

# THE ROLE OF TRANSFORMATIONAL LEADERSHIP IN BUILDING WORK ENGAGEMENT AND PERFORMANCE OF BUSINESS COMPANY MANAGERS

Anwar Prabu Mangkunegara, Mercu Buana University

## ABSTRACT

*The research is focused on the Role of transformational leadership in building work engagement and the performance of business company managers of PT. Multi Garmenjaya. The research approach used is the quantitative approach with an explanatory survey method (questionnaire). Research data is analyzed descriptively using inferential statistics with regressions. The subjects of this research are human resources (33 manager level). The results of the research show that the role of transformational leadership in building work attachments was 54.7%. The results show that there was a significant effect of transformational leadership on employee engagement. The results also show that transformational leadership has an effect of 30.2% on the performance achievement of PT Multi Garmenjaya managers. The dimensions of Providing an Appropriate Model and High-Performance Expectation are very dominant in correlation with the dimensions of work results in terms of quality and quantity in manager performance variables. The dimensions of Providing an Appropriate Model and High-Performance Expectation are very dominant in correlation with the dimensions of work results in terms of quality and quantity in manager performance variables. Likewise, Providing Individualized Support has determined a manager's engagement in state, behavior, and trait engagement to work fully at PT Multi Garmenjaya. Therefore, President Director of has made program and strategy plan for the future which are also must address issues in business success, i.e., global (competitiveness & professionalism, international standardization, and networking/linkage). Transformational leadership is a type of modern leadership and can influence managers in carrying out their main job obligations. This is because the president director's transformational leadership has been able to inspire his managers. In addition, the President Director's transformational leadership must be able to motivate managers to seek new ideas in solving problems, behave creatively-innovatively, and increase trust in order to achieving job performance level.*

**Keywords:** Transformational Leadership, Engagement, Manager Performance

## INTRODUCTION

The PT. Multi Garmenjaya of Bandung was established in 1970, and since 2002, this company has successfully developed itself to become one of the leading garment manufacturing companies in Indonesia. PT. Multi Garmenjaya has 2200 production machines with around 33 managers and 145 employees (Human Resources and General Units, Finance, and Marketing) and more than 3000 production employees (non-permanent) with the production achievements of more than 300,000 pieces per month. The Business of PT. Multi Garmenjaya is as a manufacturer, trading company, buying office, agent, distributor, wholesaler with main products such as men shirts, formal pants, casual pants, cargo pants, trousers, denim, and jeans (brands such as Cardinal, Harley, Gionino, Giosurf & Campari).

PT. Multi Garmenjaya received several UPAKARTI awards (1996) for its success in fostering small businesses, and Primaniyarta awards in 1997 and 2005, as a company that succeeded

in increasing the value of non-oil and gas exports consistently supporting the acquisition of non-oil and gas foreign exchange for the government of Indonesia, as well as a company that succeeded in building local brands globally. However, in 2006 to 2011 there was a decline in exporting its products abroad. This was due to global business competition which affecting the business of PT. Multi Garmenjaya. Even though since 2012 until now, the attempts made by the company's leadership have been continuing to show the results of their business development. It can be noticed that the brand Cardinal has been developed not only for trousers, but also for hats, bags, ties, shirts, and even work uniforms; these work uniforms have been ordered by Indonesian giant companies such as PT. Pertamina, PT. Sinar Mas, and PT. Unilever. The phenomena related to employee performance can be analyzed in the business development of PT. Multi Garmenjaya which experienced fluctuations during 1996 to 2005 in which there had been dynamic development, and in fact, 21 to 30% of its products were exported to Eastern Europe, Southeast Asia, and Western Europe with the achievement of a total annual sales volume of around US\$ 10 to 50 million. However, during 2006 to 2011 it experienced a decline in the export products and the achievement of predicates previously awarded by the government (Upakarti in 1996, and Primaniyarta in 1997 & 2005); and since 2011, it expanded the Cardinal products such as hats, bags, ties, shirts, and work uniforms.

The business development of PT. Multi Garmenjaya fluctuated from 2011 to 2020, as shown in Figure 1 below.



**FIGURE 1**  
**TABLE OF SELLING DEVELOPMENT (2014–2018)**

The research on the performance problems of PT Multi Garmenjaya is associated with transformational leadership and work engagement based on references to the results of previous research conducted by Kirkpatrick & Locke (2006), concluding that the more effective leaders apply transformational leadership models, the higher the performance of subordinates (Boehnke et

al, 2003). In addition, Gadot (2006) assured that there is a very significant effect of transformational leadership on performance. Likewise, the research results of Givens (2008) concluded that "transformational leadership has a direct effect on organizational performance as well as a positive effect on the behavior of subordinates". Likewise, the results show that transformational leadership had a significant effect on employee engagement. These results are consistent with the research of Tims, et al., (2011), Christian, et al., (2011), Salanova, et al., (2011), Ghadi & Fernando (2013); Ciakaren & Devie (2014) stating that leadership has a very significant influence and can predict the level of engagement of an employee. This means that the more effective transformational leadership is applied by a leader or superior, the higher the employee engagement level of an employee. Whittington & Galpin (2010) say that when leaders are fully involved in various leader behaviors that combine contingent reward and transformational behavior, it will have a positive impact on employee engagement. The results of the research by Tims, et al., (2011) also emphasize the importance of implementing transformational leadership, every day by leaders. Changes/fluctuations in the application of transformational leadership from the leader will affect the engagement of his subordinates. Salanova, et al., (2011) said that through transformational leadership, employees will feel more engaged so that they can produce a performance that exceeds the standard. The results show that the dimensions of high-performance expectation were highly correlated with all dimensions of employee engagement. This dimension reveals how the leader's attitude reflects the expectations of his subordinates to achieve quality work. When managers feel that their leaders have high hopes for them, they will be emotionally excited to do their tasks, which will then be manifested by their work behavior.

