization. Culture can be defined as the interaction of various traits habits that affect groups of people in their environment. In the establishment of the organization's culture there are two important things to note, they are constituent elements of organizational culture and organizational culture formation process itself.

Job Satisfaction

Job satisfaction is defined by how individuals feel positively or negatively depending various factors or dimensions in job environment (Smith, Kendall, and Hulin, 2004). Job satisfaction is a pleasant emotional disposition and loves in his job. This attitude is reflected by a self-esteem (Hasibuan, 2000). Job satisfaction itself can be interpreted as the result that based on a comparison of what is received from his job compared to what was expected, desired and thought as the proper thing or entitled for employee.

Further, Elenkov (2002) suggested that job satisfaction is an assessment, a feeling or attitude of a person or employee to work and relate to work environment, types of employment, compensation, labor relations among networks, social relations at work, and so on. So it can be said that job satisfaction is the fulfillment of some desires and needs through work activities. Robbins (2006) suggested that job satisfaction is part of the motivation process. Robbins (2006) suggested that job satisfaction is as a general attitude of employee towards his job. Work requires interaction with colleagues and superiors, follow the rules and policies of the organization, meet the performance standards, life on the working conditions and similar rules.

According Elenkov (2002) suggests that there are two factors that affect job satisfaction, they are factor in employee and factor in job. Factors that exist in employees are intelligence (IQ), a special skill, age, sex, physical condition, education, work experience, employment, personality, emotions, ways of thinking, perception, and work ethic. The work factors are type of work, organizational structure, rank (class), notch, quality supervision, financial security, opportunities for promotion, social interaction, and labor relations.

Employee Performance

Every human being has the potential to act in various forms of activity. The ability of human acts can be obtained either naturally (present at birth) or studied. Although humans have the potential to behave in certain ways, but it is only behavior at certain times only. Potential to behave in certain ways it is called The ability, whereas the expression of this potential is known as the performance (Mathis and Jackson, 2001). Employee's performance is influenced by organizational performance itself, which are including the development of the organizational management, the compensation plan, the communication system, managerial style, organization structure, policies and procedures. Robbins (2006) suggested that another term for human performance is measurable output of productivity, absenteeism, turnover, citizenship, and satisfaction.

Whereas Baron and Greenberg (1990) suggested that the performance of the individual is also referred to job performance, work outcomes, and task performance. Performance and organizational goals can be shaped quantitative and qualitative output, creativity, flexibility, reliable, or anything else that is desired by the organization. The emphasis of the performance can be short term or long term, it also be at the level of individuals, groups or organizations. Performance management is a process that designed to link organizational goals to individual goals, so both of those goals should have met and integrated. Performance can also be an act or execution of tasks that have been completed by a person in a certain period of time and can be measured. There are four elements: the results of job functions, factors that affect the achievement of employees; the achievement of organizational goals; and a specific time period.

Hypotheses

In general, work satisfaction can be determined whether or not is led to a leader. Good leader will have positive influence on work satisfaction and have a control within business activity in general. Employees who feel satisfaction in a job, would prefer their work than remuneration even though the remuneration is important, it is will drive the

success of business activities. In a previous study conducted by Zaman and Yiing (2009), Sadasa (2013) state that leadership can affect job satisfaction. Further attention Chi, Yeh and Yu (2014) state that transformation leadership have significant positive impact on job satisfaction. From the description above, the proposed hypothesis is as follows:

H1: Leadership will increase employee job satisfaction.

Leadership is an attempt to influence a lot of people through the communication process to achieve organizational goals. Appropriate leader can dynamically mobilize and encourage and motivate organization members in order to achieve the goals in accordance with the line that has been established by the management. The exact form of leadership style can motivate employees to improve performance in general. A leader who has the charisma of leadership will be able to become a figure for his subordinates. This figure is to be a role model and became a symbol that reflects the soul of the organization. An organization that has a good leadership style will be able to encourage the performance of subordinates. With a strong figure, motivation and culture can be built the improvement of organizational performance in general and performance of employees particularly. In a previous study conducted by Zaman and Yiing (2009) similarly Huu, Liu, Hsu and Yu (2014) suggested that the leadership style can encourage and improve employee performance and company performance in general. From the description above, the proposed hypothesis is as follows:

H2: Transformational Leadership will improve employee performance.

