

# The Effect of Transformational Leadership on Employee Engagement at PT. Dextonindo Persada

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**Abstract**— This study aims to analyze the effect of transformational leadership on employee engagement at PT. Dextonindo Persada. Transformational leadership has a positive effect on the level of engagement. Subjects in this study were 120 people who were staff level employees at PT. Dextonindo Persada. This research uses quantitative methods with measuring tools as many as two scales, namely the scale of employee engagement and, transformational leadership. The results showed that transformational leadership has influence on employee engagement. The results of the study are expected to be an input for the company to increase the interaction between employees and supervisors that can increase the employee engagement level.

**Keywords**— Employee engagement, transformational leadership, PT. Dextonindo Persada.

## I. INTRODUCTION

PT. Dextonindo Persada was founded in 2010. Founded in 2010, PT. Dextonindo Persada has fully agreed to compete in the market by promoting quality and customer satisfaction. Supported by professional Human Resources (HR), and the latest technology, makes PT. Dextonindo Persada as one of the providers of stirred concrete material which has various products and became the first in North Sumatra to receive an ISO 9001: 2008 Certificate.

PT. Dextonindo Persada hopes that the Human Resources (HR) they need can provide the maximum, so that the vision and mission to be achieved by the company can be realized properly. Robbins (2007) said that there are three reasons why human resources have an important role, namely human resources can be a significant source of competitive advantage, human resources become an important part of organizational strategy, and the way organizations related to human resources will affect performance organization.

At PT. Dextonindo Persada, the company's tasks and work results are the most highlighted by the company. Each employee in each division at PT. Dextonindo Persada has the respective duties, responsibilities and members. Each division is responsible for the performance and work results of its members in accordance with the tasks assigned. However, in its implementation, an error occurred related to the performance and results of his work. In several divisions or in the company several times related to the workings and agreed results. Based on the results of interviews with Human Resource Managers (HR), there are several problems that often occur in companies.

In addition, the importance of understanding and mutual communication greatly affects the passage of a job. Lack of

interaction and coordination between superiors and subordinates can be seen from the supervisor's assessment that assesses employee delays due to employee negligence, whereas sometimes the delay is due to fatigue experienced by employees due to the number of tools or machines that must be repaired. Employees feel that there is no support and are less attached to companies that only demand their performance without regard to their overall condition. However, the supervisor does not pay attention to this matter, giving rise to the opinion of the supervisor that the delay is due to employee negligence. This also shows the lack of coordination between supervisors (supervisors) and their employees, where supervisors only demand work targets and do not pay attention to the conditions of employees below them.

In addition, other problems that arise in other employees are related to performance degradation. Based on the results of performance evaluations, employee performance is relatively low because it is often too late to work on daily reports and negligent in placing proof of expenditure receipts, thus often hampering the execution of daily financial statements that will be sent to the head office, which causes a warning from superiors. Although they are often reprimanded by their superiors, employees sometimes do not immediately experience changes in performance. This is because employees feel less satisfied and disappointed with employees. Employees are of the opinion that their performance and performance results are not in accordance with the results obtained, in this case related to salary and benefits, so there is no need to do their job seriously. Employees still work in the company because of the difficulty of finding other jobs related to their age and level of education. This shows that the employees are not tied to the company which shows that the employees work only because of their needs and there is no attachment to the work and the company, so the performance results shown are also low.

Companies need employees who are tied to their work because employees who have a high level of work engagement will show the best performance at work (Bakker & Leiter, 2010). The characteristics of work attachment are marked by the presence of vigor, dedication, and absorption of employees to their work (Schaufeli, Salanova, Gonzales-Roma, and Bakker, 2002). Employee work engagement has a positive impact on the organization, such as the opinion expressed by Schaufeli and Bakker (2004) that work engagement has a positive effect on organizational productivity, such as

increased job performance and decreased employee turnover intentions. Employees who are tied to their work will show enthusiasm and real passion about their work and the organization. In addition, employees will also enjoy the work they do and wish to give all efforts to be able to succeed the organization where they work.