Based on the problems that have been raised on the background of the problem, the author examines "The Role of Transformational Leadership in Building Work Engagement and Performance Achievement of Managers of PT Multi Garmenjaya Bandung".

## **MATERIALS AND METHODS**

The state of the art in this research is studied in the field of Industrial and Organizational Psychology (PIO). The focus of this research is mapping and socialization of psychological problems of businesspeople related to the Role of Leadership in Building Work Engagement and Performance Achievement of PT Multi Garmenjaya Managers.

### **Performance and Performance Appraisal**

The term performance comes from the word Job Performance or Actual Performance (actual work performance achieved by someone). In terminology, the notion of performance is the quality and quantity of work achieved by a leader or employee in carrying out their duties following the position of responsibility given to him. Mangkunegara (2018) argues that HR performance (work performance) is the result of quality and quantity of work achieved by someone in carrying out their duties under the responsibilities given to them. Likewise, Rivai (2009) states that performance is a function of motivation and ability. Performance is a real behavior that is displayed by everyone as a work achievement generated by employees following their role in the company. Employee performance is a very important thing in the company's efforts to achieve its goals.

Philosophically, the concept of performance comes from motivation theory, as proposed by Dharma (2005) that performance management is supported by a philosophy that comes from

motivation theory, the concept of organizational effectiveness, and the contribution of performance management to organizational effectiveness, as well as beliefs about how to manage an organization. A similar opinion is expressed by Bernard & Russel as quoted by Gomes (2003) who defines that performance as "the record of outcomes produced on a specified job function or activity during a specified period". Records of what outcomes result from the function of a particular job or activity during a certain period.

Bastian in Hessel (2005) argues that organizational performance is a description of the level of achievement of task implementation within an organization, to realize the goals, objectives, vision, and mission of the organization. Related to the management context, Dharma (2005) states that performance management is a way to get better results for organizations, groups, and individuals by understanding and managing performance under predetermined targets, standards, and competency requirements. Furthermore, Dharma (2005) adds that performance management focuses on three things. First, how group leaders work effectively with people who are outside them. Second, how individuals work together with managers and groups. Third, how individuals can be developed to increase their knowledge, skills, and expertise and their level of competence and performance.

### **Transformational Leadership**

Transformational leadership is leadership where leaders can motivate their subordinates to do more than their intentions and more than they might think Bass & Riggio (2006). Leaders who implement transformational leadership will make goals more challenging and typically achieve better performance. Schultz & Schultz (2006) describe transformational leadership as a leadership style in which leaders do not force the perception of their subordinates, but are free to act for change or change the views of their subordinates. According to Robbins & Judge (2007), transformational leadership is a leadership style in which leaders can inspire and can provide very deep and extraordinary effects for their subordinates. From several definitions of transformational leadership, it is concluded that transformational leadership is leadership in which leaders can motivate, inspire and direct their subordinates and can change the views of their subordinates to do things more than what their subordinates think, by making more challenging goals to achieve better performance.

Measurement of transformational leadership according to Podsakoff, et al., in Mangkunegara (2018):

- 1) Fostering the Acceptance of Group Goals is the behavior of leaders encouraging their subordinates to jointly achieve the goals that have been set together.
- 2) Providing Individualized Support is an attitude towards a leader that indicates that he or she cares deeply about subordinates and gives attention to the feelings and needs of his or her subordinates.
- 3) Providing an Appropriate Model is the behavior of leaders setting an example for their subordinates to remain consistent with the values of their leadership.
- 4) Intellectual Stimulation is the behavior of leaders encouraging subordinates to always reconsider old assumptions and rethink new ways to achieve optimal performance.
- 5) High-Performance Expectation is the attitude of leaders reflecting the expectations of their subordinates to achieve quality work, perfection, and high performance.
- 6) Identifying and Articulating a Vision is a leader's behavior that aims to identify new opportunities for his or her organization and to try to develop, articulate, and inspire subordinates to his or her future vision.

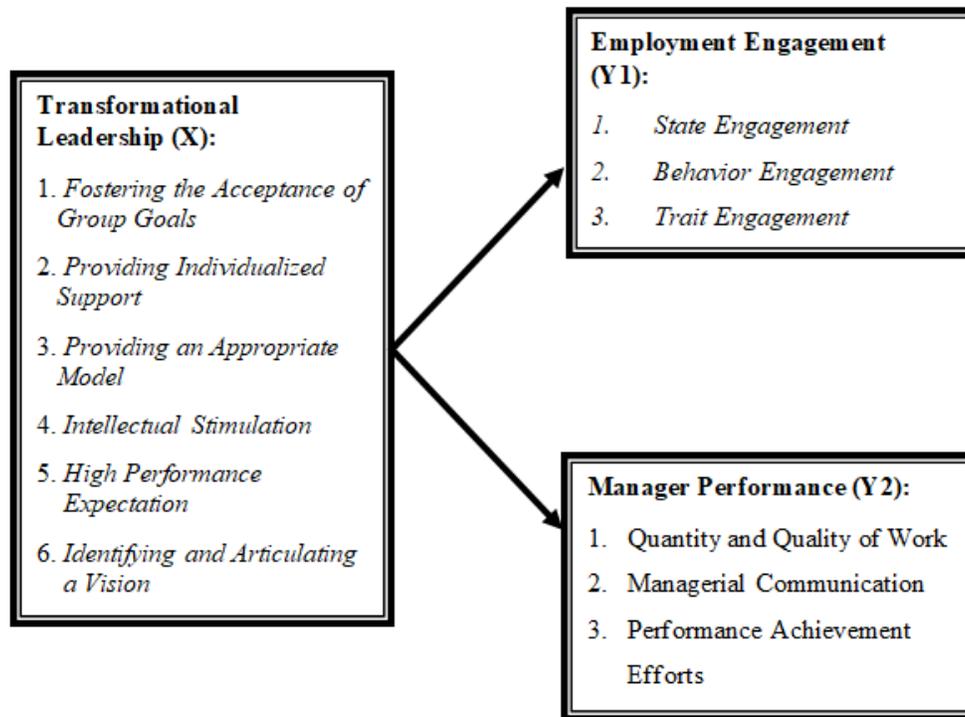
## Work Engagement

Employee engagement is a state of emotional and intellectual commitment to the organization or group of behaviors that will support the fulfillment of organizational promises to customers and will ultimately improve business results Hewitt Associates (2004) in Vance (2006). Towers Perin (2003) in Vance (2006) explains that employee engagement is the extent to which managers put discretionary efforts into their work that exceeds the minimum standard required to complete it, in the form of additional time, mental ability, or energy. Then it is concluded that employee engagement is how much managers can enjoy, belief, be motivated, and emotionally and intellectually committed to work beyond the standards set in work by exerting additional time, the ability of their minds, and energy to ultimately improve business results.