Generally, within organization, job satisfaction assessment is formed by accumulating feeling and employee attitude towards his job, work environment, type of employment, compensation, relations among partners, social relationship at work and similar things. Employee who has satisfied about his jobs, work environment and compensation will have high motivation in work. High motivation in work will certainly encourage the employee to improve performance in work. In a previous study conducted by Amburgey (2005) suggested that job satisfaction has a positive and significant effect on employee performance. From the description above, the proposed hypothesis is as follows:

H3: Job satisfaction will improve employee performance.

An organizational culture is the habits that affect groups of people within organization, culture or personality of the organization should capable to supporting and influencing employee satisfaction and employee performance as well as greater impact on culture development. In a previous study conducted by Kathrins (2007) Olasupo (2011) and Fakhar (2014) states that organizational culture can affect employee performance. From the description above, the proposed hypothesis is as follows:

H4: Organizational culture will improve employee performance.

From the proposed hypothesis above, the relationship between variables can be visualized as follows:

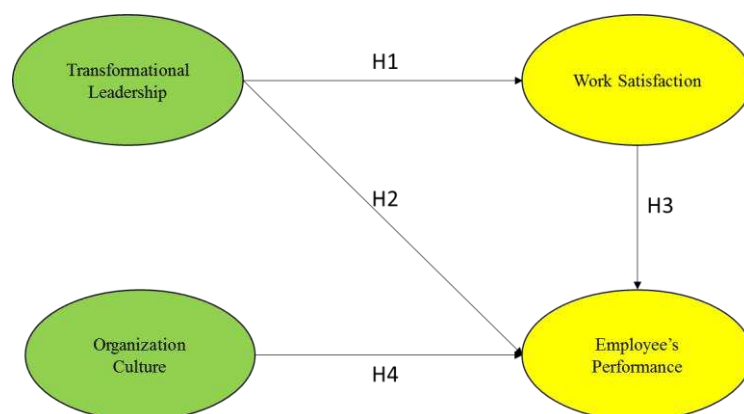


Figure 1
Hypotheses Development
Source: data processing result.

Research Design

This study is an exploratory and explanatory research, in determination to prove a causal relationship between independent variable, intervening variable, moderating variable on dependent variable. As well as correlational research, the research sought to see whether between two or more variables have a relationship or not, also how much the relationship was and how the direction of the relationship. From the research models that have been developed, it is expected to explain the cause and effect relationships among variables and be able to make some useful managerial implications in accordance with the study variables.

In this study, to analyze and determine significant levels and the relationship between variables, using method of analysis structural equation modeling (SEM). With this method can be seen the influence and relationship between exogenous and endogenous variables related to the problems examined (Dasgupta, 2006). Population amount is 2197, a sample of 320 respondents were taken according to indicators measurement research were it is number of samples that multiplied by the number of indicator 5-10 times (Ferdinand, 2006).

Research Result

First stages in this study, researchers conduct validity and reability analysis by distributing questionnaires to 30 respondents within research object that meets the criteria to be used as the respondents in this study. This analysis is to determine whether the user charging, construct questions and other important parts of the questionnaire can be understood and indeed accurately represent each variable tested. The validity and reability analysis found 20 indicators are invalid or can not be used for further research and rest of it are reliables. This study using structural equation modeling (SEM) where the respondent data analyzed using analysis software.

From the analysis, group one to group seven several tests show sufficient compatibility. They are Chi Square, RMSEA, ECVI, AIC and CAIC, and Fit Index. There results in a poor fit and marginal fit in between the results for GFI, AGFI and Critical N. From the above results, we can conclude a match throughout the model (goodness of fit) in this model is eligible. Furthermore, this study resulting the path diagram as in the picture as follows:

