THE INFLUENCE OF TRANSFORMATIONAL LEADERSHIP AND
ORGANIZATIONAL CULTURE ON WORK MOTIVATION AND
EMPLOYEE PERFORMANCE AT THE STATE PROPERTY SERVICE
OFFICE AND AUCTION IN EAST JAVA PROVINCE

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ABSTRACT
Public servants are required to be able to work professionally with based on good morals, efficient, clean and prioritised on the public interest and can serve the community as well. The purpose of this study is to analyze the influence of transformational leadership, organizational culture, and work motivation on employee performance at the State Property Service Office and Auction in East Java Province.

The population in this study is the State Civil officers who work on KPKNL in East Java Province as many as 114 people except researchers are also employees in KPKNL in East Java Province. Methods of data analysis use Structural Equation Modeling (SEM). The results shows that the transformational leadership has not significant influence on work motivation. Organizational culture has significant influence on work motivation. Transformational leadership has not significant influence on employee performance. Organizational culture has significant influence on employee performance. Work motivation has significant influence on employee performance.

Keywords: transformational leadership, organizational culture, work motivation, employee performance.
1. INTRODUCTION

Good governance is a requirement for government agencies in order to realize the public aspirations and achieve the goals and ideals of the nation. The state civil officers are required to be able to work professionally with based on good morals, efficient, clean and prioritised on the public interest and can serve the community best. Therefore, good management for government agencies can be achieved if the employee performance will also be achieved.

Employee performance is an important issue which must be considered. Performance is an overview of the implementation achievement level of an activity/program/policy in realizing the goals, objectives, vision and mission of the organization as stated in an organization strategic scheme formulation. In general it can also be said that the performance is a feat that can be achieved by the organization in a certain period (Mangkunagara, 2005: 9).

High work motivation is important issue to be able to grow a maximum potential and competence in him in order to want to work hard to realize the strategic goals of the company. According Sunarta (2014), work motivation is something that causes a boost in self-employees doing the job. Encouragement or work motivation is strongly influenced by factors of leadership, co-workers, physical facilities, organizational policies, remuneration, type of work, and the challenge. Zameer et.al (2014) finds that motivation can improve employee performance. While Murti and Srimulyani (2013) finds that motivation does not affect the employees performance.

Factors that have a role in shaping the performance of employees is the leadership style. Along with changes in the organizational environment that is increasingly complex and competitive, requires readiness leader so the company stay afloat. Latest model of leadership as transformation leadership of the organization, will play an important role for every organization. Transformational leadership includes the development of a closer relationship between the leader and his followers, not merely a treaty but rather is based on trust and commitment (Jung and Avolio, 1999: 209) in Sunarsih (2001).

Bass (1985), in Sunarsih (2001), defines transformational leadership as a leader who has the power to influence subordinates in certain ways. Subordinates feel trust, admiration, loyalty and respect for his superiors to subordinates motivated to do more than what is usual and expected. Transformational leadership in principle motivate subordinates to do better than what it used to do, in other words, can increase the trust or confidence of subordinates that will affect the increase in employment. Chaudhry et al. (2012) explains that there is a positive and significant relationship between transformational and transactional leadership with work motivation. Maryani et.al (2011) and Tobing (2008) also found that leadership style has positive influence on employee performance.

The same thing is also included in the study Tobias (2008) that the study results showed a significant influence in a positive direction between transformational leadership on employee performance Plantation in North Sumatra, Indonesia. Employee performance plantation increased by the transformational leadership influence.

Other factor relates to the performance of organizational culture (corporate culture) is often defined as the values, symbols that are understood and adhered together, possessed an organization so that members of the organization create the condition of the family and the members of the organization feels different with the other organization(Waridin and Masrurukhin, 2006). Problems of culture itself is essential for an organization or company, because it will always be associated with life in the company.
This study uses the organizational culture which is understood as a set of values, beliefs, and important understanding is equally owned by the members who influence the work patterns and patterns of organizational management. Organizations or companies will expect a good performance from its employees so that they have a highly motivated and loyal to the company. Maryani et.al (2011) found that organizational culture has positive influence on employee performance.