Measurement of manager engagement according to Macey & Schneider (2008) divides employee engagement into 3 elements, namely: state engagement (desire to be diligent, passionate, energetic, dedicated, "absorption", enthusiasm, alertness, and pride), behavioral engagement (working beyond the status quo), and trait engagement (the tendency for managers to work in a positive, active and energetic way).

To achieve the goals of PT Multi Garmen Jaya, support from every element in and from all stakeholders of PT Multi Garmenjaya is needed. The condition of the working relationship between the people and stakeholders of PT Multi Garmenjaya greatly influences the goal success of PT Multi Garmenjaya. Transformational leadership is leadership in which leaders can motivate subordinates to do things that are more than their intentions and more than they might think. Leaders who implement transformational leadership will make goals more challenging and typically achieve better performance. Transformational leadership is a leadership style in which leaders do not force the perceptions of their subordinates, but are free to act to change or change the views of their subordinates. Transformational leadership is a leader who can inspire and have a profound and extraordinary effect on his subordinates. Transformational leadership is leadership where leaders can motivate, inspire and direct their subordinates and can change the views of their subordinates to do more than their subordinate's think, by making more challenging goals to achieve better performance. A manager's work engagement will show work behavior that is emotionally and intellectually committed to working beyond the standards set in the job by exerting additional time, mind, and energy ability to ultimately improve business work results. This will appear in the manager's work behavior which reflects state engagement (desire to be persistent, excited, energized, dedicated, "absorption", enthusiasm, alertness, and pride), behavioral engagement (working beyond the status quo), and trait engagement (the tendency for managers to work in a positive, active and energetic way).

It is hoped that transformational leadership and managerial work engagement will result in the achievement of high performance that exceeds the specified work targets. The research model framework is outlined in Figure 2.



**FIGURE 2**  
**RESEARCH FRAMEWORK**

## RESEARCH METHODS

This research is a quantitative study using an explanatory survey method. In the context of this research, a survey was conducted to examine the effect of 1 (one) independent variable (transformational leadership) and two dependent variables (work engagement and manager performance) of PT Multi Garmenjaya. The sampling technique used was a census (all 33 managers). This research was conducted from January to June 2021 using the leading research funding sources of the UMB Research Center. In this research, the dependent variable (Y) is Manager Performance, while the independent variable/independent variable (X) is Transformational Leadership (X1), and Job Engagement (X2). The measurement of these variables is by using an ordinal scale.

To clarify the limits of the variables under study, the following operational definitions are given: Manager Performance is the result of achieving work targets in quantity and quality by using managerial communication in leading the work of employees of PT Multi Garmenjaya employees. The performance measurement instrument for managers will be used as a reference for Tunas (2016), which is the quantity and quality of work achieved by managers through managerial communication and efforts to achieve performance and secondary data in the documentation of the HRD & GA Director of PT Multi Garmenjaya.

### Transformational Leadership

Is the leadership of the President Director of PT Multi Garmenjaya in influencing managers as subordinates who increase self-confidence individually and in groups, generate awareness and

interest in groups and organizations, and try to mobilize the attention of subordinates for performance achievement. The instrument for measuring transformational leadership uses a questionnaire prepared with a modification of the Likert model with 4 possible answers. These items are arranged according to the terms of reference of the opinion of Spreitzer, Perttula & Xin (2005) by adopting Podsakof, et al., Developing the transformational leadership dimension into 6 dimensions, namely articulating a vision, providing an appropriate model, fostering the acceptance of group goals, setting high-performance expectations, providing individualized support, and intellectual stimulation.

### **Work Engagement**

Is how much the manager is emotionally and intellectually committed to working beyond the standards set in the job by exerting additional time, the ability of his mind and energy to ultimately improve business results or aim at achieving the organizational goals of PT Multi Garmenjaya. The measurement of manager engagement is used as a reference according to Macey & Schneider (2008) which divides employee engagement into 3 elements, namely: state engagement (desire to be diligent, passionate, energetic, dedicated, "absorption", enthusiasm, alertness, and pride), behavioral engagement (working beyond the status quo), and trait engagement (the tendency for managers to work in a positive, active and energetic way).

The instrument used in data collection was a questionnaire used to obtain data on manager performance, leadership, and work engagement. The alternative answers to this questionnaire are 4, namely: strongly agree (SS), Agree (S), Disagree (TS), and strongly disagree (STS). Testing the instrument level of validity (validity) and the level of confidence of the instrument (reliability), so it is feasible to be used as a measurement of research. The results of the research after testing the validity and reliability then the normality of the data was tested using Chi-Square ( $X^2$ ) with the rejection criteria is reject  $H_0$  if  $X^2$  count  $\geq X^2$  table. Data processing uses the SPSS IBM version 22 program. Furthermore, the output of the SPSS vol. 22 program is seen at the significant level is 0.05. Descriptive statistics are used to analyze data by using and presenting the collected data, processing the data using partial regression techniques to determine the effect of the independent variable on the dependent variable. Furthermore, the BLUE (Best Linear Unlimited Estimated) Test is a test related to Multicollinearity, Heteroscedasticity, Normality, and Autocorrelation. To test the hypothesis of this research, the researchers calculated the correlation and coefficient of determination of the variables tested. Furthermore, the correlation value obtained is compared with the value of the r table, if the value of r count  $<$  r table then it can be stated there is no positive and significant relationship between these variables and vice versa. The coefficient of determination is used to see the effect of the variable. Then multiple linear regression analysis is used.

