

TRANSACTIONAL LEADERSHIP STYLES ON EMPLOYEE PERFORMANCE

Enjang Kusnadi

STISIP Widyapuri Mandiri Sukabumi

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E-mail:

enzie.zail@gmail.com

ABSTRACT

This study tries to evaluate whether or not transformational and transactional leadership styles have a partial or simultaneous effect on employee performance. In this study, the population consisted of 175 employees, and a sample was drawn using the Slovin formula. The method of research employed is descriptive verification with a quantitative approach, and the primary and secondary data sources employed are primary and secondary data, respectively. Descriptive statistics, validity tests, reliability tests, correlation tests, and hypothesis testing including the multiple linear regression test, the t test, the f test, and the coefficient of determination test are employed (R²). This investigation was conducted on AL Islah Education Foundation employees in Jakarta. The employee performance is influenced by the outcomes of the partial test for transformational leadership style variables. Then, the partial test (t test) results for the transactional leadership style variable have an effect on employee performance. In addition, the findings of the simultaneous test (F test) indicate that both transformational and transactional leadership styles have a favorable and statistically significant impact on employee performance. Knowing that the coefficient of determination (r²) is 0.63, the contribution of transformational leadership style and transactional leadership style to employee performance is 63%, while the remaining 37% is influenced by variables outside the scope of this study.

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1. INTRODUCTION

Management is the art of getting things done by organizing people and other assets to achieve shared objectives. It will be simple to reach the company's, the employees', and the community's goals if the management is competent (Susan, 2019). An organization or business requires the practice of management science so that its leaders may steer operations in the most productive and fruitful directions (Riniwati, 2016; Achmad, 2021).

Human resource management is a subfield of management that plays a crucial role in modern businesses (HRM). Human resource management (HRM) is a discipline that focuses on optimizing the utilization of an organization's most valuable asset: its people (Darim, 2020). Human Resource Management is the study of how people interact with one another and with their superiors and subordinates in businesses and other organizations. The (Handoko, 2013)

An employee's performance is the end result of the quality and amount of work he or she does while working within the scope of their assigned tasks. Success in a performance can be measured in both quantitative and qualitative ways (Mangkunegara, 2009). The way leaders steer their teams can have a significant impact on employee performance (Rohaeni, 2016).

According to the definition provided by Murtiningsih et al. (2017), leadership is the capacity to inspire and empower others to contribute their full potential to the success of an organization. A good leader is someone who inspires his or her team members and fosters an environment where they can reach their full potential in their jobs. And encourage his employees to carry out tasks in accordance with his directives by providing them with rewards

(Pramudyo, 2013). The leader's ability to adopt a leadership style that resonates with and inspires his followers is crucial, as is the development of a mutually beneficial rapport between the leader and his followers. In order to boost efficiency and accomplish the group's objectives (Sulaksono, 2015).

Transformational and transactional leadership is very important needed by every organization. In practice they cannot be strictly separated. A leader can mix the two leadership styles according to their needs and environment (Tondok & Andarika, 2004). Organizations need the vision, drive, and commitment formed by transformational leaders. (Handoko & Tjiptono, 1996). Meanwhile organizations also need transactional leaders who can provide direction, focus on things that are detailed, and explain the expected behavior (Sahir et al, 2022; Achmad, 2022).

The AL Islah Education Foundation is the attraction, namely in terms of improving performance, which is a star rating criterion, every employee, teacher, or other staff who gets a star according to the assessment criteria will get a reward. Employees who violate the rules will be penalized. This is one of the motivations for the employees of the AL Islah Education Foundation to carry out their duties in creating a foundation that can be competitive with its superior programs and of course through optimal performance from its employees. This is directly proportional to one of the criteria for transactional leadership style to provide *reward* and *punishment* to improve employee performance .

2. LITERATURE REVIEW

Bass and Riggio (2008) define transformational leaders as those who motivate subordinates to sacrifice their own self-interests for the greater good of the organization. Inspiring leaders According to Leithwood and Jantzi (2005), transformational leaders are those who work to improve their followers' futures by altering their present-day values, beliefs, attitudes, behaviors, emotions, and needs. A transformative leader, as described by Yukl (2010), exhibits the following four traits: idealized influence; customized consideration; inspirational motivation; and intellectual stimulation.

