THE EFFECT OF TRANSFORMATIONAL LEADERSHIP ON EMPLOYEE ORGANIZATIONAL COMMITMENT AT PT. PERMATA INDONESIA

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Abstract:

This study aims to answer the problem of the effect of transformational leadership on organizational commitment at PT. Indonesian jewel. In a company, employee commitment is a valuable asset that can give good results to a company. If employees have good commitment, all of the company's vision and mission will run well. One of the factors that can provide positive things in building commitment is transformational leadership. Some theories put forward by experts on organizational commitment According to Lincoln (in Sopiah, 2008: 155), organizational commitment includes member pride, member loyalty, and member willingness to the organization. As for the transformational one, Bass (in Wutun, 2001: 350) states that transformational leadership is a leadership style that tends to build awareness of his subordinates about the importance of the value of their work and duties. The population to conduct the research was composed by 110 respondents, by first conducting a tryout test to 30 respondents, the study was carried out by distributing the scale to 80 respondents, by dividing two scales, namely, the scale of organizational commitment totaling 28 items and the scale of transformational leadership totaling 28 items, after the validity test and reliability became 27 items of transformational leadership, while organizational commitment amounted to 16 items. This study uses statistical regression test calculations. Based on the regression equation $\hat{Y}$ = 30.258 + 0.351, it can be read that every one unit increase in the transformational leadership score will increase the value (Y) of organizational commitment by 0.351 at a constant of 30.258 or in other words, the stronger transformational leadership, the stronger organizational commitment. It can be seen that the Transformational leadership regression on commitment is t = 12.148 with a significance of 0.000 <0.05, which means that the Transformational leadership variable

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has an influence on organizational commitment. Based on the results of statistical research conducted, it can be seen that there is a significant influence of Transformational leadership on employee commitment.

Keywords: transformational leadership style, organizational commitment

1. Introduction

In a company, employees are the most valuable asset in achieving company goals, existing employees can carry out all the values of the company so that they are carried out well. In the company there is also an organizational structure, so that every activity carried out by the company runs smoothly in accordance with the work assigned to each company employee. Since the establishment of the company, consciously or not, the founder laid the foundation for the company culture that was founded. They have a vision of what the company should be, then that vision is implemented by company employees into behavior in the company. Employees and companies are two things that cannot be separated. Employees play a major role in running the life of the company and are active players of every company activity. The life of the company will be better if the company provides adequate facilities that can support employee work commitments.

The phenomenon that occurs in a company when commitment is not owned by an employee, at the time of changing the system or a different leader, employees feel that they are not comfortable working in the company anymore, so that when there are many system changes, many employees who do not have a commitment will leave the company and looking for another company, this could hamper the company's vision and mission, because when new employees enter they must adapt again to the existing system or company culture, while the company's targets must be achieved quickly. With many phenomena like this in companies, what companies need to do to foster employee commitment, companies must pay full attention and provide adequate facilities, such as social security, bonuses, and career paths, so that employees trust the company, and work commitment will be obtained high employee. According to Luthans (2002), several determinants of employee commitment to the company are variables (age, position, within the company and the tendencies of positive and negative offensiveness or internal and external controls) and the company (work design and supervisor leadership style).

In organizational work, commitment includes elements of loyalty to the company, involvement in work, and acceptance of the values and goals of the company. Where loyalty, involvement, and acceptance are related to company performance. Many things are often disclosed, like why many employees leave, including many caused by dissatisfaction with working conditions due to disputes between employees, feeling that the leadership does not give trust to employees, there is no employee involvement in decision making, leaders are not objective and are not honest with employees.

All phenomena that occur start because of the leadership style in the company, the role of a leader in a company is a central point, as a reflection for members in the

company, the role of a leader is able to make members feel motivated and feel they want to continue to stay in the company, and are able to achieve company goals optimally. Leadership according to Miftah Thoha (2003: 262) leadership is an activity to influence the behavior of others or the art of influencing human behavior, both individually and in groups.

According to Stephen Robbin (2007), there are four leadership styles, charismatic, transformational, transactional, visionary and one of them is leadership style, transformational and transactional, transformational leadership, is a leader who guides or motivates their followers in the direction of goals that are enforced by clarifying roles and task demands, while transactional leadership is one of the leadership styles which essentially emphasizes transactions between leaders and subordinates. Transactional leadership allows leaders to motivate and influence subordinates by exchanging rewards for certain performance.

Meanwhile, transformational leadership is a leader who provides individualized intellectual stimulation and consideration, and who has charisma. Transformational leadership refers to the process of building commitment to organizational goals and giving followers confidence to achieve these goals. Transformational theory also studies how leaders change the culture and organizational structure to be more consistent with management strategies to achieve organizational goals. According to (Jabnoun and al-Ghasyah 2005: 23) a transformational leader is someone who increases individual and group self-confidence, generates awareness and interest in groups and organizations, and tries to mobilize the attention of subordinates for the achievement and development of existence. The research results show that this theory can be accepted by all layers in the company. The research conducted by Sarosa, A in (2004) suggests that the more often transformational leadership type behavior is applied, it will have a significant positive impact on improving the quality of psychological empowerment of his subordinates.