## **RESEARCH RESULTS**

### **The Influence of Transformational Leadership on Work Engagement**

#### **Classic Assumption Test**

The classical assumption test used is the normality test, multicollinearity test, and heteroscedasticity test as follows.

### Normality Test

Normality test to test whether in a regression model, the dependent variable, the independent variable, or both have a normal distribution or not. A good regression model is to have a normal or near-normal distribution.

To detect regression models that are normally distributed or not, the Kolmogorov-Smirnov test is used, provided that the data is normally distributed if the sig value is above 0.05. The results of the normality test can be seen in the Table 1 below.

| <b>Table 1</b>                            |                |                                |
|---|----------------|--------------------------------|
| <b>DATA NORMALITY TEST</b>                |                |                                |
| <b>ONE-SAMPLE KOLMOGOROV-SMIRNOV TEST</b> |                |                                |
|   |                | <b>Unstandardized Residual</b> |
| N   |                | 33                             |
| Normal Parameters <sup>a,b</sup>          | Mean           | 0E-7                           |
|   | Std. Deviation | 0.40249723                     |
|   | Absolute       | 0.089                          |
| Most Extreme Differences                  | Positive       | 0.085                          |
|   | Negative       | -0.089                         |
| Kolmogorov-Smirnov Z                      |                | 0.513                          |
| Asymp. Sig. (2-tailed)                    |                | 0.955                          |
| a. Test distribution is Normal            |                |                                |
| b. Calculated from data                   |                |                                |

Based on the table above, it can be seen that the sig value is above 0.05. Thus, it can be said that the regression model is normally distributed.

### Multicollinearity Test

Multicollinearity testing aims to test whether the regression model found a correlation between independent variables. A good regression model should not correlate with independent variables. A good regression model should not correlate with the independent variables.

If in the regression model that is formed there is a high or perfect correlation between the independent variables, the regression model is stated to contain multicollinearity symptoms. Multicollinearity test using TOL (tolerance) and Variance Inflation Factor (VIF) statistics according to Suliyanto (2011) multicollinearity test by looking at TOL (tolerance) and Variance Inflation Factor (VIF) of each independent variable on the dependent variable. If the VIF value is not more than 10, then the model is declared to have no multicollinearity symptoms. For the multicollinearity test results, it can be seen from the following Table 2.

| <b>Table 2</b>                         |                                |            |
|--|--------------------------------|------------|
| <b>TABLE OF MULTICOLLINEARITY TEST</b> |                                |            |
| <b>COEFFICIENTS<sup>a</sup></b>        |                                |            |
| <b>Model</b>                           | <b>Collinearity Statistics</b> |            |
|  | <b>Tolerance</b>               | <b>VIF</b> |
| 1 KT                                   | 1,000                          | 1,000      |
| a. Dependent Variable: KK              |                                |            |

The table above shows that the tolerance value of 1,000 is above 0.1 and the VIF value of 1,000 is below 10. Therefore, it can be concluded that there is no multicollinearity problem in the data.

### Heteroscedasticity Test

The heteroscedasticity test aims to test whether in the regression model there is an inequality of variance from the residuals of one observation to another. If the variance from the residual from one observation to another is constant, it is called homoscedasticity, whereas if it is different it is called heteroscedasticity. A good regression model does not have a heteroscedasticity problem.

Heteroscedasticity testing is done by using the correlation test between the independent variables with the unstandardized residual value. The condition is that if the sig value is above 0.05 then there is no heteroscedasticity problem in the model. The results of the heteroscedasticity test are as follows (Table 3).

| <b>Table 3</b>                 |    |                         |                                |
|--------------------------------|----|-------------------------|--------------------------------|
| <b>HETEROSCEDASTICITY TEST</b> |    |                         |                                |
| <b>CORRELATIONS</b>            |    |                         |                                |
|                                |    |                         | <b>Unstandardized Residual</b> |
| Spearman's rho                 | KT | Correlation Coefficient | 0.101                          |
|                                |    | Sig. (2-tailed)         | 0.577                          |
|                                |    | N                       | 33                             |

Based on the results of heteroscedasticity testing using correlation, it can be seen that the significance value for the transformational leadership variable does not have a significant correlation with unstandardized residuals. Thus, it can be concluded that there is no heteroscedasticity problem in the regression model.

All classical assumption tests have been fulfilled so that multiple regression analysis can be continued because it has been found that there is no violation of the classical assumptions.

Multiple linear regression analysis methods are used to see the effect of transformational leadership (X) on work engagement (Y). Linear regression analysis is formulated with the following equation:

$$Y = a + bX$$

Where:

Y=Work Engagement

X=Transformational Leadership

a=Constant

b=Regression Coefficient

The results of SPSS 22.0 software processing for multiple regression analysis are presented in the following table 4.

| Table 4<br>REGRESSION ANALYSIS<br>COEFFICIENTS <sup>a</sup> |            |                             |            |                           |       |       |
|---|------------|-----------------------------|------------|---------------------------|-------|-------|
| Model   |            | Unstandardized Coefficients |            | Standardized Coefficients | t     | Sig.  |
|   |            | B                           | Std. Error | Beta                      |       |       |
| 1   | (Constant) | 0.721                       | 0.296      |                           | 2.434 | 0.021 |
|   | KT         | 0.648                       | 0.106      | 0.74                      | 6.118 | 0     |
| a. Dependent Variable: KK                                   |            |                             |            |                           |       |       |

Based on the calculation results in the table above, the form of multiple linear regression equations is obtained as follows:

$$Y = 0.721 + 0.648 X$$

The value of the regression coefficient on the independent variables illustrates if it is estimated that the independent variable rises by one unit and the value of the other independent variables are estimated to be constant or equal to zero, then the value of the dependent variable is expected to rise or be able to fall per the regression coefficient mark of the independent variable.

