

The Differences In Employees' Perceptions Of Transactional And Transformational Leadership Styles At CV. Makmur Abadi

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Abstract.

The practice of leadership based on previous theories is not able to create a more fundamental change that is urgently needed today, such as changes in behavior, values, and motivation. To address this need for change, theories of leadership are proposed and developed. They are transactional and transformational leadership styles. As known, an organization or company consists of various kinds of individuals who come from various statuses in society, which is in the form of education, position, class, experience, gender, and age. The differences in these characteristics affect the world of work so that the presence of these differences may cause the employees' perceptions to differ from one another. This study aims to investigate the differences in perceptions of transactional and transformational leadership styles based on individual characteristics. Samples in this study were 98 employees of CV. Makmur Abadi. In addition, data were obtained through the distribution of questionnaires. The results showed that there were differences in employees' perceptions based on age. However, there were no differences in employees' perceptions based on gender, education level, type of education, department of work, and length of work.

Keywords: *Employee perception, Transactional Leadership Style, Transformational Leadership Style.*

I. INTRODUCTION

The management system, which initially tends to be traditional, familial, and can be controlled interactively, can no longer be applied because the business environment has changed. The current condition is highly influenced by the rapid advancement of information technology. Along with the rapidly changing business environment and increasing competitive pressures, the demands for changes in various aspects of the company are also increasing. Leaders have a real role in forming a mindset that serves as a symbol of the moral unity of their subordinates, in which they should express good work ethics and values applied in their respective organizations. According to Robbins (2008), leadership refers to the ability to influence a group towards the achievement of goals. Northhouse (2004) describes leadership as a process in which individuals influence a group of people to achieve a common goal. The discussion about the need for an ideal leader is still interesting and will never be finished because it cannot be separated from a harmonious life atmosphere which is the duty and responsibility of leaders from the community level to the organizational level and state level. Shein (1992) (in Judge & Piccolo, 2004) states that the leader has a very large influence on the organization. In addition, leaders' behavior is one of the dimensions of the organization. The presence of leaders who are able to reduce the gap between the two parties (the company and employees) is a vital part.

The practice of leadership based on previous theories is not able to create a more fundamental change that is urgently needed today, such as changes in behavior, values, and motivation. This fundamental change is necessary because it can result in genuine performance and is a manifestation of the increasing need for change.

To answer the need for change, Burns (1978), Bass (1985), Yukl (1998), and Pawar & Enstman (1997) (in Yulia, 2004) propose and develop leadership theories known as transactional and transformational leadership styles.

The success of an organization or company is not only from its leaders but also from employees. Pidekso & Harsiwi (2001) (cited from <http://indonesiainfile.com>) explain that apart from leaders, employees also play an important role in running the company's life cycle and are active actors in every company activity. Therefore, employee perceptions of transactional and transformational leadership styles are important things that need to be known by all parties in the organization or company.

In line with that, currently, researchers in the field of human resources are still focusing on these leadership styles. This is because developments and environmental changes require people to make changes, especially within the organization. It highly depends on those people involved within the organization. Bass (1990), Bass & Avolio (1990), and Hater & Bass (1988) (in Pidekso & Harsiwi, 2009) explain that people's attention to leadership in the change process (management of change) begins when they realize that the mechanistic approach, which has been used to explain the phenomenon of change, often contradicts with people's assumptions that the change may make the workplace more humane. In formulating the change process, a humane transformational approach is usually used, in which participatory work environment, opportunities for personality development, and information disclosure are considered as the conditions behind the process. However, in practice, the change process is carried out by relying on a transactional approach that is mechanistic and technical in nature, in which humans tend to be seen as an economic entity that is ready to be manipulated using a system of rewards and negative feedback in order to achieve the maximum economic benefit.

Concerning the aforementioned elaboration, the problem investigated in this study is "Is there any difference in employees' perceptions of transactional and transformational leadership styles at CV. Makmur Abadi?" Therefore, the purpose of this study is to determine the differences in employees' perceptions of transactional and transformational leadership styles at CV. Makmur Abadi.

II. METHOD

The type of this study was explanatory research, which aimed to analyze the relationship between more than one existing concept. In this study, the population was all employees of CV. Makmur Abadi. The total population was 58 people and all of them were selected as samples in this study. The total population and samples from each department can be seen in the following table.

