

The Influence of Transformational Leadership on Employee Performance at The Binjai City Inspectorate Office

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Abstract

The purpose of this research is to determine and analyze the influence of Transformational Leadership on Employee Performance of Binjai City Inspectorate Office Employees. This research was carried out at the Binjai City Inspectorate Office. The type of research is associative quantitative. The sample in this study was 60 employees of the Binjai City Inspectorate Office. The sampling technique in this research uses saturated samples so that the entire population will be a sample of 60 people. The research results show that Transformational Leadership has a significant influence on Employee Performance as shown by the T-Statistic value of $3.037 > 1.670$ and the P Value of $0.004 < 0.05$. This shows that improvements in Transformational Leadership can improve the Performance of Binjai City Inspectorate Office Employees.

Keywords: influence; transformational leadership; performance.

INTRODUCTION

Human resources have a big role in the company, especially to achieve company goals, therefore companies are required to be able to manage their human resources, because human resources are a valuable company asset for planning, implementing and controlling various operational activities in the company. To maintain the quality of human resource development, companies usually provide training and feedback that can improve employee performance.

Employee performance can increase if an employee can meet the targets set by the organization or company. To encourage employee performance, the organization or company must have leadership who can protect and guide its employees so they are enthusiastic about working. A leader must also be a role model for all his employees. In social facts, leadership is something that cannot be avoided in managing relationships between individuals who join a society.

Apart from the influence of leaders, employee performance can also be influenced by the characteristics of a job. Job characteristics can influence employee performance, where an employee will work well if the work is in accordance with his or her abilities. Apart from that, Affective Commitment can also indirectly influence employee performance.

Transformational leadership occurs when leaders broaden and advance the interests of their employees, when they generate awareness and acceptance of the group's goals and mission, and when they move their employees to look beyond their own interests to the best interests of the group. Transformational leaders achieve these results through various means, including: the leader has charisma in his followers so that he is able to inspire; leaders can meet the emotional needs of each employee; and/or leaders can stimulate

employees intellectually. There are several studies that also empirically show the curvilinear effect of transformational leadership on employee task performance. In general, task performance refers to the evaluation of specific tasks and behaviors in traditional job descriptions, (Chen et al., 2018). Meanwhile, task performance as an important element is considered as part of the employee performance assessment indicators in almost all organizations (Chen et al., 2018).

Based on the results of previous research, there are inconsistent research results, namely research conducted by Setiawan (2015), showing research results that transformational leadership style does not have a significant effect on employee performance. Meanwhile, research conducted by (Abadiyah & Ilviyah, 2022) shows the results that transformational leadership style has a significant influence on employee performance. Due to the differences between the two studies, in the current study, researchers are interested in conducting research related to transformational leadership style on employee performance.

Regarding the influence of transformational leadership on contextual performance, several previous studies tested its influence. Transformational leaders urge their followers to move beyond self-interest and act in accordance with a larger interest that includes concern for colleagues and helpfulness toward coworkers in line with the idea of contextual performance, that is, performance that goes beyond formal roles and obligations. Transformational leaders view long-term goals and employee development holistically, they motivate employees to focus on deeper issues related to organizational growth rather than concentrating on meeting their basic security concerns, (Pradhan & Pradhan, 2015).

Transformational leadership according to Sudarwan Danim in (Shalahuddin, 2016) explains that transformational leadership comes from the word "to transform" which means to transform or change something into a different form. Such as transforming a vision into a reality, potential which becomes actual, latent which becomes manifest and so on.

