

# The Effect of Transformational Leadership and Empowerment on Employee Performance

*by Ari Widi Prakasa, Pudji Astuti*

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# The Effect of Transformational Leadership and Empowerment on Employee Performance

Ari Widi Prakasa, Pudji Astuty

Student Doctoral Ilmu Ekonomi Universitas Borobudur, Indonesia  
Universitas Borobudur, Indonesia

## 3 ABSTRACT

The purpose of this study was to examine and formulate the influence of transformational leadership and empowerment on the performance of the social service in the Pangandaran Regency, which is located in the West Java Province. The total number of people that filled out the survey was 97. The methods of observation, interviews, documentation, reading, and questionnaires are utilized during the data collection process. Procedures for analyzing data include the instrument test, the classical assumption test, multiple linear regression analysis, multiple correlation, the t test (t test), the determination test, and the F test (F test). The findings of the study suggest that there is a favorable and statistically significant connection between transformative leadership and the level of performance achieved by employees working in the social service office for the Pangandaran region. At the social service office serving the Pangandaran district, there is a positive and significant correlation between empowerment and the performance of staff members. The performance of employees working in the social service sector of the Pangandaran Regency is significantly improved when they are provided with both transformational leadership and simultaneous empowerment. At the Pangandaran district social service office, the concurrent effect of transformational leadership (X1) and empowerment (X2) on performance (Y) is 58.2%.

**Keywords:** Transformational Leadership, Empowerment, Performance, Employees.

## 1 Introduction

The corporate climate has seen major changes over the past decade. Globalization, liberalization, trade, deregulation, and advancements in information technology provide new realities characterized by intensifying competition. These competitive pressures "caused" a number of organizations to implement rightsizing, downsizing, delaying, and restructuring (Mujiasih & Ratnaningsih, 2011). Faced with these developments, leaders must dramatically reconsider how they manage human resources and organizations (Kuswaeri, 2016). With fewer personnel to meet the growing workload, leaders must consistently seek to expand the capacity and competencies of their human resources in accordance with the many changes in the industry's rules of the game and the fierce competition (Soetrisno, 2016).

As one of the determinants of a company's performance and the most crucial element in its organization, employees frequently generate problems. This is due to the fact that each individual has unique amounts of demands, expectations, social backgrounds, and issues. (Setiawan, 2019). Recognizing the significance of human resources in the era of globalization, one of the current goals that institutions must pursue is to enhance the quality of human resources (Syafuddin et al, 2022). People are one of the most essential components of organizations. Even if all other necessary ingredients are present, the organization cannot function without human participation (Samsuni, 2017). Humans are the movers and determiners of an organization's direction, so the organization should provide positive direction for the accomplishment of organizational objectives. The growth of an organization is determined by the efficiency and effectiveness with which workers execute their primary responsibilities. Every firm anticipates that its personnel will perform their jobs effectively and efficiently. The objective is for the firm to continually enhance its competitiveness (Hadijaya, 2020).

To get quality resources, companies need to empower employees. This is also influenced by the leader, by implementing transformational leadership, employees feel more trusted, valued and loyal and have respect for their leaders (Angelia & Astiti, 2020). Transformational leadership has high values, moral standards, adheres to a code of ethics and provides vision and mission to employees so that employees respect and admire their leaders (Minan, 2019). According to Sutheja (2016)'s research, the presence of transformational leadership can have a good impact on employee empowerment. Transformational leadership effectively facilitates employee needs and maximizes staff

potential. However, Cahyono et al. (2015) found no significant association between transformational leadership and employee empowerment. Transformational leadership influences not only employee empowerment but also organizational culture. Organizational culture is a manner of thinking and acting that conforms to pre-existing patterns inside the organization. According to research by Anik Hermaningsih (2011), transformational leadership has a positive and significant impact on corporate culture.

According to Andiyanto and Darmastuti (2013), leadership conduct and empowerment are vital and have a favorable effect on staff performance. Employee empowerment is the process of providing employees with the ability and authority to make it simpler for them to take personal action, work, and conduct that contributes to the organization's mission (Dewi, 2017). Employee empowerment can boost job dedication and encourage change that benefits the organization's goals. According to Styawahyuni and Yuniari (2014), empowered employees have four main characteristics: a sense of self-determination, a sense of meaning, a sense of competence, and a sense of effect.

Employee performance is inextricably linked to optimal organizational performance improvement since it is one of the elements that determine organizational performance (Lina, 2014). Employee performance cannot be created until the variables that influence it, such as leadership and business empowerment, are adequately accommodated and accepted by all employees in an organization. According to Thoyibatun (2012), organizational performance is dependent on individual performance, or in other words, individual performance contributes to organizational performance, which means that the behavior of organizational members both individually and in groups strengthens organizational performance because their motivation affects organizational performance.