III. RESULT AND DISCUSSION

The results of this study indicated that the respondents consisted of 28 men (48.5%) and 30 women (50.5%). This means that the number of female employees is higher than that of male employees.

For the validity of the instrument, the researcher applied Pearson's product-moment correlation, in which the validity of the instrument is determined by comparing the results of the calculation at a significance level of 5%. Furthermore, for the reliability test of the instrument, the researcher employed Cronbach's alpha, in which an instrument can be considered to be reliable if it has a reliability coefficient value greater than or equal to 0.6. In other words, if $\alpha \geq 0.6$, the instrument has been reliable. In addition, the researcher also carried out classical assumption testing, consisting of the normality testing using the one-sample Kolmogorov-Smirnov test, the heteroscedasticity testing using a scatterplot graph, and the multicollinearity testing by analyzing the value of variance inflation factor (VIF).

a. Gender and Transactional & Transformational Leadership Styles

To analyze the presence of differences based on individual characteristics, namely gender, in perceptions of transactional and transformational leadership styles, the researcher used a cross-tabulation that describes the

relationship between gender and transformational & transactional leadership styles. Therefore, differences in employees' perceptions may be found out.

Table 4.1 Gender and Leadership Styles

Gender	Transformational	Transactional
Female	28	2
Male	27	1

Source: Results of data processing using SPSS, 2019

From Table 4.1 concerning gender and transformational & transactional leadership styles, it can be seen that both female and male employees prefer the transformational leadership style to the transactional leadership style. The data showed that 28 female employees agreed with the transformational leadership style, while only 2 female employees agreed with the transactional leadership style. Likewise, 27 male employees agreed with the transformational leadership style, while only 1 male employee agreed with the transactional leadership style.

b. Hypothesis testing

The results of the chi-squared test between gender and transactional & transformational leadership styles can be seen in the following table.

Table 4.2. The Results of the Chi-Squared Test

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.303 ^b	1	.582		
Continuity Correction ^a	.000	1	1.000		
Likelihood Ratio	.310	1	.578		
Fisher's Exact Test				1.000	.515
Linear-by-Linear Association	.300	1	.584		
N of Valid Cases	98				

a. Computed only for a 2x2 table

b. 2 cells (50.0%) have expected count less than 5. The minimum expected count is 1.47.

Based on Table 4.2, it was found out that the significance value was > 0.05 ($0.582 > 0.05$). This result does not support the hypothesis. In other words, women and men have an even distribution of data on transactional and transformational leadership styles. This means that there is no difference in perceptions between male and female employees. For the leadership style, women tend to adopt a democratic or participatory style, use transformational leadership, encourage participation, share information, and increase the self-esteem of subordinates. Meanwhile, men are more likely to use directive, command, and control styles. They also tend to use the transactional leadership style and rely on formal authority (Under, 2009).

The result of this study is contrary to the results of previous studies. The data showed that there is no difference in perceptions between female and male employees. Based on the cross-tabulation analysis, both women and men like the transformational leadership style rather than the transactional leadership style. It is clear that female and male employees agree more with the transformational leadership style and tend to dislike the transactional leadership style. Similarly, the results of hypothesis testing using the chi-squared test prove that the distribution of gender is even, meaning that there is no difference between female and male employees. However, this result is in line with a study conducted by Robbins (2003) that there is no consistent difference between men and women in problem-solving ability, analytical skills, competitive drive, motivation, sociability, and learning ability.

IV. CONCLUSION

From the results of this study, it can be concluded that there is no significant difference based on gender, namely male and female, in employees' perceptions of transformational and transactional leadership styles. This result does not support the previous study conducted by Under (2009). However, it is in line with a study conducted by Robbins (2003) that there is no consistent difference between men and women in problem-solving ability, analytical skills, competitive drive, motivation, sociability, and learning ability. Based on the conclusions of this study, the researcher recommends leaders at CV. Makmur Abadi to pay attention and follow up on the perceptions of employees who want a transformational leadership style, in which leaders are expected to always make changes in the work environment, be able to motivate their subordinates, think innovatively, be participative, and always provide opportunities for their subordinates to excel and develop competencies.

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