According to (Suarga, 2017) transformational leadership is a leader who has the power to influence his subordinates in a certain way. Namely, by implementing transformational leadership, subordinates will feel trusted, appreciated, loyal and respectful towards their leaders. In a transformational leader, there are four components that must be present (Shalahuddin, 2016), namely:

1. Idealized influence (ideal influence)
A tenacious, persistent and intelligent leader. And able to demonstrate vision and mission, as well as exemplify good morals. So as to foster sympathy and empathy from subordinates towards the leader. An ideal figure who can set an example and can be imitated.
2. Intellectual stimulation (intellectual simulation)
As time progresses, leaders will be faced with new problems. Leaders here are required to innovate, at this point leaders must use knowledge to create innovation.
3. Individual consideration (individual consideration)

Transformational leaders consider what their subordinates need. Here the leader acts as a mentor or coach, this kind of application will determine the strengths and weaknesses of his subordinates.

4. Inspiration motivation (inspiration motivation)

Leaders who have standards that are above average and can direct or target subordinates so that they can achieve that average. And before reaching that level, the leader motivates them to be consistent in the achievement process.

According to (Fahmi, 2017) Performance is the result of a process that is referred to and measured over a certain period of time based on previously established provisions or agreements. Meanwhile, according to (Mangkunegara, 2016) employee performance is the achievement of employee work results based on quality and quantity as work performance within a certain period of time which is adjusted to the duties and responsibilities of a group within the organization in carrying out basic tasks and functions that are guided by norms, standard operating procedures. , criteria and measures that have been established or are applicable in the organization.

To measure the level of employee performance in this research the author refers to theory (Fahmi, 2017), namely:

- 1) Quality, namely the level of errors, damage, accuracy.
- 2) Quantity, namely the number of jobs produced.
- 3) Use of time at work, namely the level of absenteeism, tardiness, effective working time/lost working hours.
- 4) Cooperate with other people at work.

The purpose of this research is to analyze and determine the influence of Transformational Leadership on the Performance of Binjai City Inspectorate Office Employees. The concept of this research is as depicted in the following conceptual framework image:

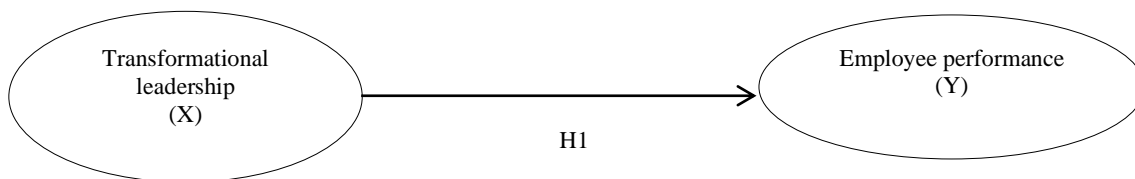


Figure 1. Conceptual Framework

METHOD

This type of research is casual associative quantitative research. This research was carried out at the Binjai City Inspectorate Office. This research was carried out from March to April 2024. According to (Sugiyono, 2018b) population is a generalized area consisting of objects/subjects that have certain qualities and characteristics determined by the researcher to be studied and then conclusions drawn. In this study, the population used was the entire number of employees at the Binjai City Inspectorate Office, totaling 60 people.

The sampling technique used in this research was a saturated sample. According to (Sugiyono, 2018b) Saturated sampling is a sample selection technique if all members of

the population are sampled, where the entire population in this study is sampled, namely 60 employees.

The data that will be used from this research is the data from the questionnaire distributed to respondents consisting of all employees in all divisions. The data analysis technique used in this research is a quantitative data analysis method using SPSS version 25.0.

Validity and reliability tests were carried out in order to test the quality of the research data. The validity test decision making criteria are as follows: If $r_{count} > r_{table}$, then the question item is valid. If $r_{count} < r_{table}$, then the question item is invalid. Meanwhile, the reliability test criteria are formulated if $r_{alpha} > r_{table}$ then the statement is reliable and if $r_{alpha} < r_{table}$ then the statement is not reliable.