This research was conducted at the Social Service of Pangandaran Regency. To be able to maximize organizational performance, of course what becomes employee satisfaction must be fulfilled. Employee satisfaction is influenced by the existing leadership. The leadership condition at the Pangandaran District Social Service has not been able to solve the existing problems, this is because the leader in protecting his subordinates has many obstacles in terms of communication. Besides that, the leadership of the Pangandaran district social service does not provide space for employees to be able to develop themselves more to realize their potential through empowerment.

## 2 Method

This study employs both quantitative and explanatory research methods. Transformational leadership (X1) and empowerment (X2) are independent variables, whereas employee performance (Y) is the dependent variable. The population of this study consisted of a total of 97 social service workers. The entire population serves as the sample for this study. Use of a saturated sample or the complete population as a research sample constitutes the sampling technique. The data utilized in this study are primary data. Observations and the distribution of questionnaires yielded the data. This study additionally makes use of secondary data and literature-derived information to strengthen its findings. The questionnaire was initially evaluated for its validity and reliability. The supplied data were then examined with SPSS 21.0 for Windows using the classical assumption test, multiple linear regression analysis, t test, and F test. The following is the research framework

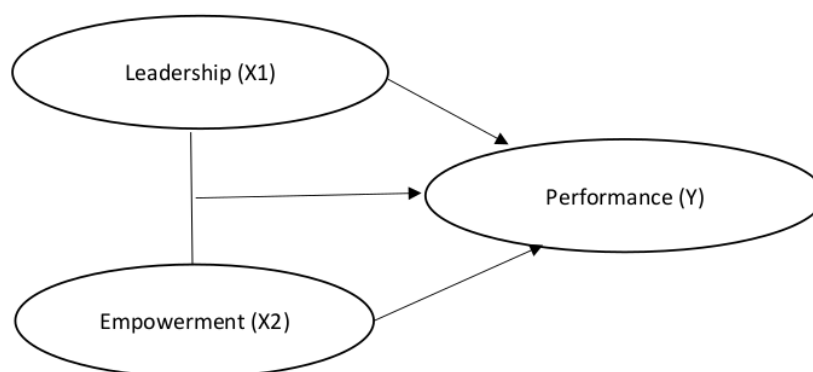


Figure 1 Framework

## Hypothesis

H 1: Transformational leadership has a <sup>15</sup> positive and significant effect on performance

H 2: Empowerment has a positive and significant effect on performance.

H 3: transformational leadership and empowerment have a positive and significant effect on performance.

The participants in this study, who totaled 97 people, were all workers in the field of social services. The sample for this research consists of the whole of the population. The method of sampling that is utilized is known as a saturated sample, or else the whole population is employed as the sample for the research. Primary data were utilized all throughout this research project. The information was gathered through the administration of questionnaires as well as through observations. In addition, secondary data and information gained from the findings of previous research are used here to enhance the findings of this study. The questionnaire that was employed went through a series of tests to determine its validity and reliability. After that, the outcomes of the data were subjected to several statistical tests, including the classical assumption test, multiple linear regression analysis, determination analysis t test, and F test, all of which were performed with the assistance of SPSS 26.0 for windows.

## 3 Results and Discussion

### 1. Classic assumption test

The calculation findings suggest that all research instruments are legitimate and reliable, as they all have a rcount more than rtable and an alpha cronbach reliability coefficient greater than 0.6. Thus, all of the research data were examined based on classical assumptions, and it was determined that they lacked normalcy, multicollinearity, and heteroscedasticity issues.

### 2. Multiple Linear Regression Test

**Table 1. Multiple Linear Regression Test Results**  
Coefficients <sup>a</sup>

16 Model	Unstandardized Coefficient		Standardized Coefficient	t	Sig.
	b	Std. error	Beta		
1. Constant	7.160	3.808		1,879	0.062
Transformational Leadership(X1)	.569	.101	.471	5.615	0.001
Empowerment (X2)	.429	.114	.314	3.745	0.001

a. Dependent Variable: employee performance

Source: Processed SPSS 26

From table 1 above, the regression equation is obtained as follows:

$$Y = 7.160 + 0.569X1 + 0.429X2$$

From the above equation can be interpreted as follows:

- Judging from the value of a = 7.160, b1 = 0.569 and b2 = 0.429. This means that if the values of transformational leadership (X1) and empowerment (X2) are both zero (0), then the performance (Y) will remain at 7.160.
- Judging from the value of b1 = 0.569. This means that if the value of transformational leadership (X1) is increased by 1 unit, it will result in an increase in the value of performance (Y) of 0.569.
- Judging from the value of b2 = 0.429. This means that if the empowerment value (X2) is increased by one unit, it will cause an increase in the performance value (Y) of 0.429.
- Judging from the value of b1 = 0.569 and b2 = 0.449. This means that if the value of transformational leadership (X1) and empowerment (X2) is both increased by one unit, it will cause an increase in performance (Y) of one unit at a constant of 7.161.

