The Influence of Transformational Leadership Style on Employee's Performance PT PLN Cabang Pekanbaru Rayon Panam

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ABSTRACT

This study aimed to determine how much influence of transformational leadership style in influencing employee performance at PT PLN branch Pekanbaru Rayon Panam, Indonesia; in order to make improvements and innovations continue to develop the organization. The method used in this research is quantitative research methods using simple regression analysis. Variable transformational leadership has a positive influence on employee performance at PT PLN branch Pekanbaru Rayon Panam, and the influence is significant. The overall effect of transformational leadership on employee performance at PT PLN branch Pekanbaru Rayon Panam is 22%, and the 78% rest of it influenced by other variables outside of this research.

Keywords: *Transformational Leadership, Work Performance*

I. INTRODUCTION

The organization is social unity or entity that consciously coordinate works on the basis of continuously relative to fulfill a common goal and or group of goals (Pangarso, 2014). The success of organizations affected by the performance, for every company, would strive to improve the performance of employees in achieving organizational goals that have been set. The performance of employees in the organization leads to the employee's ability to carry out the overall duties of responsibility. These tasks are usually based on indicators of success indicators that have been defined. Several previous types of research on the performance become background to be part of this study (Pangarso, 2014[a,b,c]; 2015).

The object of research that will be examined is PT PLN branch Rayon Panam Pekanbaru. The company serves as a source of electrical power for the need of society, especially the Panam and surrounding communities. It is unique due to the specific topic of human capital and organization of state-owned enterprises in the field of energy in Indonesia. Related researchers in this field are still limited.

Based on data obtained on the performance of employees of PT PLN branch Pekanbaru Rayon Panam in 2014 and 2015, it can be seen there is still a drop in performance. It can be seen in the indicators of customer perspective, which at the increasing number of achievements in 2014 reached 106% but fell to 66% in 2015. And the total percentage decline which was originally 78% in 2014 to 72% in 2015. This study aimed to determine how much influence transformational leadership style in influencing employee performance at PT PLN branch Pekanbaru Rayon Panam, Indonesia in order to make improvements and innovations continue to develop the organization.

From some research on the topic of leadership, it is still quite interesting to observe this topic (Almansour, 2012) (Sahgal et.al, 2007) (Chaudhry et.al, 2012) (Bass et al, 2003)

(Bryman, 2007) (Sinambela, 2012). Employees can survive in a company if they feel comfortable and happy to work in the company. A sense of comfort and pleasure brought on by various factors in the company one of which is the leadership style. Leadership styles used by a leader can affect the performance of an organization. According to Bangun (2012), a leader will be able to influence the performance of an organization, depending on how he's doing leadership activities therein.

II. LITERATURE REVIEW

Table 1

Journal Articles

No	Research Title	Researcher	Variables	Research Objectives	Similarity & Difference	Results
1	*The Relationship Between Leadership Styles and Motivation of Managers Conceptual Framework*	Dr. Yaser Mansour Almansour (2012)	*Independent Variable* (X) X1: *leadership styles* Dependent Variable (Y) Y1: *motivation*	To find out whether there is a significant relationship between leadership style and motivation	Similarity: Both use simple linear regression analysis Difference: Using a mixed approach from descriptive and exploratory approaches.	Transformational and transformational leadership styles play an important role in the organization and can form more productive individuals
2	*Transformational Leader: Their Socialization, Self-Concept, and Shaping Experiences*	Punam Sahgal dan Anil Pathlak (2014)	*Independent Variable* (X) X1: *transformational leader* Dependent Variable (Y)	This study was conducted to determine the impact of transformational leadership on the socialization, and self-concept, and shaping experiences	Similarity: Equally using transformational leadership as independent variables, using simple linear regression analysis	In this research can be obtained the result that a leader can be developed. Life experiences play a role that is important in

		Y1: *self-concept, shaping experiences*		Difference: Data obtained from interview	building capabilities that enable individuals to achieve success.
3	*The impact of transformational and transactional leadership styles on motivation of employee in Pakistan*	Abdul Qayyum Chaudhry dan Munawar Sabir (2015)	*Independent Variable* (X) X1: *transformational leadership* X2: *transactional leadership* Dependent Variable (Y) Y1: *motivation*	To find out whether there is a significant effect of transformational and transactional leadership styles on motivation	Similarity: Both use transformational leadership as independent variables Difference: Using multiple linear regression analysis	The results showed a positive and significant relationship between independent variables transformational leadership and transactional with motivation. And there is a positive and significant relationship between transformational leadership and motivation
4	*Unit Performance by Assessing Transformational and Transactional Leadership*	Bernard M. Bass, Bruce J. Avolio, dan Yair Berson	*Independent Variable* (X) X1 : -	To understand the performance unit by applying transformational and transactional	Similarity: -	The result of this study is that both leadership styles are

