

An Analysis of Transformational Leadership Influence toward Employee Performance by using Psychological Empowerment Mediation in East Java Regional Office of the Ministry of Law and Human Rights

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Keywords: *Transformational Leadership, Employee Performance, Psychological Empowerment*

Abstract: The success of an organization can be seen from the performance of its employee. Therefore improving the employee's performance is the most important thing for the company. By performing transformational leadership in the company, it is expected that psychological empowerment can be shown in four cognitions as a connection mediating variable between the transformational leadership and employee performance. This study aims to analyze and to prove how the transformational leadership influences employee performance mediated by psychological empowerment at the East Java Regional Office of the Ministry of Law and Human Rights. The approach in this study uses a quantitative approach. The sample in this study are JFU (General Functional Position), JFT (Specific Functional Positions), and Administrator Officers (Structural Officers) divided into by 109 employees spreading in four divisions that is carried out by using the Proportionate Stratified Random Sampling technique. The analysis technique used in this study is the Structural Equation Model (SEM) approach by Partial Least Square (PLS) method. Results of SmartPLS path model analysis confirm that Transformational leadership has a significant effect on employee performance, Transformational leadership has a significant effect on employee performance with psychological empowerment as a mediating variable.

1 INTRODUCTION

The success of an organization can be seen from the performance of the employees. Gomes (2003) states that the performance of an employee is basically the work result of an employee for a certain period that is compared to the possibilities, for example standards, targets or performances that have been determined and agreed in advance. Organizational leaders are very aware of the difference in performance between one employee and another under their supervision. Even though employees work in the same place but their quality is not the same.

A similar thing happened to organizations or public services (bureaucracy) in the government. In terms of service, bureaucratic organizations are required to be adaptive institutions for development, because bureaucracy should not be at that one point,

after all. In order to accelerate the achievement of good governance, on December 21, 2010 the government established Presidential Regulation Number 81 of 2010 on the Grand Design of 2010-2025 Bureaucratic Reform. The regulation is the operationalization of the Grand Design of Bureaucratic Reform as outlined in the Bureaucratic Reform Road Map. Regulations were then gradually enacted as an effort to implement bureaucratic reforms, including Government Regulation Number 46 of 2011 on Work Performance Assessment of Civil Servants to substitute the Work Performance Assessment List (DP-3). In that new regulation, the quality of employees can be measured and assessed from several aspects including service orientation, integrity, commitment, discipline, cooperation and leadership.

As an organization that has a lot of contact with community service, the Ministry of Law and Human

Rights is required to maintain service quality and integrity in order to maintain the status of Corruption-Free Zone (*Wilayah Bebas Korupsi*) and Clean and Serving Bureaucracy Zone (*Wilayah Birokrasi Bersih dan Melayani*) from the Ministry of Empowerment of State Apparatus and Bureaucracy Reform, which has been achieved since 2016. Several complaints in public service must of course be minimized because it can disrupt the objectives of the organization that is oriented to excellent service. Since the existence of "E-LAPOR" application in 2015, there were 242 complaints entered the system where the complaints can also be seen and connected with the system General Secretary of each Ministry. Meanwhile, for the first semester of 2018 there have been 60 complaints, where Immigration service received the most complaints, 55, then Correctional with 4 complaints, and legal services contribute to one complaint. Moreover, according to recent data in the third quarter, there were 8 complaints entering the system (according to the office's Public Relations data), and of course this is a boomerang if the report / public complaint is not immediately followed up.

In addition to service, accountability and structuring HR is also a very important thing to assess employee performance in supporting performance achievements because inside of it there is a part of employee performance targets that will support it, including commitment, cooperation and leadership factors. The work plan should be carried out according to the schedule, that is, at the time of the initial preparation of the activities, the implementation must be given more attention, because there are still many activities carried out after the second semester. In fact, in evaluating the achievement of good performance, the work calendar that has been prepared is really in accordance with the target to be achieved. The activities compiled in the first semester should be carried out in the first semester as well, otherwise they will reduce the quality of output from the performance achievements that has been prepared at the beginning of the year. The fact is that there are still many activities that have been boosted at the end of the year with the aim that the budget absorption achieved gets good percentage in accordance with the performance target. This must be evaluated so that the work plan and work calendar are in accordance with the performance targets so that the output produced in the performance achievement is truly high quality.

To realize the quality of public services and the achievement of performance in accordance with the target and work calendar and HR arrangement in an organization contained in 8 (eight) areas of change,

surely the role of the leader has a considerable contribution. The role of leadership is very strategic and important in an organization as one of the success determinants to achieve the mission, vision and goals of an organization. Therefore, the challenge in developing a clear organizational strategy mainly lies in the organization on the one hand and depends on leadership (Porter, 1996).

