

Transformational Leadership's Influence on Human Resource Performance via Organizational Climate and Commitment

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ABSTRACT

This study aims to examine the impact of transformational leadership on human resource performance through organizational climate and organizational commitment in the Morowali Regency Government, using a sample of 77 respondents and data collected through questionnaires and analyzed using PLS (Partial Least Square) software. The findings of this study indicate that there is a significant influence of transformational leadership on organizational climate and organizational commitment and that organizational climate has a significant influence on employee performance. At the same time, organizational commitment had no significant effect on employee performance in the Morowali Regency Government.

INTRODUCTION

Leadership is one of the issues in management that is still quite interesting to be discussed today. The mass media, both electronic and print, often present opinions and talk about leadership. The role of leadership, which is very strategic and important for achieving the vision, mission, and goals of an organization, is one of the motives that encourage people to always investigate the intricacies associated with leadership. The quality of the leader is often considered the most important factor in the success or failure of an organization (Bass & Steidlmeier, 1999). So important is the role of the leader that the issue of leadership has become a focus that has attracted the attention of researchers in the field of organizational behavior.

According to (Bass & Steidlmeier, 1999), transformational leadership is moral leadership based on values, vision, charisma, and genuine concern for others in the organization. A leader must be able to demonstrate behavior and create a work atmosphere that can support the creation of good attitudes and the performance of human resources. Studies (Jing et al., 2011) find that climate support tends to be associated with higher organizational performance (i.e., financial performance, staff satisfaction, and customer satisfaction) and can reduce staff turnover. However, (Rahmadewi, 2013) found in his research that organizational climate has a significant negative direct influence on employee performance. In addition, studies (Khan et al., 2012) have found that employee commitment to the organization has a positive impact on employee performance. However, this is different from the study (Sarwat et al., 2011), which found that organizational commitment did not mediate the effect of transformational leadership on human resource performance. Likewise, a study (Handayani, 2008) found that organizational commitment

has a negative effect on employee performance. From the differences in the results of these studies, it is certainly interesting to do further research.

Furthermore, the government of Morowali Regency is one of the developing regions in Central Sulawesi Province which has a big vision and mission for development and the welfare of the community. To achieve this great vision and mission is certainly not easy, it takes hard work, loyalty, and cooperation from all parties, especially all local government employees of Morowali Regency. In this case, the role of the leader is very important to transform values and visions to all related elements of human resources so that awareness is embedded about the importance of these values and visions, with the hope of increasing the spirit and performance of local government employees in Morowali Regency. However, the phenomenon that occurs in the Morowali Regency Government shows that employee performance is not optimal, among them, there are still several complaints from the public regarding the services provided. From these conditions, it is interesting to do more in-depth research to find out the variables that influence it, especially regarding transformational leadership, organizational climate, and organizational commitment in the Morowali Regency Government.

RESEARCH METHOD

This research is an explanatory study that seeks to determine the relationship between research variables. The nature of this research is to find a causal relationship between variables through hypothesis testing. The population in this study were all civil servants (PNS) in regional apparatus organizations (OPD) within the Morowali Regency Government Scope. The sampling method used was proportional random sampling, with a total of 77 respondents. Furthermore, the data collection method is primary data collected through questionnaires, which is direct data collection by asking a list of questions to the respondents. The questionnaire used is a closed questionnaire with measurements based on the level of agreement using a Likert scale (1–5). The secondary data was collected through literature studies, interviews, and documentation related to research needs. The data was analyzed using PLS (Partial Least Square) software.

RESULTS AND DISCUSSION

The following are the results of research that have been analyzed using PLS (Partial Least Square). The assessment of the outer model uses three criteria, namely convergent validity, composite reliability, and discriminant validity.

Convergent Validity

Convergent validity from the measurement model with reflective indicators was assessed based on the correlation between item scores and construct scores calculated by PLS. The indicator is said to be valid if the loading vector value is more than 0.50 or the statistic value is greater than the table value of 1.991 ($\alpha = 5\%$). Based on the test results show that all indicators are valid and can be used to measure research variables. The loading factor value of all indicators is greater than 0.50. In addition, all indicators have an at-statistical value greater than the t-table value of 1.991 ($\alpha = 5\%$). This means that the instruments of all variables are considered good to be used as research instruments.