Transactional leadership theory recognizes the nature of leadership with a reciprocal deterministic relationship. (Narsa, 2012; Freddy et al., 2022). Leaders and subordinates are seen as agents who make deals and manage relative strengths in a mutually beneficial exchange process. Humphreys (2001) states that there are two characteristics that make up transactional leadership, namely: *contingent reward* which illustrates that the payment system is commonly used as an arrangement to influence where there is an explicit and implicit agreement on the goals to be achieved in order to get a desired award. *Management by exception* , which means how the leader monitors negative deviations or violations committed by subordinates and takes corrective action if subordinates feel they have failed to achieve the goals that have been set.

According to Mangkunegara (2009), performance is derived from the words job performance or actual performance (work achievement or actual achievement achieved by someone), and employee performance (work performance) is the result of work in quality and quantity accomplished by an employee in carrying out tasks in accordance with the responsibilities assigned to him. Performance is the comparison of a person's work to a predefined goal. The variables influencing employee performance (Mangkunegara, 2009; Ilhami et al., 2022). Performance is the product of quality work and the quality an employee achieves in carrying out his obligations in accordance with his assigned responsibilities. The factors consist of:

- a. Psychological ability factor, employee ability consists of IQ potential ability and *reality ability*.
- b. Motivation Factor, Motivation is formed from the attitude of an employee in dealing with work situations.

To measure the performance of employees individually, there are several indicators used according to Mangkunegara (2009), the performance indicators are:

- a. Output Quantity, that " *Quantity* is any form of unit of measure related to the amount of work and is expressed in the size of numbers or which can be matched with numbers.
- b. Output Quality, that " *Quality* (Quality) is all forms of measurement related to quality or the extent to which an employee in carrying out and producing his duties includes accuracy, completeness and neatness".
- c. Output Period, that "this punctuality relates to the completion of tasks (work) in accordance with the allotted time".
- d. Attendance at work, that attendance at work is the level of intensity of employees in the time discipline given to them by the organization in a predetermined work environment, such as coming to work and utilizing rest time as effectively as possible.
- e. Cooperative Attitude, that cooperative attitude (cooperation) is defined as the willingness or ability of employees to cooperate with co-workers, superiors, subordinates in their work units and other companies in completing a specified task and responsibility, so as to achieve maximum efficiency and effectiveness. .

3. METHOD

This study employs a descriptive verification method with a quantitative approach. Using the research method, a substantial relationship between the variables researched will be determined, allowing for conclusions that clarify the description of the object under investigation. In this study, the population consists of 175 employees of the AL Islah Jakarta Education Foundation, and the sample size is 64. This study's sample was determined by the use of probability sampling with a random sample technique, in which members of the population were selected at random. Results can evenly represent the population's features so that the results can be extended to the entire population (Sugiyono, 2001 2).

This research is a field study that was done by interviewing respondents directly. The research equipment utilized included measuring instruments for the work environment, instruments for motivation, instruments for self-efficacy, and instruments for performance. On a five-point Likert scale, work environment variables, motivation, self-efficacy, and performance were measured. Multiple regression analysis utilizing a statistical tool was employed to analyze the data for this investigation (SPSS). This research employs the validity test, the reliability test, and the correlation test. To examine the hypothesis using the t test, the F test, and the determination test (R^2).

4. RESULTS AND DISCUSSION

1. Analysis of Respondents Characteristics

Table 1 characteristics of respondents by gender

| No | Gender | Amount | Percentage |
|--------------|--------|-----------|-------------|
| 1. | Man | 37 | 57.8% |
| 2. | Woman | 27 | 42.2% |
| Total | | 64 | 100% |

Source : Edited by author 20 20 .

Table 1 shows that the gender of the AL Islah Education Foundation employees is 37 people (57.8%), and 27 women (42.2%). This shows that the employees of the AL Islah Education Foundation who filled out the questionnaire were dominated by male employees.

Table 2 Characteristics of Respondents Based on Age

| No | Age | Amount | Percentage |
|--------------|-------|-----------|-------------|
| 1. | 20-25 | 9 | 14.2% |
| 2. | 26-35 | 14 | 22% |
| 3. | 36-40 | 15 | 23.6% |
| 4. | >40 | 26 | 40.2% |
| Total | | 64 | 100% |

Source: Processed by the author 2020

Table 2 shows that the characteristics of respondents aged 20-25 are 9 people (14.2%), aged 26-35 are 14 people (22%), aged 36-40 are 15 people (23.6%), aged >40 were 26 people (40.2%). This shows that the employees of the AL Islah Education Foundation who filled out the questionnaire were dominated by employees aged >40 years. This shows that the employees of the AL Islah Education Foundation who filled out the questionnaire were dominated by employees aged >40 years.