		(2012) *Dependent Variable* (Y) Y1 : -		leadership styles	Difference: Researchers use MLQ method to measure the effectiveness of leadership style. This research used survey technique with 72 respondents.	positively related to the performance platoon for partially mediated leadership through unit-level potential and cohesion
5	*Effective Leadership in Higher Education*	Alan Bryman (2013)	*Independent Variable* (X) X1: *leadership* *Dependent* Variable *t* (Y) Y1 : -	To figure out effective implementation of the leadership	Similarity: Both use transformational leadership as independent variables Difference: This research collects data by literature review method and interview	The results of this study are leadership behaviors associated with effectiveness in higher education. The conclusion of this research is that management and leadership, either structurally or semi-structured, can be said to be effective, because it has the main goal

					is the achievement of vision-mission organization

According to Suriasumantri in Sugiyono (2014), a researcher must use scientific theories as for the basis for argumentation in constructing a hypothetical framework. This frame of mind is a temporary explanation of the symptoms that are the object of the problem. The framework of thinking in this study is the influence of leadership style on employee performance.

In the workplace of an employee associated with many people, it takes the leader figure as a controller both organizational and personal. Basically, leadership is one of the strategic management functions, because leadership can move, empower, and direct resources effectively and efficiently towards the achievement of goals (Soekarso, 2010). For this, there are many strategies that can be done, one of which is by applying the transformational leadership dimension that leaders use to their subordinates. The dimensions proposed by Bass dan Avolio (as quoted in Northouse, 2013) are as follows:

1. *Idealized Influence*, Describes a leader who acts as a powerful example for followers. Followers associate themselves with this leader and are eager to imitate them. These leaders usually have very high standards of ethical morals and behavior and can be relied upon to do the right thing. They are greatly appreciated by followers who usually strongly believe in them.

2. *Inspirational Motivation*, Describe leaders who communicate high expectations to followers, inspire them through motivation to be true to, or be part of a shared vision within the organization. Team spirit is enhanced by this type of leadership. They make it through encouraging words and short conversations, to give a clear spirit to communicate the important role they play in the future growth of the company.

3. *Intelectual Stimulation*, it includes creative and innovative followers' stimulation and stimulates their own beliefs and values, as well as the values and beliefs of leaders and organizations. These leadership journals support followers when trying new approaches and developing innovative ways of dealing with organizational problems. It encourages employees to think things through independently and engage in careful decision making.

4. *Individualized Consideration*, These factors represent leaders who provide a supportive climate, where they listen carefully to the needs of each follower. Leaders act as coaches and advisors while trying to help followers actually get what they want.

In this study, the researchers used the theory of Bass & Avolio to determine the dimensions that will be the frame of thought in this study. The reason for using Bass & Avolio theory is that transformational leadership is part of the "new leadership" paradigm, then Bass & Avolio first developed broader transformational leadership and improved the previous transformational leadership theory proposed by Burns (1978). Bass & Avolio developed transformational leadership theory that cares about improving follower performance and maximizing potential followers. The dimensions put forward by Bass & Avolio include ideal influences, inspiring motivation, intellectual stimulation, and personal considerations.

John Milner as quoted by Sudarmanto (2011) suggests 4 dimensions that can be used as a benchmark in assessing performance, which are:

1. Quality
   Describes the level of error, damage, and accuracy. Quality of work will result in the quality of work based on established standards. Quality of work can be measured with indicators of accuracy, accuracy, skills and work success. Quality of work includes accuracy, thoroughness, tidiness, and cleanliness of the work.

2. Quantity

3. The size of the quantity is the amount of work produced. The number of workers in accordance with the existing working time. Noteworthy is not the routine result but how fast the work can be completed. The quantity of work includes output, as well as not only the routine output but also how quickly it can accomplish extra work

4. Worktime Usage

It is related to the time required to complete the activity or the time required to produce the goods and services. Indicators include the level of absence, delay, effective working time/hours lost work.

5. Cooperating with others in workplace

This involves the ability to work with others in completing group tasks. A person may appear more likely to decrease or improve his performance in group assignment contributions.

