

Transformational Leadership Style Effects on the Job Satisfaction of Government Employees

Muhammad Ikram Idrus^{*}, Djabir Hamzah^{**}, Haris Maupa^{**}, Mahlia Muis^{**}

^{*} Faculty of Economics and Business, University of Muhammadiyah Makassar

^{**} Faculty of Economics and Business, University of Hasanuddin Makassar

Abstract- This study aims to analyze and explain the effects of transformational leadership style on job satisfaction. Design / Methodology / Approach : Test models created and analyzed descriptively as well as Structural Equation Model. The method used is survey method with the participation of respondents were 341 local government employees. The results of research in tian indicate that there are effects of transformational leadership style on job satisfaction has a positive and significant, indicating that the transformational leadership style are enhanced quality will influence and improve employee satisfaction.

Index Terms- Transformational Leadership, Job Satisfaction, Local Government.

I. INTRODUCTION

Leadership is the most important competitive advantage of an organization (Gilley, McMillan & Gilley, 2009). Jones (2005) states that in case of dysfunctional leadership, the same as the dysfunctional organization. Al-Sawai (2013) said that the leadership initiatives related to refinement. Therefore, according to Roehl (2015), the current leadership has to be understood broadly as the leadership is now carried out through a system that is no longer on the leadership of a single individual. In addition, it is also able to adopt an approach that focuses on multi-role. The social, political and organization has also become very important in explaining the behavior of the leadership itself.

According to Chuang (2013), a number of organizations are facing an urgent need to develop leadership at all levels for the organization to operate in an environment increasingly dynamic and complex. Kotter (1995) complements that it is a challenge and the reason for including in the public sector organization to undergo a transformation. Rost (1991) said that, in this century we are in a competitive global environment and multicultural thus require a more rapid response to change in order to survive. People also often expect leaders to take responsibility for organizational transformation. Sekerka et al., (2009) argued that in order to confront these changes, the leadership must be aware of and prepare employees for a key component to the effectiveness of organizational change. Hillel (2006) and the Draft (2005) states that the change-oriented leadership style is characterized as transformational leadership style. Rex et al., (2012) defines transformational leadership as a leadership style that seeks to positively transform the followers and achieve the desired changes through strategy and organizational structure.

According Veiseh et al., (2014), as a new paradigm, transformational leadership had a remarkable influence on the

development of the organization's culture. Saskhin and Saskhin (2003) also stated that transformational leadership is a new paradigm that combines what is good from the old paradigm. Embry et al., (2008) see this time there is a shift of research and application of leadership theory, that of leadership transactional to transformational leadership, because of the many results of the research showed that transformational leadership is more effective than transactional leadership.

The model of transformational leadership is an expansion of transactional leadership conducted by Bass (1985) and has been further refined by Bass and Avolio (1994). Transactional and transformational leadership model originally developed by James MacGregor Burns (1978), and transformational leadership were first distinguished from transactional leadership is by Downton (1973). Both models of leadership is different but it is not a process that is equally exclusive.

According to the authors, none of the right type of leadership to the management of an organization, but transformational leadership itself is the latest model, popular and practiced. According to Van der Voet (2013), the use of transformational leadership style than in the private sector, has also been tried even has penetrated into the nonprofit sector, such as the government sector. Metcalfe and Metcalfe (2006) confirm that the frequency of the theory of transformational leadership is used in research in the public sector was also caused by the many weaknesses that are on the three bow great leadership theory and the theory of transactional leadership before, so that these theories have been regarded as a paradigm obsolete (old paradigm) in research in the public sector. According to Tucci (2008), some important characteristics of leadership in the public sector, one of them is doing a shift from transactions to transform in order to avoid a narrow focus and only transaction-oriented individual.

This indicates that the transformation of leadership in the public sector is an important factor in order to form a better government (Schacter, 2000; Van der Voet, 2013), including changes in the orientation of human resource management in the ranks of public bureaucracy to realize the ideals of good governance (Sutiono & Sulistiyani, 2011). The author argues, public services become one of the important issues in the reform of public administration in various countries, as well as to the context of contemporary Indonesia.

According Tjiptono (2007), to adapt to globalization, the Indonesian government should improve the structure of the bureaucracy, improving the quality of government employees, and develop a modern and efficient system. The development of human resources will improve the quality of services provided to citizens. Currently, the main task is significant in Indonesia as a

country that is facing a variety of new developments such as democratization and decentralization. The study results Basri and Nabihah (2014), said there were concerns about government organizations, especially local government, namely the lack of accountability, one care of her resources, inefficiency and ineffectiveness of institutions. Muhlis (2014) states that one of the problems faced by local governments in Indonesia are ineffective leadership and poor employee performance in producing outputs or targeted results.