The sign of the independent variable regression coefficient shows the direction of the relationship of the variable concerned with work engagement (Y). The regression coefficient for the independent variable X is positive, indicating a unidirectional relationship between transformational leadership (X) and work engagement (Y). The regression coefficient of variable X of 0.648 means that each additional transformational leadership (X) of one unit will cause an increase in work engagement (Y) of 0.648 units.

**Partial Hypothesis Test (t-test)**

To determine whether or not the influence of the independent variables is partially significant on a dependent variable, the t-test is used.

**Hypothesis:**

*Ho<sub>1</sub>: β<sub>1</sub>=0 Transformational Leadership (X) does not have a significant effect on Job Engagement (Y).*

*Ha<sub>1</sub>: β<sub>1</sub> ≠ 0 Transformational Leadership (X) has a significant effect on Job Engagement (Y).*

*Ho<sub>2</sub>: β<sub>2</sub> =0 α=5%*

**Test Statistics:**

$$t_{hit} = \frac{b}{Se(b)}$$

degrees of freedom=n-k-1

**Test Criteria:**

1. Accept  $H_0$  if  $-t_{table} \leq t_{count} \leq t_{table}$
2. Reject  $H_0$  if  $t_{count} < -t_{table}$  or  $t_{count} > t_{table}$

The results of the t-test based on SPSS processing are presented in the following table 5:

| Table 5<br>PARTIAL HYPOTHESIS TESTING (T-TEST) |            |                             |            |                           |       |       |
|--|------------|-----------------------------|------------|---------------------------|-------|-------|
| COEFFICIENTS <sup>a</sup>                      |            |                             |            |                           |       |       |
| Model  |            | Unstandardized Coefficients |            | Standardized Coefficients | t     | Sig.  |
|  |            | B                           | Std. Error | Beta                      |       |       |
| 1  | (Constant) | 0.721                       | 0.296      |                           | 2.434 | 0.021 |
|  | KT         | 0.648                       | 0.106      | 0.74                      | 6.118 | 0     |
| a. Dependent Variable: KK                      |            |                             |            |                           |       |       |

Based on the table above, the calculated t value is greater than the t table value. Because the value of t count (6,118) < t table (2,040), then  $H_0$  is rejected. Therefore it can be concluded that there is a significant effect of transformational leadership (X) on work engagement (Y).

### Coefficient of Determination

The magnitude of the influence of transformational leadership (X) with work engagement (Y) can be shown by the coefficient of determination with the following formula.

$$\begin{aligned}
 KD &= R^2 \times 100\% \\
 &= (0.740)^2 \times 100\% \\
 &= 54.7\%
 \end{aligned}$$

This means that the transformational leadership variable (X) has an effect of 54.7% on work engagement (Y). While the remaining 45.3% is the contribution of other variables besides transformational leadership (X).

### Correlation Matrix between Research Dimensions

The following table 6 shows the results for correlation matrix between research dimensions.

| Table 6<br>CORRELATION MATRIX BETWEEN RESEARCH DIMENSIONS |                  |                       |                  |
|---|------------------|-----------------------|------------------|
| Transformational Leadership                               | Work Engagement  |                       |                  |
|   | State Engagement | Behavioral Engagement | Trait Engagement |
| Fostering the Acceptance of Group Goals                   | 0.625            | 0.647                 | 0.654            |
| Providing Individualized Support                          | 0.717            | 0.607                 | 0.58             |
| Providing an Appropriate Model                            | 0.65             | 0.702                 | 0.602            |
| Intellectual Stimulation                                  | 0.578            | 0.638                 | 0.494            |

|                                       |       |       |       |
|---------------------------------------|-------|-------|-------|
| High Performance Expectation          | 0.658 | 0.647 | 0.583 |
| Identifying and Articulating a Vision | 0.287 | 0.378 | 0.355 |

## The Influence of Transformational Leadership on Manager Performance

### Classic Assumption Test

The classical assumption test used is the normality test, multicollinearity test, and heteroscedasticity test as follows.

### Normality Test

Normality test to test whether in a regression model, the dependent variable, the independent variable, or both have a normal distribution or not. A good regression model is to have a normal or near-normal distribution.

To detect regression models that are normally distributed or not, the Kolmogorov-Smirnov test is used, provided that the data is normally distributed if the sig value is above 0.05. The results of the normality test can be seen in the table 7 below.

| <b>Table 7</b>   |                |                                |
|--|----------------|--------------------------------|
| <b>DATA NORMALITY TEST</b>                               |                |                                |
| <b>ONE-SAMPLE KOLMOGOROV-SMIRNOV TEST</b>                |                |                                |
|  |                | <b>Unstandardized Residual</b> |
| N  |                | 33                             |
| Normal Parameters <sup>a,b</sup>                         | Mean           | 0.00E+00                       |
|  | Std. Deviation | 0.46689659                     |
|  | Absolute       | 0.132                          |
| Most Extreme Differences                                 | Positive       | 0.132                          |
|  | Negative       | -0.105                         |
| Kolmogorov-Smirnov Z                                     |                | 0.757                          |
| Asymp. Sig. (2-tailed)                                   |                | 0.615                          |
| a. Test distribution is Normal. b. Calculated from data. |                |                                |

Based on the table above, it can be seen that the sig value is above 0.05. Thus, it can be said that the regression model is normally distributed.

### Multicollinearity Test

Multicollinearity testing aims to test whether the regression model found a correlation between independent variables. A good regression model should not correlate with independent variables. A good regression model should not correlate with the independent variables.