However, in practice service issues, monitoring, and corruption inherent in bureaucracy in general and the State Property Office and Auction (KPKNL) specially in the area of East Java province, there are many forces of Civil State in KPKNL in the province that have not been able to maximize its performance. It is characterized by not achieving performance targets, known as Key Performance Indicators (KPIs) stipulated in the contract performance of employees, employees still slow in completing the work, the staff of the KPKNL showed no motivation to work with the maximum compensation provided.

2. LITERATURE REVIEW

Transformational Leadership

Leadership (leadership) is defined by experts vary but in general the leadership describes the relationship between the leader (leader) with a led (follower) (Locander et al., 2002). Locander et al. (2002) explains that leadership implies influencing leader-led but the relationship between the leader and the led is mutually beneficial to both parties. Lok and Crawford (2001) views leadership as a process of influencing the activities of an organization in an effort to set and achieve goals. Leadership is the ability to influence a group toward the achievement of a goal. Leadership is a personal run in certain situations, and directed through the communication process towards the achievement of one or several specific purposes. Leadership involves social influence which is deliberate process to run by a person against another person to structure the activity and influence within a group or organization (Robbins, 2006).

Leadership is a quality personal ability of a person to drive a subordinate to achieve organizational goals. According Siagian (2003: 2), the success of an organization as a whole or specific groups within an organization is highly dependent on the quality of leadership of the organization. Leader is someone who has the advantage of leadership. Leadership can be defined as the ability to push some people to cooperate in activities directed toward the same goal.

According Stogdill (1980) in Yukl (1998: 2), leadership is defined in terms of individual characteristics, behavior, influence on others, patterns of interaction, role relationships, at a position where the administration and the perception of others. Winardi (1996: 47) argues that leadership is an ability that is attached to a person who leads, depending on a variety of factors, both internal and external. Sometimes leaders stand on the issue but faded on the other problems.

Suharto (2006: 16), transformational leadership is defined as the relationship between leaders and subordinates are very close proximity, causing emotional and very other, and subordinates feel respect and trust in its leaders and motivated to work more than the truth. Meanwhile, according to Leary (1999) in Anikmah (2008: 11), transformational leadership is style leadership is used by an individual manager if he wants a group of bounds widen and has exceeded performance quo status or achieve a series of objectives of the organization are entirely new. Transformational leadership in principle motivate subordinates to do better than what can be done, in other words, can increase the trust or confidence of subordinates that will affect the performance improvement.
Organizational Culture

Organizational culture is defined as a set of values, beliefs, and behavior patterns that shape the identity of the organization and conduct of their members (Deshpande and Farley, 1999). Organizational culture, based on this definition, it can be placed in the direction of values (values) as well as norms of behavior (behavioral norms). Organizational culture as a value refers to everything in an organization that is considered very valuable (highly valued), while as the norm of behavior (behavioral norms) organizational culture refers to how best the elements (members) organizational behavior (Xenikou and Furnham, 1996).

Palthe and Kossek (2003) argue that the shared values at the deeper level is very difficult to be observed and measured so that empirical studies focus more on norms or patterns of behavior. Pratt and Beaulieu (1992) even argued that shared values can not be observed objectively, but it only can be judged from the behavior patterns member organization which is a manifestation of shared values. This is due to the shared values are highly qualitative and effort translating into a form that is measurable (quantitative) risk to the problem of reflection in the measurement. Based on these considerations, in this study the culture of the organization is positioned in the direction of behavioral norms or that are in the visible level.

Organizational culture in the direction of norms of behavior according to Wilson (2001) describe the patterns of behavior that are fixed in which ideas and thoughts are passed from one generation to the next, or from one group to the other group. Wilson (2001) further explains that the transfer took place is not the genetic behavior (hereditary) but through social interaction between members of the organization. Those behavioral patterns stable and changes are relatively slow. Ideas or thoughts also serves as a guideline for the acceptance of a behavior. Maryani et.al. (2011) found that organizational culture has positive influence on employee performance.