In connection with these problems, then in addition to the issue of leadership, as well their insistence to evaluate human resource management and performance of public sector personnel (Sutiono & Sulistiyani, 2011). Individual performance is strongly influenced by the knowledge, abilities, skills, and expectations (Widodo, 2005). Associated with the hope one of them is a matter of job satisfaction. Spector (1997) states that an important reason why job satisfaction should be given greater attention is because this variable to some extent a reflection of the attention was good, where people deserve to be treated fairly and respected.

Therefore, this study linking factor transformational leadership and job satisfaction. This study is based on the addition to the issue of public sector officials, also a number of previous studies, ie for example by Jaussi and Dionne (2004), said that leaders play an important role towards employee satisfaction; Judge and Locke (1993), said that the leadership style is one of the determinants of job satisfaction; then Seltzer and Bass (1990) also showed a significant relationship between transformational leadership and effectiveness of job satisfaction of subordinates.

Based on the importance of employee satisfaction in relation to the transformational leadership style, the study aims to determine empirically the relationship or influence on the perception of transformational leadership style on job satisfaction of employees. The problem is whether transformational leadership style can give a positive effect to the job satisfaction of personnel in public sector organizations? It will be proved by testing the hypothesis about the presence or absence of a positive and significant influence on the effect of transformational leadership style on job satisfaction of local government officials. In this regard, local government organizations have Maros, South Sulawesi Province, Republic of Indonesia, to be subjected to research.

II. RESEARCH METHODOLOGY

1. Design Research

This study examines the type descriptive causal relationships between variables that focuses on the study of transformational leadership style and job satisfaction, which is directed to describe the characteristics of the proposed variables related to the phenomenon that occurs in fact based on the perceptions of employees through a survey method.

2. Population and Sample

The study population was a civil servant in the scope of the Regional Government of Maros, South Sulawesi province. Simple sampling using Proportional Random Sampling method.

The number of respondents who participated were as many as 341 people.

3. Engineering and Design Data Collection Data Analysis

Search data is collected through technical documentation, observations, questionnaires and interviews. Quantitative data were analyzed by descriptive (describing the results of respondents' assessment of the appropriate variables are considered), and analysis of Structural Equation Modeling (SEM) that integrates multiple analysis formulation approach, namely: factor analysis, the model structure and path analysis.

III. RESULTS

1. Testing research instruments and the characteristics of the respondent.

Through testing research instruments, showed that the two variables, transformational leadership and job satisfaction are valid (have the corrected item values greater than 0.50), and reliable (Cronbach Alpha uses the standard 0.60). Characteristics of respondents consisted of several categories among other age categories shows that respondents aged over 31 years, and the participation of women is greater than men to fill out a questionnaire research and quadruple mass employment in over 10 years and held the position of structural began lowest to highest.

2. Analysis of Research Variables Description

Transformational Leadership : the results of the frequency response of respondents regarding the perception of charisma attributes indicators show leadership have good managerial abilities; inspirational motivation assess the leadership has been instrumental in grow and develop innovation and creativity of employees; intellectual stimulation showed leadership always provide ideas, innovative ideas and suggestions; individualized consideration, assess the leadership can be a good adviser; and idealized influence show leadership always stressed the importance of commitment to the organization.

Job Satisfaction : the indicators of correspondence between the work and personality, shows that the profession as an employee in accordance with the personality of the respondents; perceptions of respondents about the incentive indicators assessing pension / retirement as a civil servant has been according to expectations; monitoring indicators showed leadership has directed his attention in anticipation of not fulfilling the employee; perceptions of respondents on indicators colleagues considered that a co-worker in the organization of mutual support in every activity.

3. Factor Analysis

Computational results indicate that the goodness of fit criteria put forward as a condition fit a model has been fulfilled and declared fit / good for both variables. Means, the proposed model is a model of end of transformational leadership and job satisfaction so that the model used in further analysis, namely, first comparing the cut-off value of the result estimation model, and the results have been eligible goodness of fit, so it can be assumed that the model confirmatory factor analysis variables of transformational leadership and job satisfaction is expressed

well. Second, these results are evaluated to determine which variables Observe used together can describe each variable.