Table 3 Characteristics of Respondents Based on Last Education

| No | Education Final | Amount | Percentage |
|--------------|-----------------|-----------|-------------|
| 1. | high school | 4 | 6.3% |
| 2. | DIPLOMA | 17 | 26.6% |
| 3. | S1 | 25 | 39.1% |
| 4. | S2 | 16 | 25% |
| 5. | S3 | 2 | 3% |
| Total | | 64 | 100% |

Source: Processed by the author 2020

In table 3, the characteristics of respondents based on their latest education show that there are 4 people with high school education (6.3%), 17 people with Diploma in Education (26.6%), with S1 education totaling 24 people (39.1%) There are 16 masters (25%), who have doctoral education, 2 people (3%). This shows that the employees of the AL Islah Education Foundation who filled out the questionnaire were dominated by employees with an S1 education.

Table 4 Characteristics of respondents based on work experience

| No. | Work experience | Amount | Percentage |
|--------------|-----------------|-----------|-------------|
| 1. | 3-5 | 17 | 27% |
| 2. | 6-10 | 11 | 17% |
| 3. | >10 | 36 | 56% |
| Total | | 64 | 100% |

Source: Processed by the author 2020.

In table 4 the characteristics of respondents based on work experience show that 3-5 years of work experience are 17 people (29%), with 6-10 years of work experience are 11 people (17%), with work experience > 10 years totaling 36 people. (56%). This shows that employees who fill out the questionnaire are dominated by work experience > 10 years.

2. Hypothesis Test Results

t test (Partial)

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Table 5 Results of Partial t-Test Data Processing

| Coefficients ^a | | | | | | |
|---------------------------|------------|-----------------------------|------------|---------------------------|-------|------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 29,474 | 5.345 | | 5.515 | .000 |
| | x1 | .043 | .106 | .044 | .404 | .688 |
| | x2 | .677 | .136 | .547 | 4.977 | .000 |
| a. Dependent Variable: y | | | | | | |

Source: Processed by Researchers 2020

Based on table 5 above, the transformational leadership style variable (X1) has a significance value of 0.688 > 0.05 on employee performance in the coefficient column, then the hypothesis H1 is rejected. Provided that the level of significance *level of significance* is 5% or $\alpha = 0.05$. The degree of freedom or $DF = nk - 1$ or $64 - 2 - 1 = 61$, then the t table is 1.999. variable X1 has t count 0.404 and t table 1.999 means t count < t table. Thus, it can be concluded that the transformational leadership style has no significant effect on employee performance at the AL Islah Education Foundation

Based on the table above, the transactional leadership style variable has a significance value of 0.000 < 0.05 on employee performance in the coefficient column, so hypothesis H2 is accepted. Provided that the level of significance *level of significance* is 5% or $\alpha = 0.05$ Degree of freedom or $DF = nk - 1$ or $64 - 2 - 1 = 61$, the t table is 1.999. Variable X2 has t count 4.977 and t table 1.999 means t count > t table. Thus, it can be concluded that the transactional leadership style has a positive and significant effect on employee performance at the Al-Islah Education Foundation.

F test (Simultaneous)

Table 6 F Test Data Processing Results

| ANOVA ^a | | | | | | |
|-----------------------------------|------------|----------------|----|-------------|-------|-------------------|
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 259,618 | 2 | 129,809 | 9,863 | .000 ^b |
| | Residual | 802.867 | 61 | 13,162 | | |
| | Total | 1062,484 | 63 | | | |
| a. Dependent Variable: y | | | | | | |
| b. Predictors: (Constant), x2, x1 | | | | | | |

Source: Processed by 2019 Researchers.

Based on the table above, it can be seen that the significance value of 0.000 is less than 0.05, so the transformational and transactional leadership styles simultaneously have a significant effect on employee performance. The f_{table} value is 3.15, so the calculated f value for the two variables of transformational leadership style, transactional on employee performance is 9.863. When compared with f_{table} then $f_{count} > f_{table}$. It means H3 is accepted

Determination Test

The results of data processing using SPSS 25 software are presented in the following table:

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Table 7 Determination Test Data Processing Results

| Model Summary | | | | |
|---------------|-------------------|----------|-------------------|----------------------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .774 ^a | .630 | .502 | 4.279 |

a. Predictors: (Constant), x2, x1

Source: Processed by the author 2019.

Based on the table above, the *Summary Model* shows that the magnitude of the influence between the variables of transformational leadership style, transactional simultaneously on employee performance calculated by the correlation coefficient is 0.630. This shows a high influence while the contribution of transformational leadership style variables together (simultaneously) transactional on employee performance or coefficient of determination = 63% While the remaining 37% is influenced by other variables not examined by researchers.