As a phenomenon that occurs in several companies, things that affect employee work commitment are not only problems with the work being done, and the targets that must be achieved, but the work atmosphere also affects an employee to feel comfortable or not in carrying out his job, one of which is the leadership style in the company. This is the attitude of a dictatorial leader who always exerts pressure at work for perfect results, does not give his employees the opportunity to develop themselves, makes employees feel uncomfortable staying in the company, and with not too large income, but a supportive work environment, especially if the leader is stylish transformational which is characterized by always providing opportunities for self-development and always giving trust to employees in carrying out their work is one of the factors fostering an attitude of work commitment in the company, even with every job that has have a high enough target to achieve it.

Examples of some conditions that occur in the field, if there is a choice of large wages but work is always under pressure and focuses on targets only, it makes employees feel bored with the work done, but with a salary that is not too big, even though the target is high enough, but with an environmental atmosphere who support

both employees and their leaders, many would choose the latter. By looking at the existing phenomena, the researchers took samples in this study were employees at PT. Permata Indonesia, employees who work at the PT have worked for about 5 years, engaged in outsourcing, with an organizational system and culture that of course not all employees accept the existing cultural system, but because of a good leadership style and always provide motivation to their employees of PT. Permata Indonesia survives and accepts the system and culture that exists within the company, and is able to achieve the company's targets.

2. Theoretical Review

2.1 Definition of Employee Organizational Commitment

Various expert opinions regarding employee organizational commitment, one of which According to Mahis and Jackson (2000 in Sopiah 2008: 155) provides a definition, "*Organizational Commitment is the degree to which employees believe in and accept organizational goals and desire to remain with the organization*". Organizational commitment is the degree to which employees believe and accept the goals of the organization and will remain or will not leave the organization. In Organization behavioral or organizational behavior, organizational commitment is a component of behavior. *"In organization, attitudes are important because of their behavioral components*" (Robbins, S. 2007: 69).

Organizational commitment according to Ivancevich (2007: 234) is a feeling of identification, involvement, and loyalty expressed by employees to the organization. (Luthans, 2002: 237). Commitment to the organization means more than just formal membership, because it includes an attitude of liking the organization and a willingness to exert a high level of effort for the benefit of the organization for the achievement of goals.

From several definitions expressed by experts, researchers can conclude that organizational commitment is a form of loyalty and acceptance made by employees both in terms of the goals, values and culture that exist within the company, both the work given and will remain or will not leave the organization, have pride, loyalty, are willing to strive for the achievement of organizational goals that make the employee want to continue to maintain and defend himself in the organization, by looking at several components of commitment such as Affective Commitment, Continuance Commitment, and Normative Commitment.

2.2 Forms of Organizational Commitment

Based on the description of organizational commitment, it turns out that there are forms of commitment, which were presented by Kanter (in Sopiah. 2008: 158), arguing that there are several forms of organizational commitment, namely: continuous commitment, cohesion commitment, controlled commitment (control commitment).

2.3 Components of Organizational Commitment

Based on the description of organizational commitment carried out by experts, in commitment there is also a commitment component that was put forward. According to Meyer, Allen, and Smith (in Sopiah, 2008: 157) states three components of organizational commitment, namely:

- Affective commitment - occurs when employees want to be part of the organization because of an emotional bond, as a positive emotional attachment to the organization.
- Continuance commitment - appears when employees stay in an organization because they need a salary and other benefits, or because they don't find another job.
- Normative commitment - arising from the values in employees. Employees survive to become members of the organization because of the awareness that commitment to the organization is something that should be done.

3. Definition of Transformational Leadership

Various opinions of experts on transformational leadership styles expressed, one of which is by Bass (in Wutun, 2001: 350), states that leadership style is a leadership style that tends to build awareness of his subordinates about the importance of the value of their work and duties. This is as deep as expressed by other researchers. In leadership styles, leaders try to expand and increase needs beyond personal interests and encourage these changes towards common interests including organizational interests (Wutun, 2001: 352). Meanwhile, transformational leaders try to convince subordinates that together to create high work productivity, hard effort, commitment, and high work capacity.