The results indicate that all the variables that make up Observe variables of transformational leadership and job satisfaction all otherwise valid with an adequate level of internal consistency. Then the confirmatory test results showed that transformational leadership as an indicator of intellectual stimulation Observe the dominant variable, while on job

satisfaction shows that the indicator Observe incentives as the dominant variable.

The model that has been qualified goodness of fit further evaluated to determine whether the variable Observe used together can describe the variables of transformational leadership and job satisfaction. Let us look at the following table.

Table 1. Evaluation of Loading Factor (λ)

Constructs	Indicator	Loading Factor (λ)	Reliability Construct
Transformational leadership	<i>Atributed charisma</i>	0.683	0.975
	<i>Inspirational motivation</i>	0.806	
	<i>Intellectual stimulation</i>	0.813	
	<i>Individualized consideration</i>	0.784	
	<i>Idealized influence</i>	0.619	
Job satisfaction	Conformity Between Work and Personality	0.751	0.976
	Incentive	0.789	
	Supervision	0.745	
	Co-workers	0.761	

Source: Sports Results Data (2015)

Are shown in Table 1, the value of the loading factor was ≥ 0.40 , means the better to describe the variables of transformational leadership and job satisfaction.

4. Full Analysis Model

For the determination of value in the model, then the model testing variables grouped into exogenous variables (transformational leadership/X) and endogenous variables (job satisfaction / Y). Exogenous variables is a variable whose value is determined outside the model, while the endogenous variable is a variable whose value is determined by an equation or model-established relationships. Structural model is said to be good if in the development of hypothetical model theoretically supported by empirical data.

After the evaluation criteria against which the suitability index models and the model was said to be fit, will next be seen how far the causal relationship developed in the hypothesis on the model, which was tested by t test (critical ratio). Table 2 shows the values of the regression coefficient (regression wight estimate) and the critical ratio (t). The hypothesis will be accepted if the critical ratio (t) is greater than 1.960 or p value ≤ 0.05 .

Structural Equation Modeling analysis model proposed in this study include a direct influence paths between the latent variables (exogenous) and latent variables (endogenous). The estimation results of the model can be seen in the picture below.

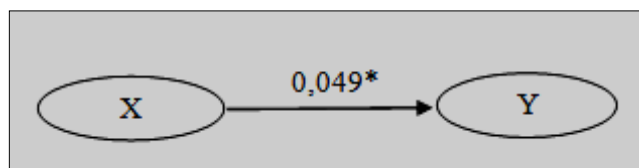


Figure 1. Results of the research model estimation

Note: * = significance at the level of < 0.05

Based on Figure 1, then analyzed the functional relationship between exogenous and endogenous variables, and

computational results obtained coefficient values are compiled in Table 2.

Table 2. Variable Significance Testing

Independent variables	Dependent variables	Direct Effect			
		Standardized	Critical Ratio	P-Value	Information
Transformational leadership	Job satisfaction	0.296	1.966	0.049	hypothesis Accepted

Source: *Sports Results Data (2015)*

Based on analysis of the influence between variables in Table 2, it was explained that transformational leadership variable significant effect on job satisfaction of local government employees. This is interpreted as the impact of the transformational leadership also affects employee satisfaction.

IV. DISCUSSION

Based on the analysis of data, all indicators of the variables of transformational leadership and job satisfaction declared valid and reliable from whole grains statements or the factor analysis. The coefficient of transformational leadership variable effect on job satisfaction shows there is a positive and significant impact. Transformational leadership that improved quality will influence and improve employee satisfaction.

Testing instrument research on transformational leadership variable in charisma attributes indicators show that the "leadership is a fun person" has a high validity rate compared with the statement "the leadership has excellent managerial ability" and "leadership is able to be fair". This implies that the leader's personality becomes an important aspect as the manifestation of leadership charisma. Variable transformational leadership on indicators of inspirational motivation indicates that the statement "the leadership is able to raise the morale" has a level of high validity compared with the statement "leaders foster innovation and creativity of employees" and "leadership capable of increasing enthusiasm", it implies that employee morale tends to be determined by the ability of its leaders.

Description of transformational leadership variable revealed that the indicators charisma attributes rated well by the respondents, it is shown by the attitude of the respondents who agree if the leader has a fun person; leadership have excellent managerial ability; as well as leaders have a fair attitude. Indicators inspirational motivation rated well by the respondents, it is shown by the attitude of the respondents who agree if leaders foster innovation and creativity of employees; leadership capable of stimulating employment; as well as leaders able to raise the enthusiasm of government staff.