Discussion

The Influence of Transformational Leadership Style on Employee Performance

Based on the results of research conducted with partial tests, it is known that the influence of transformational leadership style on employee performance is obtained t count for the transformational leadership style dimension is 404 with t table 1.999, so t count < t table and obtained a significance value of 0.688 > 0.05. So it can be concluded that the X1 variable, namely the transformational leadership style has a positive influence on Y, namely the performance of the employees of the AL Islah Jakarta Education Foundation.

According to Rivai, et al (2013). " Transformational leadership is a type of leadership that blends or motivates their followers in the direction of established goals by clarifying roles and task guidelines". The transformational leadership style in this study has no positive and significant effect on employee performance. Transformational leadership style seems to be owned by the leadership of the AL Islah Education Foundation even though it has a low contribution to employee performance. But it explains that his desire to give the best and develop the organization is not due to pressure or obligation, but a desire that arises from within the leader. Working as a leader is a very big mandate in developing the organization that houses it.

The Effect of Transactional Leadership Style on Employee Performance

Based on the results of research conducted with a partial test, it is known that the effect of transactional leadership style on employee performance is obtained t count for the dimensions of transformational leadership style is 4.977 with t table 1.999 so t count > t table and obtained a significance value of 0.000 < 0.05. So it can be concluded that the X2 variable, namely the transactional leadership style, has a positive influence on the Y variable, namely the performance of the employees of the AL Islah Jakarta Education Foundation.

Burns in Ali, Babar and Bangas (2011) transactional leadership is known as a reciprocal relationship that exists between followers and leaders in which followers get prestige and salaries because they are in line with the expectations and goals of their leaders. So it can be concluded that transactional has a very important effect on employee performance because every employee must always be given a salary to support his life and is a reciprocal for the work done by the employee.

The influence of transactional leadership on employee performance identifies that a leader must have a reciprocal sense of what employees do and always give rewards or rewards to employees who are always disciplined in carrying out their duties and that is one of the obligations of a leader.

The Influence of Simultaneous Transformational and Transactional Leadership Styles on Employee Performance

Based on the results of the research that has been done, namely the influence of transformational and transactional leadership styles on employee performance, it is obtained that the F count for the regression model used is 9.863 while the F table results are 3.15, then if $F_{\text{count}} < F_{\text{table}}$ then Hypothesis H3 is rejected. And vice versa, if $F_{\text{count}} > F_{\text{table}}$, which is $9.863 > 3.15$, which means that Hypothesis H3 is accepted or transformational and transactional leadership styles together or simultaneously have a positive effect on employee performance. According to Mangkunegara Prabu Anwar (2016) the factors that affect employee performance are the psychological ability factor and the motivational factor.

According to the description above, transformational and transactional leadership style variables have a positive relationship or influence on employee performance. According to Rivai, et al (2013) "Transformational leadership is a type of leadership that integrates or motivates their followers in the direction of established goals by clarifying roles and task demands". According to Burns in Ali, Babar and Bangash (2011) transactional leadership is known as a reciprocal relationship that exists between followers and leaders in which followers get prestige and salaries because they are in line with the expectations and goals of their leaders. From the results of data processing obtained from the object of research, it is found that the influence of transformational and transactional leadership styles that exist on the object of research together or simultaneously has a positive influence on employee performance on the object of research.

From this study the results of R square or the coefficient of determination of 63% means that the transformational and transactional leadership style variables have a simultaneous influence on employee performance. While the sis is influenced by other variables that were not examined by the researchers, namely 37%.

5. CONCLUSION

Based on the results of the research that has been done and the discussion that has been described by the author, it can be concluded that the transformational leadership style has an influence on the performance of the employees of the AL Islah Jakarta Education Foundation. With a $t_{\text{count value}}$ of 4.04 while the t_{table} is 1.999 $t_{\text{count}} < t_{\text{table}}$ ($4.04 < 1.999$). Furthermore, this study shows that the transactional leadership style has an influence on the performance of the employees of the AL Islah Jakarta Education Foundation. With a $t_{\text{count value}}$ of 4.977 while t_{table} is 1.999 $t_{\text{count}} > t_{\text{table}}$ ($4.977 > 1.999$). This study shows that the transformational and transactional leadership styles are simultaneously proven to have a positive and significant effect on employee performance. This is shown based on the results of statistical testing by obtaining $F_{\text{arithmetic}} > F_{\text{table}}$ ($9.863 > 3.15$) and then getting a significance value of 0.000 where the value is smaller than 0.05.

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