In this study, researchers used the theory of John Milner as quoted by Sudarmanto (2011) Because researchers believe that the performance dimensions proposed by John Milner can be a benchmark standard in assessing performance. John Milner's theory covers the output of work and individual behavior aspects. This means that John Milner's theory is so dense, clear and effective that summarized in some dimension of performance appraisal in an organization rather than the theory put forward by other researchers. With the elaboration of theory and indicators taken from various angles that are summarized in several aspects make researchers more confident using John Milner's theory in Sudarmanto (2011).

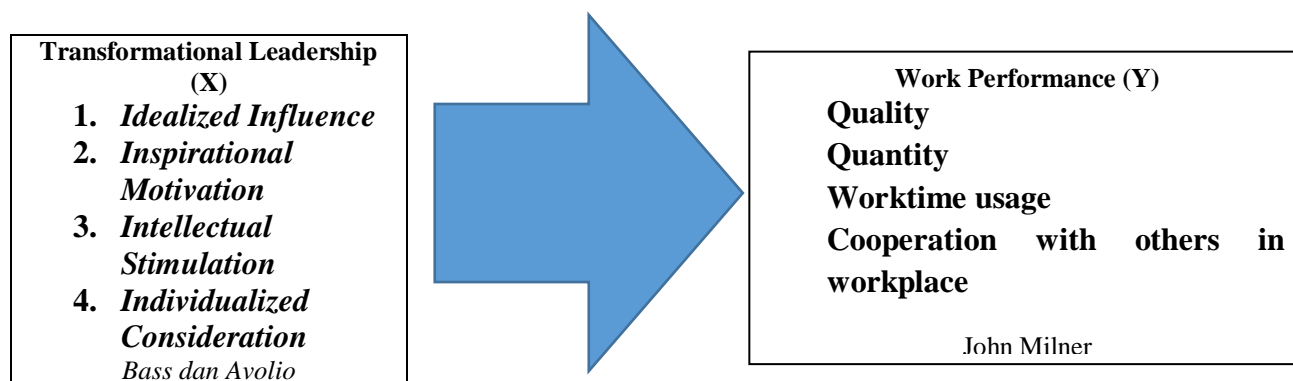Based on the description of the theories above, then made the frame of thought as follows:

Transformational Leadership (X)	Work Performance (Y)
1. *Idealized Influence* 2. *Inspirational Motivation* 3. *Intellectual Stimulation* 4. *Individualized Consideration* *Bass dan Avolio*	**Quality** **Quantity** **Worktime usage** **Cooperation with others in workplace** John Milner

Figure 1. Model hypotheses

Bangun (2012) argued that Which says that leadership styles applied by a leader can affect performance within an organization. This was also reinforced by previous research results from Yudha (2014), States that there is a relationship between transformational leadership to performance, where the transformational leadership dimension of idealized influence, inspirational motivation, and individual consideration has a positive and significant influence simultaneously on performance. Therefore, the hypothesis of this study is "Transformational Leadership Style Influence On Employee Performance On **PT. PLN Pekanbaru Rayon Panam.**"

III. METHODOLOGY

The approach used in this study is a causal quantitative method. The measurement scale used in this research is ordinal scale using Likert scale method. The population in this study are employees of PT. PLN Pekanbaru Rayon Panam. The employees taken as respondents were 38 persons. Sampling technique in this research is done by using *nonprobability sampling* as written in Sugiyono (2011: 66). *nonprobability sampling* is a sampling technique that does not provide equal opportunities/opportunities for each element or member of the population to be selected to be sampled. The *nonprobability sampling* technique is saturated sample. Saturated samples are sampling techniques when all members of the population are used as samples (Sugiyono, 2011:68). Thus, the number

of samples used for this study is the total population or number of employees PT. PLN Pekanbaru Rayon Panam were 38 employees.

Table 2

Operational Variables

Variables	Sub-Variables	Indicators	Items
Transformational Leadership (X) The effect of transformational leadership as leaders or superiors to subordinates. Subordinates feel the confidence, pride, loyalty, and respect to superiors, and they are motivated to perform beyond what is expected inside the work unit. *Source*: Bass & Avolio	Idealized Influence	The leader acts as a role model	1
		Acting by growing respect subordinate to himself/herself	2
		Consider the moral responsibility in making decisions	3
		Explaining the importance of work targets	4
		Giving priority to the common interest	5
	Inspirational Motivation	Talking about the organization's future with optimism	6
		The importance of the vision and mission of the organization	7
		Showed confidence that the work objective has been set to be achieved	8