Motivation

According to Vroom in Purwanto (2006: 72), motivation refers to a process of influencing individual choices of the various forms of activity are desired. Campbell, et al (2000: 23) argues that the motivation include in it the direction or goal behavior, the strength of the response, and the persistence of behavior. In addition, the term covers a range of concepts impulse (drive), needs (need), stimulation (incentive), reward (reward), reinforcement (reinforcement), provisions goal (goal setting), hope (expectancy), and so forth.

According to Uno (2008: 66-67), the work is as 1) the basic activities and used as an essential part of human life, 2) the work provides status, and binds one person to another individual and society, 3) in general, women or men like the job , 4) moral workers and employees, many do not have a direct connection with the physical and material conditions of work, 5) employment incentives that many forms, including cash.

Employees’ Performance

Gomes (2001) stated performance as a note to the production of a specific job or the results of certain activities within a certain time period. Sikula in Waridin and Guritno (2005) defines performance as a systematic evaluation of employee jobs and the potential that can be developed. Siagian in Waridin and Masrukhin (2006) performance is a universal concept which is the operational effectiveness of an organization, part of the organization and employees’ share-based standards and criteria that have been
Performance is human behavior in an organization that meets the standards of behavior set out to achieve the desired results. Mangkunagara in Waridin and Masrukhin (2006) defines the performance of the work of both quality and quantity which is achieved by a person in performing tasks according to responsibilities given.

Notoatmodjo and Soekidjo (1992: 68) explains that a good measurement should be able to portray an accurate value of what is being measured. This means that the measurements actually measure the performance of employees.

### 3. RESEARCH METHODOLOGY

This study intends to explain what will happen if certain variables controlled in particular and also explains the effect of variables through hypothesis testing and simultaneously conduct explanatory variable. In the process, this study emphasizes the theories through measurements of variables. This study uses a survey approach which is examined by taking a sample from a population by using a questionnaire to collect data. Based on the purpose, this study includes in this type of explanatory research which explains the causal relationship of one variable to another variable.

The population in this study is the apparatus of the forces of Civil State who works on KPKNL in East Java Province as many as 114 people but researchers are also employees in KPKNL in East Java Province, composed of KPKNL Surabaya as many as 39 people, KPKNL Malang 38 people, and KPKNL Jember 37 people. Sampling method in this study is a census of all members of the population sampled.

The data will be processed and presented based on the principles of descriptive statistics, while for analysis and hypothesis testing approach was used statisticinferensial. The analysis used to test the hypothesis in this study is a structural equation model (Structural Equation Modeling or SEM) by using the program package AMOS (Analysis of Moment Structure) version 18 and SPSS (Statistical Package for Social Science) for Window version 18. The using of SEM enables researchers to test the validity and reliability of research instrument, confirm the accuracy of the model and test the effect of a variable against another. SEM can examine together (Bohlen, in Ghozali, 2005: 3).

### 4. RESULTS AND DISCUSSION

#### a. Feasibility Test with Goodness of Fit Indices Model

Based on the method of determining the value in the model, the first model testing variables are grouped into exogenous variables (exogenous variables) and endogenous variables (endogenous variable). Exogenous variables is a variable whose value is determined outside the model. Endogenous variables are variables whose value is determined by an equation or model relationship is formed, belongs to the group of exogenous variables is transformational leadership (X1), organizational culture (X2), and endogenous variables work motivation (Z) and employee performance (Y).