The right leadership style in moving and directing all potential employees to realize organizational stability and increasing productivity oriented to organizational goals is transformational leadership because it describes a process where leaders bring significant positive changes to individuals, groups, teams and organizations (Avolio, et al., 1990). Transformational leadership is described as a leadership style that motivates employees by giving individual attention to each follower (Bass, 1985). Transformational leadership is also able to provide a positive example to subordinates. Positive behavior can be in the form of taking risks together and instilling a sense of pride in their subordinates and always motivating their employees to perform higher than the expected.

However, the goal or success of an organization is not only from a transformational leader, it also requires employees as driving forces as well as targets for change. Transformational leadership must be able to give more freedom to employees who lack the freedom to be more creative and innovative and to be involved in making organizational decisions. Previously, creative and proactive culture in bureaucratic organizations was less developed and employees were merely technical implementers who were in the lowest structure of bureaucracy and worked after orders/dispositions from superiors.

To realize competency, employees need to be more empowered to develop their existing potential and provide other ways of working, which is by giving empowerment to employees (Lovelock and Wirtz, 2010). Empowerment is a time when organizations equip employees with autonomy or power to make decisions when they face everyday's life in the work environment (Haas, 2010). With the provision of empowerment, of course, employees are expected to be able to improve their abilities, knowledge, creativity and quality of work. Employees can be motivated, motivated to believe in their ability to do the tasks given to succeed. Employees must be able to make decisions and employees must be able to think correctly and quickly when facing problems that occur right away.

Empowerment is part of the process and also the organizational context. Empowerment not only

includes increasing individual motivation and delegation from top to bottom. Liden and Wayne Sparrowe, 2010) describes empowerment as intrinsic motivation, job design, collaborative decision making, social learning theory, and self management. Empowerment is referred to as psychological empowerment. Itself is a state of mind where an employee can master his feelings for the work done, must be aware of the tasks of the work being done, with a large level of responsibility for both work results for the individual and the overall progress of the organization and perceived justice in terms of wages based on individual and group performance (Melhem, 2006). Psychological empowerment is divided into four variables, namely, competence, meaningfulness, self-determination, and impact (Spreitzer, 1995).

Consequently, the existence of psychological empowerment driven by a transformational leadership is expected to produce performance accountability implemented in the employee performance and improve the quality of public services oriented to excellent service so that the goals of an organization towards change can be realized, especially in East Java Regional Office of Law and Human Rights Ministry.

2 THEORETICAL FRAMEWORK

2.1 Analysis Model

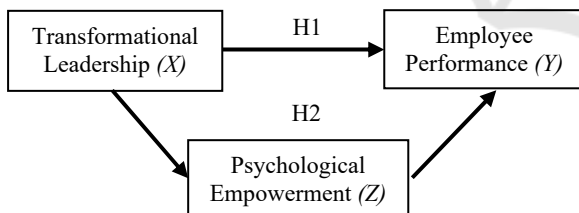


Figure 1: Analysis Model

2.2 Transformational Leadership

According to Yammarino and Bass (1990), transformational leaders must be able to persuade their subordinates to carry out their duties beyond their own interests for a larger organization interest. Yammarino and Bass (1990) also state that transformational leaders articulate a realistic vision of the organization's future, stimulate subordinates in an intellectual manner, and pay attention to the differences possessed by their subordinates. Tichy and Devanna (1990) state that the existence of transformational leaders has a transformation effect

both at the organizational level and at the individual level.

Bass and Avolio (1994) suggest that transformational leadership has four dimensions. They called it "the Four I's". They are:

1. Idealized Influence or Charisma
2. Inspirational Motivation
3. Intellectual Stimulation
4. Individualized Consideration

2.3 Psychological Empowerment

According to Yukl (2005, 129), empowerment is very important in the context of leadership because delegating responsibility for more important tasks will not give authority if people lack the skills and knowledge needed to successfully carry out the task and feel worried about failure. Therefore, in each empowerment there must be an understanding of psychological empowerment, which according to Spreitzer (in Yukl, 2005: 129) includes four elements, including:

1. Meaning. The content and the consequences of work are consistent with one's values and idealism.
2. Self determination. The person has the ability to determine how and when the work is completed.
3. Competence. The person has high confidence about being able to do the job effectively.
4. Impact. The person believes that it is very possible to have an important impact on the work and work environment.

2.4 Employee Performance

According to Gibson et al. (1996) employee performance is a measure that can be used to determine the comparison of task implementation result, responsibilities given by the organization in a certain period and relatively can be used to measure work performance or organizational performance. Mathis and Jackson (2006) define that performance is basically what employees do and do not do. Employee performance influences how much they contribute to the organization, including output quantity, output quality, output period, workplace attendance, and cooperative attitude.