		Provide support to subordinates on every task	9
		Specific rewards to subordinates	10
	Intelectual Stimulation	Providing a stimulus for creative thinking to subordinates	11
		Developing new ways to accomplish the task	12
		Provide incentives for innovative thinking to subordinates	13
		Invite subordinates to look at the problem from a different angle	14
		Encourage subordinates to be able to develop their intellectual ability	15
	Individualized Consideration	Provide training to subordinates	16
		Being able to recognize the character of subordinates	17
		Paying attention to employees	18

		Listen to any complaints by subordinates	19
		Being able to advise on any problems encountered	20
		Enrolling in decision-making	21
		Being able to listen and accept the opinion of subordinates	22
Work performance (Y) Explaining the error rate, the number of jobs generated, the time needed to complete the activity, and the ability to cooperate with others in accomplishing a group task. *Source*: John Milner	Quality	Meticulous in work	23
		Capable of work	24
		Finish the work well	25
	Quantity	Completing agreed number of jobs	26
	The use of the working time	Employee's rate of presence	27
		Punctuality	28
	Working in cooperation with others	Carry out the task with cooperation	29

Table 3
Validity Test

Sub Variables	Statement	r table	r calculation	Conclusion
(*Idealized Influence*)	1	0,361	0,514	Valid
	2	0,361	0,438	Valid
	3	0,361	0,606	Valid
	4	0,361	0,725	Valid

	Statement	r table	r calculation	Conclusion
	5	0,361	0,779	Valid
(*Inspirational Motivation*)	6	0,361	0,549	Valid
	7	0,361	0,463	Valid
	8	0,361	0,673	Valid
	9	0,361	0,829	Valid
	10	0,361	0,777	Valid
(*Intellectual Stimulation*)	11	0,361	0,741	Valid
	12	0,361	0,768	Valid
	13	0,361	0,721	Valid
	14	0,361	0,727	Valid
	15	0,361	0,817	Valid
(*Individual Consideration*)	16	0,361	0,845	Valid
	17	0,361	0,747	Valid
	18	0,361	0,741	Valid
	19	0,361	0,772	Valid
	20	0,361	0,601	Valid
	21	0,361	0,817	Valid
	22	0,361	0,770	Valid

Sub Variables	Statement	r table	r calculation	Conclusion
Employee performance	23	0,361	0,705	Valid
	24	0,361	0,720	Valid
	25	0,361	0,402	Valid
	26	0,361	0,634	Valid
	27	0,361	0,472	Valid
	28	0,361	0,505	Valid
	29	0,361	0,671	Valid

Table 4
reliability test

Variables	N (Sum Item)	*Cronbach Alpha* (α)	*Cronbach Alpha* (α) Variables	Conclusion
Transformational Leadership Style (X)	21	0,60	0,958	Reliable
Performance (Y)	7	0,60	0,802	Reliable

IV. RESULT AND DISCUSSION

Normality test to determine whether the dependent variable, independent or both normal distribution, close to normal or not. A good regression model should be normally distributed or near normal. Whether the data was normally distributed or not, can be known by describing the spread of data through the graph. If it spreads around the diagonal line and follows the direction of the diagonal line, the regression model satisfies the assumption of normality (Umar, 2008). This research uses graph method P-P plot with the help of SPSS software. We can see the result below:
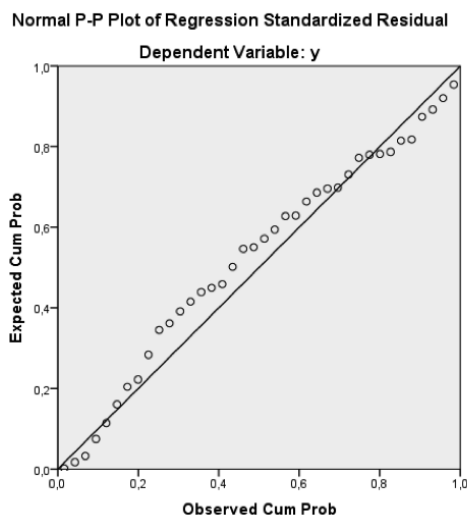