Intellectual stimulation becomes an important indicator of a role in shaping the construct of transformational leadership. Means, transformational leadership qualities on the organization of local government is determined by the attitude of the leadership can deliver a good idea, leadership can provide innovative input, and leaders have high creativity. This result confirms that the importance of ideas, innovative and creative attitude possessed by any leader at all levels of structural.

Statistical value of the coefficient of transformational leadership showed positive and significant impact on job satisfaction. Studies conducted in the public sector and Hussin Omar (2013), Atmojo (2012) and Bushra et al., (2011) reinforce the results of this study that the transformational leadership determine the level of job satisfaction. Riaz and Haider (2010); Long et al (2104); and Voon et al., (2011), each employee satisfaction research results explain the impact of transformational leadership style.

V. THEORY AND PRACTICE IMPLICATIONS

The results of this research complements studies theories that reveal the relationship between transformational leadership and job satisfaction. This study proves that the hypothesis is accepted through testing between these variables, shows the importance of the type of transformational leadership in the organization of local government as an effort to increase job satisfaction. To that end, it is necessary to make sure that the individual judgment of the leaders to get support from employees in order to improve performance and efficiency.

VI. CONCLUSION

Transformational leadership showed positive and significant impact on job satisfaction. Testing instrument research on transformational leadership variable implies that the personality of leaders is an important aspect as the manifestation of leadership charisma.

REFERENCES

- [1] Al-Sawai, A. 2013. Leadership of Healthcare Professionals: Where Do We Stand? *Oman Medical Journal*. Jul; 28(4): 285–287.
- [2] Atmojo, M. 2012. The Influence of Transformational Leadership on Job Satisfaction, Organizational Commitment, and Employee Performance. *International Research Journal of Business Studies*. Vol. 5, No. 2.
- [3] Basri, H, and Nabiha, A.K.S. 2014. Accountability Of Local Government: The Case Of Aceh Province, Indonesia. *Asia Pacific Journal of Accounting and Finance* Volume 3 (1), December, Pp 1-14.
- [4] Bass, B. M. 1985. *Leadership And Performance Beyond Expectations*. New York, NY: The Free Press.
- [5] Bass, B. M., & Avolio, B. J., 1994. *Improving Organizational Effectiveness Through Transformational Leadership*. Thousand Oaks, CA: Sage Publications.
- [6] Bushra, F., Usman, A. and Naveed, A., 2011. Effect Of Transformational Leadership On Employees, Job Satisfaction And Organizational Commitment In Banking Sector Of Lahore. *International Journal of Business and Social Science*, vol.2 (18).
- [7] Chuang, S. F., 2013. Essential Skills For Leadership Effectiveness In Diverse Workplace Development. *Journal for Workforce Education and Development*, Volume 6, Issue 1, Pp. 1-23.