If in the regression model that is formed there is a high or perfect correlation between the independent variables, the regression model is stated to contain multicollinearity symptoms. Multicollinearity test using TOL (tolerance) and Variance Inflation Factor (VIF) statistics according to Suliyanto (2011) multicollinearity test by looking at TOL (tolerance) and Variance Inflation

Factor (VIF) of each independent variable on the dependent variable. If the VIF value is not more than 10, then the model is declared to have no multicollinearity symptoms. For the multicollinearity test results, it can be seen from the following Table 8.

| <b>Table 8</b>                         |    |                                |            |
|--|----|--------------------------------|------------|
| <b>TABLE OF MULTICOLLINEARITY TEST</b> |    |                                |            |
| <b>COEFFICIENTS<sup>a</sup></b>        |    |                                |            |
| <b>Model</b>                           |    | <b>Collinearity Statistics</b> |            |
|  |    | <b>Tolerance</b>               | <b>VIF</b> |
| 1                                      | KT | 1                              | 1          |
| a. Dependent Variable: KK              |    |                                |            |

The table above shows that the tolerance value of 1,000 is above 0.1 and the VIF value of 1,000 is below 10. Therefore, it can be concluded that there is no multicollinearity problem in the data.

### Heteroscedasticity Test

The heteroscedasticity test aims to test whether in the regression model there is an inequality of variance from the residuals of one observation to another. If the variance from the residual from one observation to another is constant, it is called homoscedasticity, whereas if it is different it is called heteroscedasticity. A good regression model does not have a heteroscedasticity problem.

Heteroscedasticity testing is done by using the correlation test between the independent variables with the unstandardized residual value. The condition is that if the sig value is above 0.05 then there is no heteroscedasticity problem in the model. The results of the heteroscedasticity test are as follows (Table 9).

| <b>Table 9</b>                 |    |                         |                                |
|--------------------------------|----|-------------------------|--------------------------------|
| <b>HETEROSCEDASTICITY TEST</b> |    |                         |                                |
| <b>CORRELATIONS</b>            |    |                         |                                |
|                                |    |                         | <b>Unstandardized Residual</b> |
| Spearman's rho                 | KT | Correlation Coefficient | 0.112                          |
|                                |    | Sig. (2-tailed)         | 0.534                          |
|                                |    | N                       | 33                             |

Based on the results of heteroscedasticity testing using correlation, it can be seen that the significance value for the transformational leadership variable does not have a significant correlation with unstandardized residuals. Thus, it can be concluded that there is no heteroscedasticity problem in the regression model.

All classical assumption tests have been fulfilled so that multiple regression analysis can be continued because it has been found that there is no violation of the classical assumptions.

Multiple linear regression analysis methods are used to see the effect of transformational leadership (X) on manager performance (Y). Linear regression analysis is formulated with the following equation:

$$Y = a + bX$$

Where:

Y=Manager Performance

X=Transformational Leadership

a =Constant

b=Regression Coefficient

The results of SPSS 22.0 software processing for multiple regression analysis are presented in the following Table 10.

| Table 10<br>REGRESSION ANALYSIS |            |                             |            |                           |       |       |
|---------------------------------|------------|-----------------------------|------------|---------------------------|-------|-------|
| COEFFICIENTS <sup>a</sup>       |            |                             |            |                           |       |       |
| Model                           |            | Unstandardized Coefficients |            | Standardized Coefficients | t     | Sig.  |
|                                 |            | B                           | Std. Error | Beta                      |       |       |
| 1                               | (Constant) | 1.55                        | 0.344      |                           | 4.511 | 0     |
|                                 | KT         | 0.45                        | 0.123      | 0.55                      | 3.663 | 0.001 |

a. Dependent Variable: KS

Based on the calculation results in the table above, the form of multiple linear regression equations is obtained as follows:

$$Y = 1.550 + 0.450 X$$

The value of the regression coefficient on the independent variables illustrates if it is estimated that the independent variable rises by one unit and the value of the other independent variables are estimated to be constant or equal to zero, then the value of the dependent variable is expected to rise or be able to fall per the regression coefficient mark of the independent variable.

The sign of the independent variable regression coefficient shows the direction of the relationship of the variable concerned with Manager Performance (Y). The regression coefficient for the independent variable X is positive, indicating a unidirectional relationship between transformational leadership (X) and Manager Performance (Y). The regression coefficient of variable X of 0.450 means that each additional transformational leadership (X) of one unit will cause an increase in Manager Performance (Y) of 0.450 units.

### Hypothesis:

$H_{01}: \beta_1 = 0$  Transformational Leadership (X) does not have a significant effect on Job Engagement (Y).

$H_{a1}: \beta_1 \neq 0$  Transformational Leadership (X) has a significant effect on Job Engagement (Y).

$H_{o2}: \beta_2 = 0 \alpha = 5\%$

### Test Statistics:

$$t_{hit} = \frac{b}{Se(b)}$$

degrees of freedom=n-k-1

**Test Criteria:**

1. Accept Ho if  $-t_{table} \leq t_{count} \leq t_{table}$
2. Reject Ho if  $t_{count} < -t_{table}$  or  $t_{count} > t_{table}$

The results of the t-test based on SPSS processing are presented in the following table 11:

| Table 11<br>PARTIAL HYPOTHESIS TESTING (T-TEST)<br>COEFFICIENTS <sup>a</sup> |            |                             |            |                           |       |       |
|--|------------|-----------------------------|------------|---------------------------|-------|-------|
| Model  |            | Unstandardized Coefficients |            | Standardized Coefficients | t     | Sig.  |
|  |            | B                           | Std. Error | Beta                      |       |       |
| 1  | (Constant) | 1.55                        | 0.344      |                           | 4,511 | 0     |
|  | KT         | 0.45                        | 0.123      | 0.55                      | 3,663 | 0.001 |

a. Dependent Variable: KS

Based on the table above, the calculated t value is greater than the t table value. Because the value of t count (3.663) < t table (2.040), then Ho is rejected. Therefore it can be concluded that there is a significant effect of transformational leadership (X) on Manager Performance (Y).