### 3. Coefficient of determination test (R<sup>2</sup>)

**Table 2 Test Results Coefficient of determination (R<sup>2</sup>)**

Model Summary <sup>b</sup>				
Model	R	R Square	Adj R Square	Std Error of The Estimate
1	.763	.582	.570	4.67864

Source: Processed SPSS 26

An R<sup>2</sup> of 58.2% is deemed to be significant. Therefore, the combined effect of transformational leadership (X1) and empowerment (X2) on performance (Y) in the Pangandaran district social service is 58.2%, with the remaining 41.8% attributable to factors outside the scope of this research..

### 4. Partial Test (t test)

**Table 3 t test results**

Coefficients<sup>a</sup>

Model	Unstandardized Coefficient		Standardized Coefficient	t	Sig.
	b	Std. error	Beta		
2. Constant	7.160	3.808		1,879	0.062
Transformational Leadership(X1)	.569	.101	.471	5.615	0.001
Empowerment (X2)	.429	.114	.314	3.745	0.001

b. Dependent Variable: employee performance

Source: Processed SPSS 26

According to the results of the t test, the partial effect of transformational leadership (X1) on performance (Y) at the Pangandaran district social service is positive and statistically significant. Ho is refused whereas Hi is approved due to the fact that  $t - \text{count} > t - \text{table}$  is  $5.615 > 1.671$ , making the difference substantial. The first hypothesis is therefore accepted. According to the study's findings, transformational leadership has a positive and statistically significant effect on performance; hence, an increase in transformational leadership will also result in an increase in performance. Improving performance can be accomplished by raising the transformational leadership indicators. The ramifications of this study will become apparent when the organization is able to enhance the transformational leadership components so that the Pangandaran District Social Service employees' performance improves. This is consistent with Novitasari and Asbari's (2020) findings that transformative leadership has a favorable and substantial impact on performance. Moreover, according to study conducted by Rivai (2020), transformative leadership has a favorable and significant impact on employee happiness.

The t-test results indicate that the partial effect of empowerment (X2) on job satisfaction (Y) at the Social Service of Pangandaran Regency is positive and statistically significant. Ho is refused and Hi is approved because  $t - \text{count} > t - \text{table} = 3,745$ , which is greater than 1,671. Therefore, the second hypothesis is supported. According to the study's findings, empowerment has a positive and statistically significant effect on performance, which suggests that any rise in empowerment will also result in an improvement in performance. Improving employee performance can be accomplished through raising the empowerment variable's indicators. When the social service professionals of Pangandaran Regency are able to discover empowerment in their work, resulting in optimal performance, the ramifications of this study will become apparent. This is consistent with the findings of Kambey and Suharnomo (2013), who found that empowerment had a favorable and substantial effect on employee performance. Employees that feel like they are a part of the organization are more likely to be content with their position and to strive for excellence. An additional study by Anuraga et al. (2017) demonstrates that empowerment can have a substantial positive influence on employee work satisfaction.



## 5. Simultaneous Test (f Test)

Table 4 Test Results f

ANOVA<sup>a</sup>

Model	Sum of Square	df	Mean Square	F	Square
Regression	1722,275	2	809.137	37.009	.000 <sup>b</sup>
Residual	2146,641	93	22,889		
Total	3587,917	97			

Source: Processed SPSS 26

The F test indicates that the simultaneous influence of transformational leadership (X1) and empowerment (X2) on performance (Y) is positive and statistically significant. Based on the fact that F – count is more than F – table, Ho is rejected and Hi is accepted. The third theory is therefore acceptable. According to the study's findings, transformational leadership and empowerment have a positive and statistically significant effect on performance; therefore, an increase in transformational leadership and empowerment will also result in an increase in performance. Improving performance can be attained through boosting the indicators of transformative leadership and empowerment. The ramifications of this research will be apparent when the Pangandaran District Social Service achieves its highest level of performance through the implementation of the transformational leadership elements in conjunction with proper empowerment. In accordance with the findings of Handoko and Tjiptono's (1996) research, transformational leadership and empowerment have a favorable and substantial effect on employee performance. Leaders who are able to direct personnel and employees who have a sense of belonging to the firm will undoubtedly experience job satisfaction.

## 4 Conclusion

The findings of the researchers' data analysis, testing, discussion, and research indicate that there is a positive and significant influence between transformational leadership and employee performance. This conclusion is based on the findings of the research. The findings of the t-test reveal that the value of t1-count is 5.615, which is higher than the value of t-table, which is 1.6<sup>21</sup> and the sig value, which is 0.001, indicating that the first hypothesis is correct. The findings of the t-test indicate that there is a positive and significant effect between empowerment and employee performance. The t2-count for this test was 3.745, which was higher than the ttable, which was 1.671, and the sig value was 0.001, indicating that the second hypothesis was correct. Because the F-count of 37,009 is higher than the F-table of 3.15, which means that the third hypothesis can be accepted, transformational leadership and empowerment do have a positive and significant influence on job satisfaction. This can be seen from the fact that the F-count is greater than the F-table.

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