Based on Government Regulation Number 46 of 2011 on the Assessment of Civil Servants, there are several aspects to assess employee performance behavior, which are:

1. Service orientation
2. Integrity
3. Commitment
4. Discipline

5. Cooperation
6. Quantity (target output)
7. Quality (target quality)
8. Time (target time)
9. Cost (target cost)

3 RESEARCH METHOD

Population is a generalization area consisting of objects or subjects that have certain quantities and characteristics set by researchers to be studied and then drawn a conclusion (Sugiyono, 2009). The population of the object of this research are all employees of East Java Regional Office of Ministry of Law and Human Rights, amounting to 150 people.

Samples are part of the number and characteristics possessed by the population (Sugiyono, 2009). In this study the samples were employees of East Java Regional Office of Ministry of Law and Human Rights with the sampling technique uses the Slovin formula result is 109 people.

This research was conducted by randomly distributing questionnaires on JFU (General Functional Position), JFT (Specific Functional Position), and Administrator Officers (Structural Officers) which is divided into 4 (four) different divisions, so that in taking samples from each division it is carried out by using Proportionate Stratified Random Sampling technique. According to Sugiyono (2009) Proportionate Stratified Random Sampling is taking sample from members of the population randomly and proportionally structured. This sampling is carried out if the members of the population are heterogeneous and divided into groups according to similar characteristics or certain conditions.

Table 1: Samples by Division

No.	Division	Σ Employee	Σ Sample
1	Administration	48	35
2	Legal and Human Rights Services	59	43
3	Immigration	18	13
4	Correctional	25	18
	Total	150	109

Source : HRD

Table 2: Samples by Position

No.	Position	Σ Officer	Σ Sample
Structural Position (administrator/Supervisory)			
1.	Echelon II.b	4	2
2.	Echelon III	9	7
3.	Echelon IV	18	13
Functional Position			
1.	Specific Functional	42	31
2.	General Functional	77	56
	Total	150	109

Source : HRD

4 RESULT AND DISCUSSION

Table 3 shows that the number of 109 respondents who are Administrator/Supervisory officials is 20.18 percent, JFT are 28.44 percent and JFU or commonly called dominating staff is 51.37 percent with 60 respondents or as many as 55, 1 percent of male have a little more than female 49 respondents or 44.9 percent. For ages, respondents were in the range of 24 years to 58 years, which was dominated by respondents aged between 36 years and 45 years (40.36 percent). For the education taken by respondents, doctor is 1.83 percent, as many as 74 respondents who dominated the most undergraduate education with a percentage of 67.88 percent, then master's program 27.52 percent and diploma education at 1.83 percent.

Table 3: Profile of the Respondent

Profile	Total	Percentage
Number of Samples	109	100%
Position :		
Supervisory Officer	22	20,18 %
Specific Functional	31	28,44 %
General Functional	56	51,37 %
Gender :		
Male	60	55,1 %
Female	49	44,9 %
Age :		
≤ 25 year	7	6,42 %
26 – 35 year	32	29,35 %
36 – 45 year	44	40,36 %
> 45 year	26	23,85 %
Education :		
Diploma	3	2,75 %
Bachelor	74	67,88 %
Master	30	27,52 %
Doctor	2	1,83 %

Source : Data processed, 2018

Figure 2 below, Inner model testing done to see the coefficient of determination, predictive relevance,

goodness of fit, estimation of path coefficients and parameter coefficients. After knowing the significant relationship between variables, it can be concluded the hypothesis related to transformational leadership, psychological empowerment, and employee

performance in East Java Regional Office of Law and Human Rights Ministry. Hypothesis testing is done by bootstrapping method.