**Coefficient of Determination**

The magnitude of the influence of transformational leadership (X) with work engagement (Y) can be shown by the coefficient of determination with the following formula.

$$\begin{aligned}
 KD &= R^2 \times 100\% \\
 &= (0.550)^2 \times 100\% \\
 &= 30.2\%
 \end{aligned}$$

This means that the transformational leadership variable (X) has an influence of 30.2% on Manager Performance (Y). While the remaining 69.8% is the contribution of other variables besides transformational leadership (X).

**Correlation Matrix between Research Dimensions**

The following table 12 shows the results for correlation matrix between research dimensions.

| Table 12<br>CORRELATION MATRIX BETWEEN RESEARCH DIMENSIONS |                     |                    |                                 |
|--|---------------------|--------------------|---------------------------------|
| Transformational Leadership                                | Manager Performance |                    |                                 |
|  | Work Results        | Work Communication | Performance Achievement Efforts |
| Fostering the Acceptance of Group Goals                    | 0.539               | 0.312              | 0.403                           |
| Providing Individualized Support                           | 0.484               | 0.414              | 0.391                           |

|                                       |       |       |       |
|---------------------------------------|-------|-------|-------|
| Providing an Appropriate Model        | 0.55  | 0.329 | 0.46  |
| Intellectual Stimulation              | 0.416 | 0.193 | 0.418 |
| High Performance Expectation          | 0.569 | 0.507 | 0.465 |
| Identifying and Articulating a Vision | 0.143 | 0.09  | 0.263 |

## RESEARCH RESULTS AND DISCUSSION

The Role of Transformational Leadership in Building Work Engagement and Manager Performance of PT Multi Garmenjaya.

Based on the research results, the President Director of PT Multi Garmenjaya implements transformational leadership well-measured based on 6 dimensions (Fostering the Acceptance of Group Goals, Providing Individualized Support; Providing an Appropriate Model; Intellectual Stimulation; High-Performance Expectation; Identifying and Articulating a Vision). The level of work engagement of the managers is relatively high, measured in 3 dimensions (state engagement, behavioral engagement, trait engagement) with performance achievement in the good classification measured in 3 dimensions (work results in quantity and quality, work communication, and performance achievement efforts).

The role of transformational leadership in building work attachments was 54.7%. The results show that there was a significant effect of transformational leadership on employee engagement. These results are consistent with the research of Tims, et al., (2011); Christian, et al., (2011); Salanova, et al., (2011); Ghadi & Fernando (2013); Rahmah (2013); Sugiharto & Devie (2015), Rahmi (2014); Ciakaren & Devie (2014) who state that leadership has a very significant influence and correlation and can predict the level of engagement of an employee. This means that the more effective transformational leadership is applied by a leader or superior, the higher the employee engagement level of an employee. Whittington & Galpin (2010) say that when leaders are fully involved in various leader behaviors that combine contingent reward and transformational behavior, it will have a positive impact on employee engagement. The results of the research by Tims, et al., (2011) also emphasize the importance of implementing transformational leadership, every day by leaders. Changes/fluctuations in the application of transformational leadership from the leader will affect the engagement of his subordinates. Meanwhile, Salanova, et al., (2011) said that through transformational leadership, employees will feel more engaged so that they can produce a performance that exceeds the standard. This statement is following the results of research by Whittington & Galpin (2010) which show that the level of employee engagement will increase when employees work in jobs that are rich in meaning and identity of the task. Apart from task identity and task significance, there is one dimension that correlates with one dimension of employee engagement (behavior engagement), namely feedback. Through feedback, an employee will know directly about his performance, even this feedback can be obtained when the employee is doing their job so that employees can immediately improve their work behavior.

The results show that the dimensions of high-performance expectation were highly correlated with all dimensions of employee engagement. This dimension reveals how the leader's attitude reflects the expectations of his subordinates to achieve quality work. When employees feel that their leaders have high hopes for them, they will be emotionally excited to do their tasks, which will then be manifested by their behavior. Mauno, Kinnunen & Ruokolainen (2007) state that job resources have a very significant effect on employee engagement.

The results also show that transformational leadership has an effect of 30.2% on the performance achievement of PT Multi Garmenjaya managers. The dimensions of Providing an Appropriate Model and High-Performance Expectation are very dominant in correlation with the dimensions of work results in terms of quality and quantity in manager performance variables. The results of this research support the results of research conducted by Kirkpatrick & Locke (2006) that the better the leader applies the transformational leadership model, the higher the performance of subordinates (Boehnke et al., 2003). In addition, Gadot (2006) assured that there is a very significant effect of transformational leadership on performance. The results of this research are consistent with the results of Givens's (2008) research concluding that "transformational leadership has a direct effect on organizational performance as well as a positive effect on the behavior of subordinates", Similarly, the results of Givens' research (2008) which concluded that "transformational leadership has a relationship with the personal outcomes of organizational members (Hatter & Bass, 2005; Kirkpatrick & Locke, 2006; Barling, Moutinho & Kelloway, 2008) and directly influence performance (Koh, Steers; MacKenzie, Podsakoff & Rich, 2001). Bass even concluded that "transformational leadership is a type of modern leadership and can exert influence on subordinates in carrying out their main job obligations". This is because transformational leadership can inspire the managerial employees (managers) of PT Multi Garmenjaya. In addition, the President Director's transformational leadership can encourage his managers to look for new ideas in solving problems, to be creative-innovative, to increase self-confidence, to have a long-term commitment, and to improve the performance and emotional intelligence of PT Multi Garmenjaya managerial employees (managers). Even Bryman, Gardner & Cleavenger in Pounder (2001) termed transformational leadership the new leadership and for more than 20 years has brought a new paradigm of leadership (Spreitzer, Perttula & Xin, 2005).

## CONCLUSION

The results of the study concluded that the President Director of PT Multi Garmenjaya implements transformational leadership effectively and has built 54.7% of the manager's work engagement and the achievement of 30.2% of his manager's performance. The dimensions of Providing an Appropriate Model and High-Performance Expectation are very dominant in correlation with the dimensions of work results in terms of quality and quantity in manager performance variables. Likewise, Providing Individualized Support has determined a manager's engagement in state, behavior, and trait engagement to work fully at PT Multi Garmenjaya.