- [8] Daft, R. L., 2005. *The Leadership Experience*. 3rd ed., Mason, OH: Thomson/South-Western.
- [9] Embry, A., Radgett, M. Y., Caldwell, C. B., 2008. Can Leader Step Outside of The Gender Box? An Examination of Leadership Gender Role Stereotypes, *Journal of Leadership*, Vol. 15, No. 1: 30-45.
- [10] Gilley, A., McMillan, H. S., & Gilley, J. W., 2009. Organizational Change And Characteristics Of Leadership Effectiveness. *Journal of Leadership & Organisational Studies*, 16 (1), 38-47.
- [11] Hackman, J.R., & Oldham, G.R. 1975. Development of the Job Diagnostic Survey. *Journal of Applied Psychology*, pp. 161.
- [12] Herzberg, F., 1996. *Work and the Nature of Man*. Cleveland, World Publishing Company.
- [13] Hillel, S., 2006. Leadership Styles and Leadership Change in Human and Community Service Organizations. *Nonprofit Leadership and Management*, 17(2), 179-194.
- [14] Jaussi, K. S., & Dionne, S. D., 2004. Unconventional Leader Behavior, Subordinate Satisfaction, Effort and Perception Leader. *Journal of Leadership and Organizational Studies*, 10, 15-26.
- [15] Judge, T. A., & Lanen, R.J., 2001. Dispositional Affect And Job Satisfaction: A Review And Theoretical Extension, *Organizational Behavior and Human Decision Processes*, 8, 6, pp. 67.
- [16] Judge, T. A., & Locke, E. A. (1993). Effect Of Dysfunctional Thought Processes On Subjective Well-Being And Job Satisfaction. *Journal Of Applied Psychology*, 78, 47-490.
- [17] Jones, M., 2005. Dysfunctional Leadership And Dysfunctional Organization. *Executive Journal, International Institute of Management*, January 3.
- [18] Kotter, J. P., 1995. Leading Change: Why Transformation Efforts Fail. *Harvard Business Review*, 73 (2), 59-67.
- [19] Long, C.S., Yusof, W.M.M., Kowang, T.O., Heng, L.H. 2014. The Impact of Transformational Leadership Style on Job Satisfaction. *World Applied Sciences Journal* 29 (1).
- [20] Muhlis, H. 2014. Leadership And Performance Of Provincial Government Employee Of South Sulawesi, Indonesia: The Influence Of Work Capability, Motivation And Behavior Relationship. *Journal Of Management Policies And Practices* March 2014, Vol. 2, No. 1, Pp. 97-118 Issn: 2333-6048. American Research Institute For Policy Development 42 Monticello Street, New York, Ny 12701, Usa.
- [21] Riaz, A., and Haider, M.H. 2010. Role Of Transformational And Transactional Leadership On Job Satisfaction And Career Satisfaction. *BEH-Business and Economic Horizons*. Vol. 1, Iss 1.
- [22] Roehl, H., 2015. A Culture of Successful Leaders. In: *in Search of Leadership – A Critical Requirement for Governance, Social Cohesion and Competitiveness ?*. Gütersloh.
- [23] Rost, J. C. 1991. *Leadership for the Twenty-First Century*. Praeger, New York.
- [24] Sashkin, M., & Sashkin, M. G., 2003. *Leadership That Matters: The Critical Factors for Making a Difference in People's Lives and Organizations' Success*. 1st Edition, San Francisco, CA: Berrett-Koehler Publishers, Inc.
- [25] Schacter, M. 2000. *Public Sector Reform in Developing Countries. Issues, Lessons and Future Directions*. Policy Branch Canadian International Development Agency. Institute On Governance Ottawa, Canada.
- [26] Sekerka, L. E., Zolin, R., & Smith, J. G., 2009. Be Careful What You Ask For: How Inquiry Strategy Influences Readiness Mode. *Organization Management Journal*, Volume 6, Issue 2, pages 106-122.
- [27] Seltzer, J., & Bass, B. M. 1990. Transformational Leadership: Beyond Initiation And Consideration. *Journal of Management*, 16(4), 693-703.
- [28] Spector, P.E., 1997. *Job Satisfaction: Application, Assessment, Cause, and Consequences*. Thousand Oaks: Sage Publications, Inc.
- [29] Sutiono, A. & Sulistiyani, A. T. 2011. *Sumber Daya Manusia Aparatur Pemerintah Dalam Birokrasi Publik Di Indonesia. Memahami Good Governance Dalam Perpektif Sumber Daya Manusia*. Revised edition. Published: Gava Media, Yogyakarta.
- [30] Tjiptono, Fandy., 2007. *Service, Quality and Satisfactions*, Second Edition, Published : Andi, Yogyakarta.
- [31] Tucci, M., 2008. Effective Leadership In Government. *Journal for Quality & Participation*, 31(1), 31-32.
- [32] Van der Voet, J. 2013. The Effectiveness And Specificity Of Change Management In A Public Organization: Transformational Leadership And A Bureaucratic Organizational Structure. *European Management Journal*. Pp 1-10.
- [33] Veisih, S., Mohammadi, E., Pirzadian, M., & Sharafi, V., 2014 . The Relation between Transformational Leadership and Organizational Culture (Case study: Medical school of Ilam). *Journal of Business Studies Quarterly*, Volume 5, Number 3 ISSN 2152-1034.
- [34] Voon, M. M., Lo, M. C., Ngui, K.S., and Ayob, N.B., 2011. The Influence Of Leadership Styles On Employees' Job Satisfaction In Public Sector Organizations In Malaysia. *International Journal of Business, Management and Social Sciences*, Vol. 2, No. 1, 2011, pp. 24-32.
- [35] Widodo, J., 2005. *Membangun Birokrasi Berbasis Kinerja*. 1st ed, Published : Bayumedia, Malang.

AUTHORS

First Author – Muhammad Ikram Idrus : Faculty of Economics and Business, University of Muhammadiyah Makassar. Email : ikram.idrus@yahoo.co.id
Second Author – Djabir Hamzah : Faculty of Economics and Business, University of Hasanuddin Makassar
Third Author – Haris Maupa: Faculty of Economics and Business, University of Hasanuddin Makassar
Fourth Author – Mahlia Muis: Faculty of Economics and Business, University of Hasanuddin Makassar