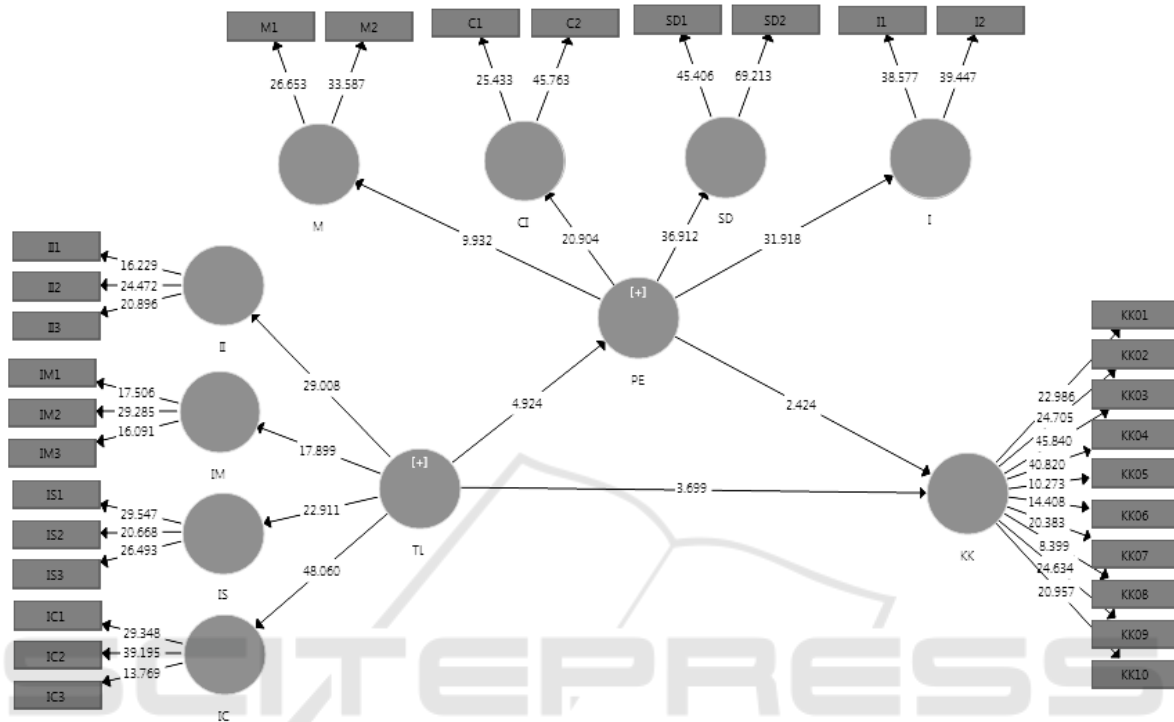


Figure 2: Inner Model
Source : Data processed, PLS 3

Table 4: R Square

	R Square	R Square Adjusted
Employee Performance	0.357	0.345
Psychological Empowerment	0.404	0.398

Source : Data processed, PLS 3

The R-Square value above, each of which has been multiplied by 100 percent, produces a coefficient of determination from employee performance of 35.7 percent. This value indicates that employee performance can be explained by transformational leadership, while the remaining 64.3 percent is explained by other variables outside the analysis model. The coefficient of determination from psychological empowerment produces a value of 40.4 percent, where the value shows that psychological empowerment can be explained by transformational leadership, employee performance, while the remaining 59.6 percent is explained by other variables outside the analysis model.

Table 5: Test the Direct Hypothesis

	Orgnl Sample (O)	Sample Mean (M)	St. dev	t-stat	p-value
Psychological Empowerment → Employee Performance	0.315	0.293	0.130	2.424	0.016
Transformational Leadership → Employee Performance	0.345	0.357	0.093	3.699	0.000
Transformational Leadership → Psychological Empowerment	0.635	0.639	0.129	4.924	0.000

Source : Data processed, PLS 3

Hypothesis 1 states that Transformational Leadership has significant effect on Employee Performance.

The calculation resulted from SMARTPLS 3.0 software shows the path coefficient value of Transformational Leadership on Employee Performance has significant influence with T-Statistics more than 1.96, which is 3.699. This means that hypothesis 1 suggesting that Transformational Leadership has significant effect on Employee Performance in East Java Regional Office of Kemenkumham is supported.

Hypothesis 2 states Transformational Leadership has significant effect on Employee Performance with Psychological Empowerment as mediating variable.

The calculation resulted from SMARTPLS 3.0 software shows the path coefficient value of Transformational Leadership on Employee Performance has significant influence with T-Statistics more than 1.96, which is 3.699. The path variable of Transformational Leadership with Psychological Empowerment has significant influence with T-Statistics more than 1.96, which is 4.924. Meanwhile the Psychological Empowerment variable with Employee Performance has a significant influence with T-Statistics more than 1.96, which is 2.424. Thus it can be said that Transformational Leadership has a significant effect on Employee Performance and also when Transformational Leadership towards Employee Performance through Psychological Empowerment produces significant value because the T-Statistics value is more than 1.96. Because all variables have a significant influence both Transformational Leadership on Employee Performance, Transformational Leadership has a significant effect on Psychological Empowerment and Psychological Empowerment has a significant effect on Employee Performance. It is concluded that the hypothesis is proven or the second hypothesis is supported.

5 CONCLUSIONS

Based on the analysis and the discussion, it can be concluded that:

1. Transformational leadership has significant influence on employee performance.
2. Transformational leadership has significant influence on employee performance with psychological empowerment as a mediating variable.

The result of this study indicates that the Transformational Leadership variable with the mediation of Psychological Empowerment has significantly influenced the performance of

employees and therefore suggests the government especially the East Java Regional Office of Law and Human Rights Ministry:

1. To pay special attention to the Transformational Leadership applied so far, as well as the Psychological Empowerment factors. If the two variables are noticed, it will improve Employee Performance.
2. As government employees who serve to provide services to the community, it is necessary to devote their performance to the maximum extent possible so public can be served.
3. For future research, this research can be used as an idea for future research development. For another development, it is recommended to add other variables that can affect employee performance.

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