The contract test results of the first model are evaluated based goodness of fit indices model. Criterion of models as well as critical values that have data consistency can be seen in Table 1 below.
Table 1. Evaluation Criteria Goodness of Fit Indices

<table>
<thead>
<tr>
<th>Goodness of fit Indices</th>
<th>Cut off value</th>
<th>Results Model</th>
<th>Specification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi Square</td>
<td>tiny Expected</td>
<td>758.02</td>
<td>Marginal Fit</td>
</tr>
<tr>
<td>Significance Probability</td>
<td>≥ 0.05</td>
<td>0.008</td>
<td>Goodness Fit</td>
</tr>
<tr>
<td>RMSEA</td>
<td>≤ 0.08</td>
<td>0.088</td>
<td>Goodness Fit</td>
</tr>
<tr>
<td>GFI</td>
<td>≥ 0.90</td>
<td>0.901</td>
<td>Goodness Fit</td>
</tr>
<tr>
<td>AGFI</td>
<td>≥ 0.90</td>
<td>0.822</td>
<td>Marginal Fit</td>
</tr>
<tr>
<td>CMIN/DF</td>
<td>≤ 3.00</td>
<td>1.587</td>
<td>Goodness Fit</td>
</tr>
<tr>
<td>TLI</td>
<td>≥ 0.95</td>
<td>0.899</td>
<td>Marginal Fit</td>
</tr>
<tr>
<td>CFI</td>
<td>≥ 0.95</td>
<td>0.943</td>
<td>Goodness Fit</td>
</tr>
</tbody>
</table>

Source: data analysis, 2015

Based on Table 1 it can be seen that the model fit for use with assume Parsimony principle fulfill the criteria because there is more than one meet so that the model is fit for use.

Evaluation models show from of the eight criteria of goodness of fit indices all had met the criteria and was approaching the critical value suggested. Thus, referring to the principle of parsimony, the overall model can be said to have been in accordance with the data and it can be analyzed further.

b. Hypothesis testing

Based on the empirical model proposed in this study, it can be tested against the hypothesis put forward by testing the path coefficients in structural equation modeling. Data analysis presents the results of hypothesis testing to see p-value. If the p-value less than 0.05 then a significant relationship between variables.

Having in mind that the model in this analysis have been fit so the subsequent analysis was to determine the level of significance or meaningfulness of the relationship and the relationship between variables that exist in this study. The test results with the program AMOS results of structural equation model that shows the relationship between variables transformational leadership style with satisfaction, organizational culture with work motivation, transformational leadership style with employee motivation, organizational culture with performance, and work motivation with performance.

The first hypothesis in this study stated that transformational leadership has significant influence on work motivation. Based on data analysis is known that the path coefficient between the transformational leadership and work motivation is at -0.722 (negative). Significancy test for this coefficient result from CR (critical ratio) is -1.844. This is less than the critical value required by 2. These results reject the first hypothesis stating transformational leadership significantly influence work motivation of employees in the province KPKNL East Java.

The second hypothesis states organizational culture significantly influence work motivation. Variable organizational culture has a path coefficient value of 0.315 with a value of CR 2.558. CR value
more than the critical value of 2, of as required. This results support (the receiving) of the second hypothesis in this study that states the organizational culture significantly influence work motivation KPKNL in East Java Province.

The third hypothesis states that transformational leadership significantly influence employee performance. Based on data analysis is known that the path coefficient between transformational leadership and employee performance is -0.137 with value of CR –1.753is less than the required critical value of 2. This result reject the third hypothesis that transformational leadership significantly influence employee performance.

The fourth hypothesis states that organizational culture significantly influence employee performance of KPKNL in East Java Province. Based on data analysis, organizational culture has the path coefficient value on employee performance is0.363 with the value of C.R is 3.443. CR value is greater than the critical value required by 2. So therefore it can be stated that the organizational culture significantly influence employee performance KPKNL in East Java Province. These results support the (receiving) the fourth hypothesis which states organizational culture significantly influence on employee performance KPKNL in East Java Province.

The fifth hypothesis in this study stated that work motivation significantly influence employee performance KPKNL in East Java Province. Cultural organizations had the path coefficient value of employee motivation is 0.606 with a value of C.R. is 4.788. The CR value is greater than the value of which is equal to the required CR by 2. Based on these results it can be concluded that work motivation significantly influence employee performance KPKNL in East Java Province. These results support the (receiving) the fifth hypothesis which states the organizational culture significantly influence employee performance KPKNL in East Java Province.