The linear regression model was formulated in this research with the following formula:

$$Y = a + bX$$

Where :

- Y = Employee Performance
- X = Transformational Leadership
- a = Constant
- b = Regression coefficient

The t-test in this research was carried out to determine the significance of the influence of the independent variable on the dependent variable (Kuncoro & Hardani, 2013). According to (Kuncoro & Hardani, 2013) the determination test (R^2) is used to measure how much influence the independent variable has on the dependent variable. In other words, the coefficient of determination is used to assess the magnitude of the influence of the independent variable studied, namely Transformational Leadership (X), on the dependent variable, namely employee performance (Y). The coefficient of determination (R^2) value ranges from zero to one ($0 < R^2 < 1$) which means, if $R^2 = 0$, then there is no influence between variable (X) and variable (Y). Conversely, if R^2 approaches 1, then the influence between variable (X) and variable (Y) becomes stronger. This coefficient of determination test was carried out using SPSS version 25.0 software.

RESULTS AND DISCUSSION

1. Research result

a) Descriptive Analysis

Descriptive Analysis This test is used to determine the minimum and maximum scores, the highest scores, rating scores and standard deviations for each variable. The results are as follows:

Table 2. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Transformational leadership	60	3.00	5.00	4,1958	,55252
Performance	60	2.00	5.00	4.2250	,83704
Valid N (listwise)	60				

The table above shows that the measurement results show that respondents assess Transformational Leadership and employee performance at the Binjai City Inspectorate Office to be above average, with mean values of 4.195 and 4.225 respectively on a scale of 1-5. The variation in respondents' assessments of these two variables is quite moderate, with almost the same standard deviation (0.552 for Transformational Leadership and 0.837 for employee performance), indicating that although there are individual differences in perception, the majority of respondents have quite positive views of these two variables.

b) Validity and Reliability Test Results

Validity Test Results

The validity test is used to measure whether a questionnaire is valid or not. Validity testing carried out in this research was through the Corrected Item-Total Correlation test or better known as Person Correlation.

Table 3. Validity Test Results for Transformational Leadership Variables (X)

Variable	Correlation Value	Probability	Information
KT1	0.802 > 0.254	0.000 < 0.05	Valid
KT2	0.821 > 0.254	0.000 < 0.05	Valid
KT3	0.855 > 0.254	0.000 < 0.05	Valid
KT4	0.749 > 0.254	0.000 < 0.05	Valid

Source: Processed with SPSS version 25

From the data above, it can be stated that the indicators for the Transformational Leadership variable have a correlation coefficient value of > 0.254 with a significance value of 0.000 < 0.05, so it can be concluded that the indicators for the Transformational Leadership variable are valid (Sugiyono, 2018a).

Table 4. Validity Test Results for Employee Performance Variables (Y)

Variable	Correlation Value	Probability	Information
KIN1	0.755 > 0.254	0.000 < 0.05	Valid
KIN2	0.825 > 0.254	0.000 < 0.05	Valid
KIN3	0.801 > 0.254	0.000 < 0.05	Valid
KIN4	0.850 > 0.254	0.000 < 0.05	Valid

Source: Processed with SPSS version 25

From the data above it can be stated that all indicators on employee performance variables have a correlation coefficient value greater than 0.254 with a significance value of 0.000 < 0.05 so it can be concluded that the statements for employee performance variables are valid, (Sugiyono, 2018a).

Reliability Test Results

According to (Ghozali, 2018) the reliability test aims to measure how reliable or reliable the questionnaire distributed to respondents is, which is useful as an instrument in this research. The reliability measurement method used in this research is by looking at the

Cronbach Alpha (a) value. The questionnaire is declared reliable if the Cronbach Alpha (a) value is > 0.61.