Figure 2 **Normal P-P Plot of Regression Standardized Residual**

According to Sunjoyo et al (2013), The heteroscedasticity test was performed to determine whether, in a regression model, the residual variant was not the same in all observations. A good regression model is no heteroscedasticity. The method used to test heteroscedasticity in this research is to see the scatterplot chart with the basis of the decision is as follows:
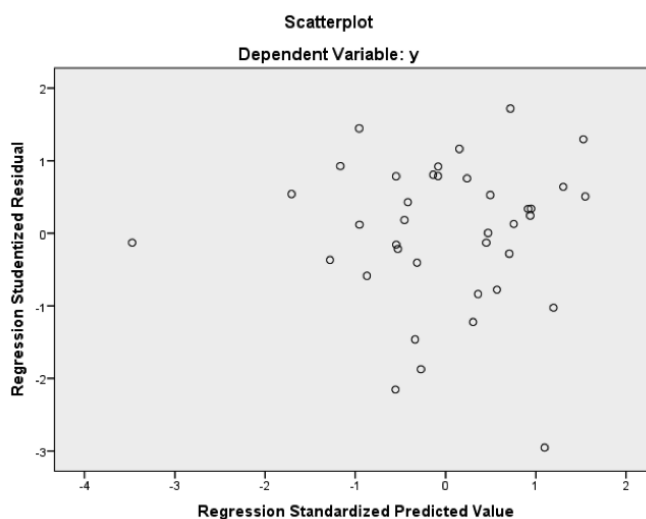

Figure 3 **Scatterplot**

1. When the distribution of data is scattered around the numbers 0 (zero) on the y-axis, Either above or below, there is no heteroscedasticity.
2. When the distribution of a pattern or trend of a particular line, then heteroscedasticity occurs.

Based on the analysis in Figure 4.8 above, it can be seen that the residual form of the points contained in the scatterplot graph spread without forming a particular pattern. Therefore, it can be seen that the scatter diagram does not form a certain pattern then the regression does not experience interference heteroscedasticity. Thus the data obtained is normally distributed and the data used in this study has passed the test in normality, which means that for the regression test to be performed by the researcher can be continued and has been eligible,

Table 5
Simple Regression test Result

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,994	,502		1,979	,056
	x	,579	,177	,478	3,266	,002

a. Dependent Variable: y

Data management is a simple linear regression, therefore obtained from the following equation:

Y = a+bX
Y = 0,994 + 0,579X

From the equation above can be obtained that, Constant value a (0,994) means that when the value of X (transformational leadership style) is 0 then the value of Y (performance) is 0,994, while regression coefficient of b (0,579) means that every one level of X goes up, then Y will also increase in the value of 0,579.

Table 6
T-Test Result

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,994	,502		1,979	,056
	x	,579	,177	,478	3,266	,002

a. Dependent Variable: y

According to the table above, it was found that t calculate value is 3,266. while t table for df=36 at significant value 5% or 0,05 is 1,688. Because t calculate (3,266) is bigger than t table (1,688), we can conclude that H0 is rejected (H1 is accepted). Overall, transformational leadership style has an influence on employee performance at PT PLN branch Pekanbaru Rayon Panam and the influence is significant. This is in accordance with the theory that has been proposed by John Milner in Sudarmanto (2011: 32) which explains that "leadership is a crucial dimension of competence on the performance or success of an organization." Employee conditions at PT PLN Pekanbaru Rayon Panam have great respect for their leaders because the leadership acts as an example in which it fosters employee respect for him, and this has an impact on the results of their performance.

Table 7

Determination Coefficient

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,478[a]	,229	,207	,3210982

a. Predictors: (Constant), x

b. Dependent Variable: y

The effect of transformational leadership style on employee performance of PT PLN branch amounted to Pekanbaru Rayon Panam is 22%. While the rest, which is 78% influenced by other variables outside this research. The high or low level of performance can be caused by several factors put forward by John Milner in Sudarmanto (2011:30) Namely job motivation, job satisfaction, job design, commitment, leadership participation, management functions, clarity of career direction, competence, organizational culture and many others. Thus the performance is not yet stable at PT PLN Pekanbaru Rayon Panam can be caused by other factors such as work motivation, job satisfaction, job design, commitment, management functions, career clarity, competence and organizational culture not discussed by the researcher.

IV. **CONCLUSION**

From the results of hypothesis testing that has been done by the researchers that H1 was accepted. This means that transformational leadership style has a positive influence on the performance of employees of PT PLN branch Pekanbaru Rayon Panam and the influence is significant.

Suggestions that can be submitted for further research is that the next researcher can test the influence and level of significance of other variables outside the transformational leadership style such as work motivation, job design, commitment, job satisfaction, compensation, organizational culture, etc. that can affect employee performance PT PLN Pekanbaru Rayon Panam.

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