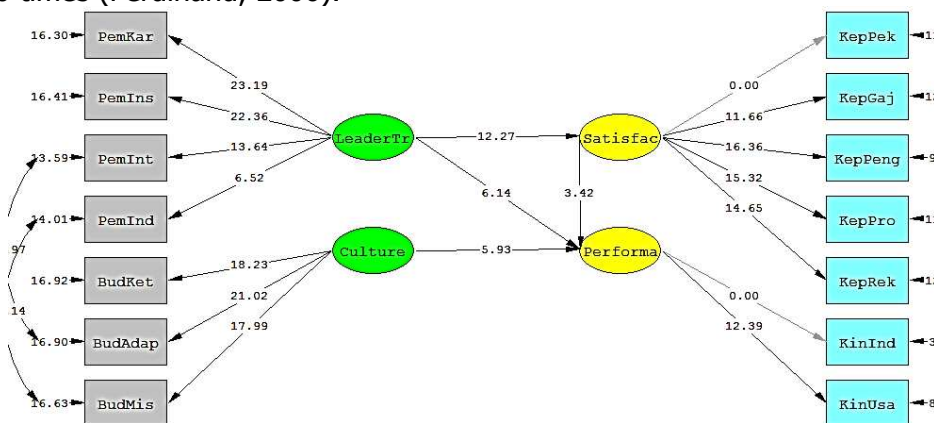


Figure 1
T-Value

Source: data processing result.

Managerial Implication

From this study, it was found that there are factors that are proven have influence on job satisfaction and employee performance. The highest factor that have influence is transformasional leadership towards job satisfaction. Following factor is influences of organizational culture towards relationship

between transformational leadership and job satisfaction in research object.

Based on some points mentioned above will be outlined also some important managerial implications for management that crucial to discuss what and how to shape the strategies that should be applied.

Based on analysis results can be made an outline for some managerial implications,

they are as has been proven that in this study there is influence of transformational leadership towards work satisfaction and employee's performance as well as organizational culture towards employee's performance in research

object. Furthermore, this implication managerial can manage in action plan below:

Table 1
Action Plan

No	Program	Activity	Time Series
1	Build leadership to increasing job satisfaction Expanding objective with clear visi and mission organization Make trusted communication between leader or supervisor and subordinates	HR developing Workshop Structural communication by management via corporate email, online workgroup and official corporate social media.	First Semester Weekly and Monthly
2	Build organization culture to increasing employee's performance Create established organizational culture Socializing and implementing organizational work culture including its value and dimensions Selecting suitable employee into organizational culture	Determine organizational work culture including its value and dimensions. Integrating work culture within organization process business Selecting new employee and rotating current employee to suitable their culture with organizational culture	First Semester Weekly and Monthly Yearly

Source: data processing result.

Conclusion

From analysis results, found that analysis results support the hypothesis H1 with t-values 12.27. These findings indicate that good leader will have positive influence on work satisfaction and have a control within business activity in general. Employees who feel satisfaction in a job, have a clear purpose and spirit to having satisfaction in their work. Appropriate leadership style in company will bring a positive involvement in company management.

Second finding show that that the analysis results support the hypothesis H2 with t-value 6.14. These results indicate that the transformational leadership have positive significanties towards employee's performance. Moreover, transformational leadership being able to improve or motivate employees to work and also states the charismatic leader has a

very significant influence for his subordinates to increasing productivity of employees.

The analysis results also state that the transformational leadership as an effort to influence a lot of people through the communication process to achieve organizational goals that are expected to lead to positive changes in the form of a force that is dynamic and can mobilize and encourage employee performance that has been set by company management.

Next finding shows that the analysis results support the hypothesis H3 with t-value 3.62. These results indicate that the work satisfaction can be mediating relationship between transformational leadership and employee's performance. A wise and good leader will certainly have a positive impact on the work satisfaction as well as an impact on employee's performance.

Furthermore, these findings indicate that the employee's performance is result of quality and satisfaction that can be achieved by an employee in performing tasks according responsibilities given to him was influenced by the transformational leadership.

The results also prove that the culture of the organization has been able to accommodate some of the diversity contained within an organization and can provide comfort and satisfaction in work.

This study also finds that supporting the hypothesis H4 with t-value 5.93, which states that the organizational culture is the result of the interaction of traits habits that affect groups of people within the organization, to form a subjective perception the entire organization based on primary aspect such as transformational leadership that can affect employee performance.

In summary it can be concluded that: transformational leadership have positive significant to work satisfaction as well as to employee's performance, work satisfaction has positive mediating effect between relationship and employee's performance, and the last is organization culture have positive significant impact on relationship between transformational leadership and employee's performance.

The limitations in this research is only focussing on sampling in one educational foundation and it has not been able to represent all variables result in measuring and evaluating for Indonesia region. Development advice that can be given is the next study should develop wider research coverage on several similar educational foundation so that it can represent wider findings nationally.

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