## RECOMMENDATIONS

Based on the results of the research, the recommendations are as follows:

### **Transformational Leadership**

Transformational leadership is a type of modern leadership and can influence managers in carrying out their main job obligations. This is because the president director's transformational leadership has been able to inspire his managers. In addition, the President Director's transformational leadership must be able to motivate managers to seek new ideas in solving problems, behave creatively-innovatively, and increase trust.

## Recommendations for Further Research

Further research is suggested to examine transformational leadership in building the achievement of organizational effectiveness of PT Multi Garmenjaya and the need to be supported by the opinions of experts and business practitioners as informants. In addition, it is necessary to add research variables on organizational culture and organizational performance of PT Multi Garmenjaya.

## REFERENCES

- Bernard, M., & dan Ronald, ER. (2006). *Transformational leadership, (2<sup>nd</sup> edition)*. Lawrence Erlbaum Associates, Inc.
- Boehneke, B.N., Distefano, J.J., & Distefano, A.C. (2003). Transformational leadership: An examination of cross-national differences and similarities. *Leadership Organization Development Journal*, 24(1), 5-15.
- Ciakaren, H.E., & dan Devie, D. (2014). Analysis of transformational leadership on financial performance through employee engagement and job satisfaction in banking companies in Surabaya. *Business Accounting Review*, 2(2), 228-237.
- Christian, M.S., Adela, S.G., & dan Jerel, E.S. (2011). Work engagement: A quantitative review and test of its relations with task and contextual performance. *Personnel Psychology*, 64, 89-136.
- Gadot, E.V. (2006). Leadership style, organizational politics, and employees' performance: An empirical examination of two competing models. *Personnel Review*, 36(5), 661-683.
- Givens, R.J. (2008). Transformational leadership: The impact on organizational and personal outcomes. *Emerging Leadership Journeys*, 1(1), 4-24.
- Ghadi, M.Y., & dan Fernando, M. (2013). Transformational leadership and work engagement: The Mediating effect of meaning in work. *Leadership & Organization Development Journal*, 34(6), 532-550.
- Hater dan Bass, D.I. (2005). Re-Examining the components of transformational and transactional leadership using the multifactor leadership questionnaire. *Journal of Occupational and Organizational Psychology*, 72, 441-462
- Kirkpatrick, S., & Locke, E. (2006). Leadership: Do traits matter? *Academy of Management Executive*, 5(2).
- Mardhatillah, A., & Buana, R.D. (2018). Promoting work life balance among higher learning institution employees: Does emotional intelligence matter? *International Journal of Social Science*, 4, 523-530.
- Mangkunegara, A.A.A. (2018). The influence of transformational leadership and achievement motivation on human resource performance. *Journal of Business & Management*, 15(1), 11-19.
- Mangkunegara, A.A.A. (2020). Model of Good Corporate Governance (GCG): Implementation through the effect of president director's transformational leadership and manager's achievement motivation in business companies. *Solid State Technology*, 63(6), 1158-1178.
- Macey, M., William H., & dan Benjamin, S. (2008). The meaning of employee engagement. *Industrial & Organizational Psychological Journal*, 1(1), 3-30.
- Mauno, K., Ruokolainen, N. (2007). Job demands and resources as antecedents of work engagement: A longitudinal study. *Journal of Vocational Behavior*, 7(1), 149-171.
- Robbins, J. (2007). *Organizational behavior, (12<sup>th</sup> edition)*. Pearson Education, Inc.
- Schultz, D. (2006). *Psychology and work today*. New Jersey, Pearson Education, Inc.
- Vance, R.J. (2006). *Employee Engagement and Commitment*. SHRM Foudation. USA.
- Tims, B., & dan X. (2011). Do transformational leaders enhance their followers' daily work engagement? *Leadership quarterly*, 22, 121-131.
- Salanova, L., & Chambel, M. (2011). Linking transformational leadership to nurses' extra-role performance: The mediating role of self-efficacy and work engagement. *Journal of Advanced Nursing*, 67(10), 2256-2266.
- Rahmah, S. (2013). Relationship between transformational leadership style and employee engagement at PT PLN (Persero) Samarinda Area. *Psychology Ejournal*, 1(2), 200-210.
- Sugiharto, L., & dan Devie, D. (2015). The influence of transformational leadership on the company's financial performance through employee engagement and job satisfaction as intervening variables in open retail companies in Surabaya. *Business Accounting Review*, 13(1), 11-22.
- Rahmi, B.M. (2014). The influence of transformational leadership on organizational citizenship behavior and organizational commitment with job satisfaction mediation (Study on permanent teachers of public senior high schools in east Lombok regency). *Udayana University Management E-Journal*, 330-350.

- Spreitzer, G.M., Pettula, K.H., & Xin, K. (2005). Traditionally matters: An examination of the effectiveness of transformational leadership in the United States and Taiwan. *Journal of Organizational Behavior*, 26, 205-227.
- Tims, B., & dan X. (2011). Do transformational leaders enhance their followers' daily work engagement? *Leadership Quarterly*, 22, 121–13.
- Vance, R.J. (2006). *Employee engagement & commitment: A guide to understanding, measuring, and increasing engagement in your organization*. SHRM Foundation. USA.
- Whittington, J.L., & dan Galpin, T.J. (2010). The engagement factor: Building a high-commitment organization in a low-commitment world. *Journal of Business Strategy*, 31(5), 14-24.
- Mardhatillah, A., & Buana, R.D. (2018). Promoting work life balance among higher learning institution employees: Does emotional intelligence matter? *International Journal of Social Science*, 4, 523-530.
- Wardani, L.M.I. (2019). The role of quality of work life as mediator: Psychological capital and work engagement. *Humanities & Social Sciences Reviews*, 7(6), 447-463.