Table 1. Convergent validity calculation results

Variables and indicators	Original sample estimate	T-Statistics	Status
Transformational leadership			
The influence of ideal-charisma	0.870	24,780	Valid
Intellectual Stimulation	0.836	20,259	Valid
Inspirational Motivation	0.833	13,597	Valid
Individual Considerations	0.745	7,506	Valid
Articulation of vision	0.869	15,648	Valid
Organizational Climate			
Autonomy	0.565	5.093	Valid
Trust	0.544	3.165	Valid
Endorsement	0.691	6.016	Valid
Confession	0.786	13,749	Valid
Fairness	0.813	12,239	Valid
Organizational Commitment			
Maintaining membership	0.702	7.903	Valid
Try really hard	0.722	4.329	Valid
Acceptance of organizational values	0.802	6.167	Valid
Acceptance of organizational goals	0.777	6.312	Valid
HR Performance			
Quality of work	0.750	8,724	Valid
Quantity of work	0.736	10,741	Valid
Punctuality	0.556	3.065	Valid
Cost-effectiveness	0.784	8,571	Valid
independence	0.798	12,915	Valid

Source: PLS output results, 2021

Composite Reliability

An indicator is said to have good reliability if its value is greater than 0.70. Based on the composite reliability value, each construct is very reliable because it has a high composite reliability value above 0.70. This means that the instruments of all variables are considered good to be used as research instruments.

Table 2. Composite Reliability Calculation Results

	<i>Composite Reliability</i>
Transformational leadership	0.918
Organizational Climate	0.815
Organizational Commitment	0.838
HR Performance	0.849

Source: PLS output results, 2021

Discriminant Validity

The discriminant validity test of the reflexive indicator can be seen in the cross-loading between the indicator and its construct. The correlation value of the indicator to the constructor its latent must be greater than the correlation value between the indicator and other constructs. From the test results, it is found that the cross-loading value for all indicators of both transformational leadership, organizational climate, and organizational commitment and employee performance has a greater value than the correlation value of other construct indicators. This shows that the latent construct predicts indicators in their block better than indicators in other blocks. So it can be said that all of these indicators have good discriminant validity.

Table 3. Cross Loading Value

	Leadership Transformational	Organizational Climate	Organizational Commitment	Employee Performance
Autonomy	0.424	0.565	0.188	0.395
Trust	0.443	0.544	0.143	0.228
Endorsement	0.510	0.691	0.430	0.459
Confession	0.549	0.786	0.305	0.578
Fairness	0.777	0.813	0.379	0.618
Quality of work	0.181	0.184	0.153	0.750
Quantity of work	0.304	0.338	0.214	0.736
Punctuality	0.109	0.131	0.100	0.556
Cost-effectiveness	0.403	0.422	0.358	0.784
independence	0.370	0.355	0.404	0.798
Maintaining membership	0.271	0.241	0.702	0.246
Try really hard	0.171	0.140	0.722	0.294
Acceptance of organic values.	0.412	0.413	0.802	0.528
Acceptance of organizational goals	0.374	0.329	0.777	0.517
The influence of ideal-charisma	0.870	0.813	0.474	0.670
Intellectual Stimulation	0.836	0.724	0.455	0.629
Inspirational Motivation	0.833	0.628	0.428	0.490
Individual Considerations	0.745	0.687	0.258	0.517
Articulation of vision	0.869	0.672	0.435	0.620

Source: PLS output results

After the estimated model meets the outer model criteria, the next step is to test the structural model (inner model). The goodness of fit model is measured using R-Square dependent latent variable with the same interpretation as regression. Here are the R-Square values in the construct:

Table 4. R-square

	<i>R-square</i>
Transformational leadership	
Organizational Climate	0.545
Organizational Commitment	0.182
Employee Performance	0.412

Source: PLS output results, 2021

By paying attention to table 4 R-square can be interpreted as follows:

- ❖ *R-square* giving a value of 0.545 for the construct of organizational climate means that 54.5% of organizational climate can be explained by transformational leadership while the remaining 45.5% is determined by other variables not included in the model.
- ❖ *R-square* giving a value of 0.182 for the construct of organizational commitment means that 18.2% of organizational commitment can be explained by transformational leadership while the remaining 86.7% is determined by other variables not included in the model.
- ❖ *R-square* giving a value of 0.412 for the construct of employee performance means that 41.2% of employee performance can be explained by organizational climate, and organizational commitment, while the remaining 58.8% is determined by other variables not included in the model.

Hypothesis test

To determine whether a hypothesis is accepted or rejected, a comparison is made between statistics and table (1.991) with the provision that if statistics > table then the hypothesis is accepted. The results of statistical analysis of the relationship between variables found the parameter coefficient values and statistical values as shown in the following table:

Table 5. Coefficient Parameters and T-Statistic Values

Variable	Original Sample Estimate	Mean of Subsamples	Standard Deviation	T-Statistics	T-Table	Information
Transform Leadership -> Organizational Climate	0.738	0.759	0.055	13,501	1991	Significant
Transform Leadership -> Organizational Commitment	0.427	0.438	0.125	3,411	1991	Significant
Organizational Climate -> Performance	0.318	0.340	0.150	2.115	1991	Significant
Organizational Commitment -> Performance	0.131	0.118	0.153	0.857	1991	Not significant

Source: PLS output results, 2021

The results of data processing in the table above can be seen for each hypothesis that has been proposed, namely:

First hypothesis test

The table above shows that there is a significant influence of transformational leadership on organizational climate. The results of data processing obtained the original sample estimate value of 0.738 with a statistic value of 13,501 > table 1,991. This value shows that there is an influence of transformational leadership on organizational climate. So the first hypothesis which states that transformational leadership has a significant effect on organizational climate is acceptable, meaning that there is a significant effect of transformational leadership on organizational climate in the Morowali Regency Government.