The Influence of Transformational Leadership on Employee Work Motivation

Transformational leadership is intended to allow employees to have a higher capacity than previous capabilities so that it can know the functions, roles and responsibilities in a work environment. With transformational leadership style is also expected to be reached levels higher work motivation. Agencies are trying to motivate healthy workplace rights and obligations of employees arranged so aligned with the functions, roles and responsibilities of employees so that employees can participate in the company.

The results are consistent with research Benedicta Djarwati Muljani et. al. (2012) finds no significant effect of transformational leadership on work motivation. Effect of employee motivation is not biased explained by the application of transformational leadership style. Work motivation of high educators do not always arise from the influence of transformational leadership style.

The Influence of Organizational Culture on Work Motivation

Organizational culture and corporate culture are intertwined because both similarities, although the organizational culture there are specific things such as management style, management systems and so on, but everything remains in a series of corporate culture. Based on the value of SEM analysis, organizational culture have a significant effect on work motivation. In this study the direct influence of organizational culture on employee motivation KPKNL in East Java Province is significant. It means that the second hypothesis which states the culture organization has a significant effect on work motivation, proved. Based on the results of the assessment of respondents indicate that organizational culture is
perceived well by employees. This is because the organizational culture in KPKNL in East Java Province is done well it will lead to good performance for employees. Strong organizational culture supports the goals of the agency. If otherwise would hinder the objectives of the agency. A strong culture and a positive influence on work motivation.

The results of this study are consistent with research Maryani et al. (2011) that organizational culture significantly influences employee motivation. Types of abilities, skills and fulfillment of tasks will be able to positively affect the work motivation. But in the study of organizational culture is still influenced in bureaucratic agencies is not entirely the same as the motivation of the employee depends on the behavior of individual employees. This study is also consistent with research Koemono (2013) in which the organizational culture can boost employee motivation.

The Influence of Transformational Leadership on Employee Performance

The analysis showed that transformational leadership style influences no significant effect on the performance of employees in KPKNL in East Java Province. It shows that the sixth hypothesis which states the better or the right of transformational leadership style that will increase the performance of employees in KPKNL in East Java Province, is not been proven or is not acceptable. This means that the implementation of transformational leadership style on KPKNL in East Java Province does not affect employee performance.

The results are consistent with research Jacqueline Lomanjaya et al. (2014) that transformational leadership and transactional leadership style is partially no significant effect on employee performance.

The Influence of Organizational Culture on Employee Performance

The analysis shows that culture organizational has a positive and significant impact on employee performance KPKNL employees in East Java Province. It means the fifth hypothesis which states that the stronger the culture organization, the higher the performance of employees accepted the truth. This result is supported by the votes of the employees of the culture organizational in general have enough votes to agree and disagree. It can mean that employees have a pretty good perception of organizational culture applied in KPKNL East Java Province.

The results of this study are consistent with the research Chaudhry (2012) and Koesmono (2013) that culture organizational affects employee performance. Types of abilities, skills and fulfillment of tasks will be able to positively affect the performance.

5. CONCLUSION

Transformational leadership has no significant influence on work motivation. Transformational leadership can not increase work motivation of employee. Organizational culture significantly influence work motivation. Good culture organizational can enhance work motivation. Transformational leadership has no significant influence on employee performance. Transformational leadership style that is applied can not improve the performance of employees. Organizational culture significantly influences employee performance. Organizational culture can improve employee performance. The last, work motivation significantly influence employee performance. If the work motivation is higher so the employee performance will also increase.

Recommendation
Suggestions can be submitted to KPKNL in East Java Province to increase motivation with respect to patterns of quality of leadership style and socializing of the culture organization in order to improve employee performance. Leadership style applied KPKNL in East Java Province should be clarified, that the style of leadership that is capable of adjusting to the situation and conditions between leader and subordinate. Alternative styles of leadership that can be implemented include situational leadership style. The leaders in KPKNL environment, particularly the Regional Office of East Java, is expected to continue to increase motivation by the way which does not ignore the rights and interests of employees who concern. Like, give it a chance of promotion, improvement of employee supervision system, finally it will of improve employee ability and than can boost performance increasing.
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