Employee attachment to work reflects employee enthusiasm for work, where when employees feel an attachment to their work, employees will feel compelled to try to achieve challenging goals, want to succeed, have personal commitment to achieve organizational goals (Bakker & Leiter, 2010), and tend to feel passionate and enthusiastic about their work, so that employees show better performance. Conversely, employees who have a low level of work engagement will experience negative feelings and feel unhappy at work, so that it can also affect colleagues through negative emotions and tend to experience emotional exhaustion. According to Saks (2006), employees will tend to feel dissatisfied, not committed and have the intention to leave the organization where they work.

McBain (2007) argues that there are several important factors that cause employee engagement, namely organization (this factor is based on the company's vision and mission and brand in the company), management (this factor is based on leadership style) and work environment (this factor is based on conditions comfortable work). Referring to the second factor of the factors forming employee attachment to employees, namely management, which includes leadership style, leaders try to apply various ways so that employees are bound to the company, such as giving praise, gifts or rewards, motivating employees even to put pressure to employees. Many consultants and academics agree that the direct superior of an employee plays a key role in influencing Frank's own engagement (Saks, 2006). However, from the available facts, direct superiors from employees or so-called leaders show different characteristics in carrying out their leadership so that various types of leadership styles emerge.

In the opinion of Robbins (2007), leadership is the ability to influence a person or group of members to work towards the goals and objectives of the organization. Leadership in a company has a great influence on the success of a company. For that the leader must foster interpersonal relationships, provide clear assignments, be assertive, give respect to subordinates or members who excel and be able to read the right situation to apply certain leadership styles. According to Bass (1985) the most related theory to leadership style one of which is the theory of transformational leadership.

Transformational leadership emphasizes employee motivation, where transformational leaders try to motivate and inspire their employees to be able to develop their abilities. Furthermore according to Bass (1985), transformational leadership is a determining factor that influences the attitudes, perceptions, and behavior of employees where there is an increase in trust in leaders, motivation and job satisfaction and reduce conflicts that often occur in an organization. A transformational leader will increase employee maturity related to achievement, self-actualization, and welfare of the organization and the environment (Bass, 1985). Yukl (2010)

states that transformational leadership makes followers more aware of the interests and values of work and persuades employees not to put their own interests first for the organization. Leaders develop employee skills and beliefs to be prepared for more responsibility in an organization that gives authority.

The behavioral concept of transformational leadership consists of 4 dimensions, namely idealistic influence, motivational inspiration, intellectual stimulation, and individual consideration (Bass, 2003). In addition to the four components, a leader must also be able to reduce conflict, educate and reward (Singh, 2008; Podsakoff, et al., 1996). The results of Segers, De Prins & Brouwers (2010) research show that transformational leaders in addition to having a positive effect on attachment, leaders can also create an environment that can increase the attachment of their subordinates directly or indirectly. Positive leaders create and strengthen positive effects on work effectiveness and engagement levels.

II. OBJECTIVES AND METHODS

The method used in this research is a descriptive method because this research was conducted to see the effect of transformational leadership on employee engagement of PT. Dextonindo Persada. Subjects in this study were 120 people who were staff level employees at PT. Dextonindo Persada. Data were collected by using two scales, scale of employee engagement that based on the theory proposed by Schaufeli, Salanova, Gonzalez-Roma, and Bakker (2002) which included vigor, dedication, and absorption, and scale of transformational leadership that based on the theory proposed by Bass (1985) which included idealized influence, inspiration motivation, intellectual stimulation, and individualized consideration. Scale in this research used Likert model in which items used statements with seven choices of answer: always, very frequently, often, sometimes, rarely, almost never, and never. The scores would move from 0 to 6, and the scale was presented in the form of statements of favorable (support) and unfavorable (not support). Employee engagement scale has reliability (rxx)= 0.642 and has a corrected item-total correlation value moving from 0.364 – 0.502. Transformational leadership scale has reliability (rxx)= 0.854 and has a corrected item-total correlation value moving from 0.391 – 0.709.