Test the second hypothesis

The table above shows that there is a significant influence of transformational leadership on organizational commitment. The results of data processing obtained the original sample estimate value of 0.427 with a statistic value of 3,411 > table 1,991. This value indicates that there is an influence of transformational leadership on organizational commitment. So the second hypothesis which states that transformational leadership has a significant effect on organizational commitment can be accepted, meaning that there is a significant effect of transformational leadership on organizational commitment in the Morowali Regency Government.

Third hypothesis test

The table above shows that there is an influence of organizational climate on employee performance. The results of data processing obtained the original sample estimate value of 0.318 with a statistic value of 2.115 > table 1,991. This value indicates that there is an influence of organizational climate on employee performance. So the third hypothesis which states that organizational climate has a significant effect on employee performance is acceptable, meaning that there is a significant influence of organizational climate on employee performance in the Morowali Regency Government.

Fourth hypothesis test

The table above shows that there is no influence of organizational commitment on employee performance. The results of the data processing obtained the original sample estimate value of 0.131 with a statistic value of $0.857 < \text{table } 1.991$. This value indicates that there is no effect of organizational commitment on employee performance. So the fourth hypothesis which states that organizational commitment has a significant effect on employee performance is rejected. That is, there is insufficient evidence that organizational commitment has a significant effect on employee performance in the Morowali Regency Government.

DISCUSSION*Transformational leadership and organizational climate*

The results of hypothesis testing prove that transformational leadership (with indicators of ideal-charisma influence, intellectual stimulation, inspirational motivation, individual consideration, and articulation of vision) can significantly improve the organizational climate in the Morowali Regency Government. This means that to create a good organizational climate, the Morowali Regency Government needs leaders who have transformational leadership characteristics. In fact, transformational leadership has significance and has been shown to influence the organizational climate. This is in line with the opinion expressed by (Higgins, 1994) that the factors that influence organizational climate include the leader. The results of this study are in accordance with a study conducted by (McMurray et al., 2010) that found a significant positive effect of transformational leadership on organizational climate.

Transformational leadership and organizational commitment

The results of hypothesis testing prove that transformational leadership (with indicators of ideal-charisma influence, intellectual stimulation, inspirational motivation, individual consideration, and articulation of vision) can significantly increase organizational commitment in the Morowali Regency Government. This means that to increase employee organizational commitment, the Morowali Regency Government needs leaders who have transformational leadership characteristics. In fact, transformational leadership has an important meaning and is proven to affect organizational commitment. This is in line with the opinion of Bass (1985) that "the relationship between transformational leaders and their followers is based on individual considerations rather than on formal organizational rules." Through individual support, transformational leaders respect their followers and understand their personal feelings and needs, so followers are more engaged and loyal. The results of this study are in accordance with the studies of (Erkutlu, 2008), (McMurray, et al., 2010), and (Kyo, et al., 2012) that suggest a significant positive effect of transformational leadership on organizational commitment.

Organizational climate and employee performance

The results of hypothesis testing prove that the organizational climate (with indicators of autonomy, trust, support, recognition, and fairness) can significantly improve employee performance in the Morowali Regency Government. This means that to improve the performance of employees in the Morowali Regency Government, a good organizational climate needs to be created. In fact, the organizational climate has an important meaning and has been proven to affect employee performance. The results of this study are in accordance with the study of (Jing et al., 2011), which states that climate support tends to be associated with higher organizational performance.

Organizational commitment and employee performance

The results of hypothesis testing prove that organizational commitment (with indicators of maintaining membership, trying hard for the sake of the organization, accepting organizational values,

and accepting organizational goals) does not significantly affect employee performance in the Morowali Regency Government. This means that the increase in employee performance in the Morowali Regency Government is not influenced by organizational commitment. This is in line with the study of (Sarwat, et. al., 2011) that organizational commitment does not affect the performance of human resources.

CONCLUSION

The following are the conclusions of this study, namely:

- 1) The results of testing the first hypothesis found that there was evidence that transformational leadership had a significant effect on the organizational climate in the Morowali Regency Government.
- 2) The results of testing the second hypothesis find that there is evidence that transformational leadership has a significant effect on organizational commitment in the Morowali Regency Government.
- 3) The results of testing the third hypothesis found that there was evidence that organizational climate had a significant effect on employee performance in the Morowali Regency Government.
- 4) The results of testing the fourth hypothesis found that there was insufficient evidence that organizational commitment had a significant effect on employee performance in the Morowali Regency Government.

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