Table 5 Reliability Test Results

Variable	Cronbach's Alpha	N of Items
Transformational leadership	0.816	4
Employee Performance	0.819	4

Source: Processed with SPSS version 25.0

Based on table 5, it is known that the Cronbach Alpha (a) value of the Transformational Leadership and employee performance variables is greater than 0.60. So it can be concluded that all indicators in the variable instrument are declared reliable or reliable so that they can proceed to research hypothesis testing.

c) Quantitative Analysis

This analysis is intended to determine the influence of the independent variable on the dependent variable. The test results are as follows:

Simple Linear Regression Analysis

This regression test is intended to determine changes in the dependent variable if the independent variable experiences changes. The test results are as follows:

Table 6. Simple Linear Regression Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	11,871	,782		2,393	,020
Transformational leadership	,561	,185	,370	3,037	,004

a. Dependent Variable: Performance

Based on the test results in table 8, the regression equation $Y = 11.871 + 0.561X$ is obtained. This equation is explained as follows: 1) A constant of 11.871 means that if there is no Transformational Leadership, then there is an employee performance of 11.871 points. The Transformational Leadership regression coefficient is 0.561, meaning that Transformational Leadership influences an increase in employee performance of 0.561 for every 1 point increase.

Analysis of the Coefficient of Determination

To determine the magnitude of the influence of the independent variable on the dependent variable, a coefficient of determination analysis was carried out. The test results are as follows:

Table 7. Coefficient of Determination Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,370a	,137	,222	,78418

a. Predictors: (Constant), Transformational Leadership

The test results in table 7 show that the Adjusted R Square value is 0.222 or 22.20%, which means that Transformational Leadership has a low influence on employee performance, while the remaining 77.80% is influenced by other factors that have not been studied.

t Test Results (Hypothesis Test)

Hypothesis testing with the t test is used to determine whether or not there is an influence of the dependent variable on the independent variable with the following hypothesis formulation:

Ho: There is no influence of Transformational Leadership on employee performance at the Binjai City Inspectorate Office

Ha: There is an influence of Transformational Leadership on employee performance at the Binjai City Inspectorate Office

The following are the results of the hypothesis test as shown in the following table:

Table 8. Hypothesis Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
	1	(Constant)	11,871			,782
	Transformational leadership	,561	,185	,370	3,037	,004

a. Dependent Variable: Performance

Based on the test results in table 8, the calculated t value is 3.037 > t table 1,670, with a significance value of 0.004 < 0.05, thus it can be stated that Ho is rejected and Ha is accepted or that there is a positive and significant influence between Transformational Leadership on employee performance at the City Inspectorate Office. Binjai.

Contents of Discussion Results

The findings in this research can be strengthened by referring to relevant previous research findings. In the context of the influence of Transformational Leadership on the Performance of Binjai City Inspectorate Office Employees, this finding is in line with research results (Deddy, 2022) which show that the Influence of Transformational Leadership on Employee Performance. Hypothesis testing results show that the relationship between transformational leadership variables and employee performance

shows a path coefficient of 0.917, The P Values are 0.000 which means <0.05 . These results indicate that transformational leadership has a positive and significant effect on employee performance. This means that improvements in Transformational Leadership can contribute to improving the performance of Binjai City Inspectorate Office employees.

CLOSING

Conclusion

From the results of data analysis resulting from the research and discussion described above, it can be concluded that Transformational Leadership (interpersonal relationships) does not have a significant influence on the performance of Binjai City Inspectorate Office Employees at the Binjai City Inspectorate Office. These results indicate that if Transformational Leadership is improved, employee performance will tend to increase. Overall, this research provides insight into the importance of factors such as Transformational Leadership in influencing the Performance of Binjai City Inspectorate Office Employees.

Suggestions and Acknowledgments

Based on the results of the analysis and conclusions of this research, the following are several suggestions that can be given to the Binjai City Inspectorate Office to improve employee performance through increasing Transformational Leadership:

1. Institutions need to focus on improving relationships between employees to improve performance. This can be done by holding leadership innovations in the form of activities that support social interaction, such as team-building, gatherings, and other events that encourage collaboration and communication. Additionally, it is important to create a friendly and supportive work environment, where employees feel comfortable sharing ideas and contributing.
2. Institutions need to hold ongoing training and development programs to improve employee work competency. Training that is structured and appropriate to job requirements will help employees develop the skills needed for better performance. Mentoring and coaching programs can also be implemented to provide direct guidance from more experienced employees.

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