III. RESULT AND DISCUSSION

Overview score of employee engagement of employee at PT. Dextonindo Persada can be obtained through the test significance of differences between hypothetical mean and the empirical mean of the score scale of employee engagement. The following are hypothetical and empirical values which can be seen in Table I.

TABLE I. Overview of hypothetical and empirical value of employee engagement

Hypothetical		Empirical	
Mean	SD	Mean	SD
63	21	74,09	5.590

Based on Table I, the empirical mean of the employee engagement is 74.09 with a standard deviation of 5.590, while the hypothetical mean is 63 with a standard deviation of 21. Classification refers to hypothetical mean data with standard deviations (Azwar, 2005), so the categorization obtained is as follows:

TABLE II. Categorization of employee engagement

Score	Categorization	Frequency	Percentage
$X < 42$	Low	0	0%
$42 \leq X < 84$	Moderate	116	96,7%
$X \geq 84$	High	4	3,3%

Based on the categorization in table II, it can be seen that as many as 116 people (96.7%) employees of PT. Dextonindo Persada is in the medium category. The rest, employees in the high category are 4 people (3.3%), and there are no employees in the low category. This means that most of the employees of PT. Dextonindo Persada has a level of employee engagement in the moderate category.

Overview score of transformational leadership at PT. Dextonindo Persada can be obtained through the test significance of differences between hypothetical mean and the empirical mean of the score scale of employee engagement. The following are hypothetical and empirical values which can be seen in Table III.

TABLE III. Overview of hypothetical and empirical value of transformational leadership

Hypothetical		Empirical	
Mean	SD	Mean	SD
84	28	103,47	10,046

Based on table III, the empirical mean of transformational leadership is obtained at 103.47 with a standard deviation of 10.046. While the hypothetical mean of 84 with a standard deviation of 28. Classification refers to hypothetical mean data with standard deviations (Azwar, 2005), so the categorization obtained is as follows:

TABLE IV. Categorization of transformational leadership

Score	Categorization	Frequency	Percentage
$X < 56$	Weak	0	0%
$56 \leq X < 112$	Moderate	90	75%
$X \geq 112$	Strong	30	25%

Based on the categorization in table IV, it can be seen that as many as 90 employees are in the moderate category (75%). The rest, employees in the strong category are 30 people (25%), and there are no employees in the weak category. This means that most employees assess that transformational leadership superiors tend to be moderate.

Employees with moderate attachment tend to complain and have the intention to leave the company when experiencing difficulties (Marciano, 2010). This can explain the behavior of employees of PT. Dextonindo, who claimed to be tired at work, caused them to lack discipline when facing the effects of fatigue, for example, getting up late when they were about to start work the next day. In addition, employees also often complain about other things during in-depth interviews, for

example related to the conditions or workplace environment. However, due to consideration of the difficulty of finding a new job, employees think a lot to submit resignation due to the difficulty of finding a new job. This causes employees to only work to meet their needs, although they still follow the applicable company rules. In addition, employees also try to complete their respective duties so as not to be exposed to reprimands from superiors, even though their performance results are classified as standard or there are not many new changes that occur in the performance and results of work.

Employees feel the transformational leadership applied by the boss is in the medium category, which means that it is only felt in certain conditions and is not too intense in their activities or communicating with superiors. In this case employees interact with superiors in certain situations or conditions, such as when superiors provide guidance on work assignments or employees who ask superiors when encountering problems or obstacles, the rest of the employees do their work independently. Meanwhile, a small number of other employees feel that transformational leadership applied by superiors is in the high category, which means employees perceive superiors as role models in work or other activities, view superiors as charismatic figures, and are fully influenced by superiors. When employees feel the full support of superiors and are fully monitored, employees feel valued and well guided, so that their desire to continue to survive and work in the company is also higher. This is in line with research conducted by Wulandari, Nurtjahjanti, and Putra (2013) also stating that transformational leadership influences employee work engagement, which is interpreted as the higher transformational leadership that is applied, the higher employee attachment to their work.

#### IV. CONCLUSION

Based on the results of the study, it can be concluded that transformational leadership have influence on employee engagement. This means that the higher the transformational leadership, the higher employee engagement.

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