3.1 Components of Transformational Leadership

According to Bass and Avolio, (2003: 208), transformational leadership is described in four main characteristics / components, namely: Idealized Influence, Individualized Consideration, Inspirational Motivation, and Intellectual Stimulation, the detailed definitions of each of these main features are as follows:

a. Idealized Influence - is behavior that produces high standards of behavior, provides insight and awareness of the vision, shows confidence, generates respect, pride and trust, fosters commitment and performance that exceeds expectations, and enforces ethical moral behavior.
b. Individualized Consideration - is the behavior that always listens with care and gives special attention, support, enthusiasm, and effort to the achievement and growth needs of its members.
c. Inspirational Motivation - is an attitude that always creates challenges, is able to achieve high expectations, is able to generate enthusiasm and motivation of others, and encourage intuition and kindness in others.

d. Intellectual Stimulation - is the process of increasing understanding and stimulating the emergence of new perspectives in seeing problems, thinking, and imagining, as well as in establishing belief values. In making intellectual contributions through logic, analysis, and rationality, leaders use symbols as simple media that can be accepted by their followers.

3.2 Framework of Thinking

Organizational commitment is an important behavioral dimension that can be used to assess the propensity of employees to stay as members of the organization. Organizational commitment is the identification and involvement of someone who is relatively strong in the organization. In fact, there are organizational commitment forms, which was put forward by Kanter (in Sopiah 2008: 158), suggesting that there are several forms of organizational commitment by looking at several components of commitment such as affective commitment, continuance commitment, and normative commitment.

Leadership style is a factor that must be considered in running an organization in achieving the goals and vision and mission of a transformational leadership organization that has a positive impact in running an organization, because it is able to foster individual and group self-confidence, generate awareness and interest in groups and organizations. According to Bass (in Wutun, 2001: 350), leadership style is a leadership style that tends to build awareness of his subordinates about the importance of the value of their work and duties. Bass and Avolio (2003: 208) states that transformational leadership is described in four main characteristics / components, namely: Idealized Influence (idealization of influence), Individualized Consideration (individual consideration), Inspirational Motivation (inspirational motivation) and Intellectual Stimulation (intellectual stimulation).

4. Research Methodology

This study aims to obtain data in answering the research problem, namely, how much influence the transformational leadership style has on organizational commitment at PT. Permata Indonesia, and also as a form of scientific development in the field of organizational and industrial psychology.

4.1 Research Approaches and Methods

This research uses a quantitative approach. This method is called a positivistic method because it is based on the philosophy of positivism. This method is a scientific method because it fulfills scientific principles, namely, concrete / empirical, objective, measurable, rational and systematic. This method is also called the discovery method, because with this method various new science and technology can be discovered and developed (Sugiyono, 2009: 7).

4.2 Population, Sample and Sampling Technique

According to Hartono (2011: 46), there are a finite number of populations with certain characteristics and an infinite number of people. Research can only be carried out on a finite population. Therefore, the population of this research is all employees (including the try out respondents). The sample used in this research is purposive sampling. Purposive sampling is a sampling technique with certain considerations.

5. Conclusions and Recommendations

5.1 Conclusion

Based on the results of data analysis and the discussion previously described, it can be concluded that, there is a significant positive relationship between the dimensions of organizational commitment to transformational leadership. The higher the commitment to employees at PT Permata Indonesia, Kebayoran South Jakarta, the better the transformational leadership style that occurs. This is indicated by the value of the correlation coefficient between the transformational leadership variable (X) to commitment (Y) is 0.654, meaning that 65.40% means the relationship between transformational leadership style and commitment is 65.4%.

Based on the regression equation $\hat{Y} = 30.258 + 0.351$, it can be read that every one unit increase in the score of transformational leadership will increase the value (Y) of organizational commitment by 0.351 at a constant of 30.258 or in other words, the stronger transformational leadership, the stronger organizational commitment and vice versa weak transformational leadership, the weaker employee organizational commitment. It can be seen that the Transformational leadership regression on commitment is t = 12.148 with a significance of 0.000 <0.05, which means that the Transformational leadership variable has an effect on commitment. The level of commitment is influenced by Transformational leadership.

5.2 Recommendations

For other researchers who will conduct similar research adding or reviewing other factors that affect work productivity, such as the wage system, because this research has not touched on these factors.

To increase the commitment of employees within the company, it is necessary to have leaders who have an attitude, foster a proud attitude towards their leadership, are able to be role models for their members, have definite and clear goals, respect the work that their members do, behave like mentors who can pay attention and listen its members, provide opportunities for its members to learn and achieve, able to arouse enthusiasm for its members, through motivational words, able to inspire its members, able to invite its members to be creative and innovate in solving problems.

If you have a transformational leadership style, you will get employee commitment to achieve organizational goals, foster emotional bonds with the organization, become part of the organization, the need for a job, the need for an income

such as salary and other benefits, awareness of the importance of the value of commitment in the company, have values in employees, maintain oneself in the organization.

If Permata Indonesia wants to increase its commitment, then the transformational leadership factor is important. So that the attitude of a leader in leading an organization must be someone who has a high leadership spirit and knows how to provide support in supporting loyalty, commitment and performance of employees while working.

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