

# Transformational Leadership Model on Performance at the Cooperative and Small Medium Enterprise Office of Sulawesi Selatan

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**Abstract.** This study aims to determine the Transformational Leadership Model on Performance in the Office of Cooperatives and Small and Medium Enterprises of South Sulawesi Province. Leadership determines the system's running so that the employees in it produce a good performance for the success of an institution. One's leadership must be based on more competitive, innovative abilities, and can provide good education and be an example for their employees. A leader's competence as a guide to morals and character, efficiency, effectiveness, and quality of the implementation of tasks carried out in a spirit of cooperation and responsibility in accordance with the organization's work environment must be carried out to achieve goals. In the current era, every leader must be able to adapt as technology develops and more varied ways of working, where transformational leadership can improve better performance in the institution he leads. Thus, leaders should try to be wiser in recognizing their employees with many kinds of performance characteristics, providing jobs according to their expertise and approach according to their respective capacities. In this study, the author uses qualitative research methods by directly interviewing employees and leaders who become actors to work together to produce excellent and correct performance in these government agencies.

**Keywords:** Model-1; Leadership-2; Performance-3

## 1 Introduction

Leadership determines whether the organization will be successful in accomplishing its objectives, specifically whether the leadership is able to effectively mobilize all people resources, facilities, funds, and time and integrate them into the management process [8][9]. Therefore, leadership is at the organization's core, management, and administration. According to Nothouse (2013), transformational leadership is leadership that is purely social and concerned with the common good. These transformational social leaders transcend their interests for the good of others. Every institution or agency requires employees with strong personalities and the ability and skills in making decisions, resources with reason, feelings, desires, abilities, knowledge, and encouragement.

The success of control in an institution cannot to be separated from the leadership role and support from subordinates committed to maintaining work stability for mutual progress in an agency. The leader is someone who directs an activity and is responsible for subordinates and other institutional resources to achieve a goal [10][11]. An effort to achieve the vision and

mission requires the leader's role or the service Head as the one who carries out the organizational management of the Cooperatives and Small and Medium Enterprises Office of South Sulawesi Province and has a vital role in building a productive work climate through transformational leadership in carrying out and producing good bureaucratic performance.

According to [1], the existence of a leader is very important in the organization because he is playing a strategic role in terms of achieving the organizational goals based on the vision and mission that had been stated. Therefore, the leader of a government office must understand its role and function as well as the goals to be achieved for the success of the bureaucracy he leads. The leader's role can affect morale, the job satisfaction, quality of work life, and especially the organization achievement level. To achieve the organizational goals and encourage employees to perform well, good performance is needed from every employee in the organization.

In theory, leadership may direct and inspire followers to do better than usual. In other words, it may boost employees' self-assurance or confidence, which will influence how their job develops. Employees perform at a level determined by how well they fulfill or exceed the standards for their jobs. Performance is a history of results from a specific task or activity over a predetermined amount of time.

Thus, the performance of the employee is the result of work achievement based on the employee's responsibilities during a specific period. There are many ways to improve the performance of employees as controllers of all activities. In line with this, the leadership factor can be a reference or primary indicator of the expected employee performance discrepancy; as previously explained, leadership style is one of the reasons that can result in employee performance decreasing or increasing. Therefore, the management or implementation of a reasonable and appropriate leadership style will also directly suggest that employees carry out their respective functions. James McGregor Burns first proposed the concept of transformational leadership. Furthermore, the concept of Burns' transformational leadership style was developed by Bernard M. Bass. Leadership is manifested through operating style or how to work together with others consistently [12][13].

Based on the description above, a government organization is supposed to be able to foster an environment that encourages positive interactions between superiors and subordinates at work in order to improve performance quality, by that the authors are interested in raising the title as research to observe "Leadership Style on Performance at the Cooperative and Small Business Office. Intermediate South Sulawesi Province". By exploring further, the author uses the theory of [2], which consists of four indicators such as Idealized Influence, Inspirational Motivation, Intellectual Stimulation, and Individualized Consideration. These four indicators aim to observe the transformational leadership style in these government institutions. The research results from this leadership model can be imitated and become knowledge for researchers and practitioners.

## **2 Research Methods**

In connection with the title stated, this research was conducted using the field research method, which used a few interviews as the main data collection tool. The aim is to develop and use a picture related to the phenomenon investigated by the researcher to develop and dig further and take a more objective approach.

Groups in institutions have integrity and can be scientifically accounted for by involving a variety of agents or people. By sending questions to every informant, the author uses the data

collection method in this study to choose the appropriate informants in the data collection process agency environment and observe. Interview-based primary data will be used as a source for documents, linked documents, and literature.

### **3 Results and Discussion**

From the results of research related to the leadership model on employee performance in the Cooperatives and Small and Medium Enterprises Office of South Sulawesi Province. What is obtained in this study, the authors get some information relevant to the responsibilities and success of the organization, which indeed fulfills the four indicators of the transformational leadership model at the South Sulawesi Province Office of Cooperatives and Small and Medium Enterprises. Bass, as quoted by [3], calls charisma, inspiration, individual consideration, and intellectual stimulation four characteristics that make up transformational leadership.

The formulation of a transformational leadership theory includes charisma, intellectual stimulation, and individualized attention. For example, an office head applies a transformational leadership theory if he can change the energy both of human and non-human resources to achieve the organizational goals, as stated by [4][14].

#### **3.1 Ideal Influence**

The ideal influence is how a person occasionally sees and interprets himself. Additionally, be aware of the benefits and available space. This includes understanding oneself through the perspective of another individual. A leader, for instance, is aware of how their words and deeds affect others. The following clip from the initial interview demonstrates the optimal leadership influence:

*"A leader is of those who can be firm and take responsibility for what is said. This ideal influence is that a leader can make a decision that will make all employees understand and immediately implement the instructions properly and correctly. All employees who receive the direction carefully know the leader's intentions without being told repeatedly".*

According to the interview results, the most crucial aspect of influencing someone with a broad mentality and a thorough approach to leading others is the position of the leader, in this case the head of service. Being in a leadership position has given sufficient or good examples, including implementing discipline in controlling working hours.

Based on the interview, being a leader is not simple; he has a challenging job that comes with responsibilities, therefore he needs to be able to handle everything correctly. Few leaders have the ability to lead and shape a company. Leaders accept responsibility for giving their whole attention to the team and others [15][16].

#### **3.2 Motivational Inspiration**

Once the leader interacts with others, the followers perceive it as genuine conduct rather than self-image or self-distortion. For instance, transformational leaders act in a way that inspires and encourages others around them by giving their workers' work purpose and challenge. Optimism and enthusiasm are encouraged by the team spirit, and leaders encourage their followers to envision exciting future scenarios. An excerpt from the conversation regarding motivational leadership inspiration is provided below.

*"Our leader creates clear expectations by showing clear optimism to all employees and also demonstrates commitment to a common goal and vision. Leaders articulate a compelling vision for the future."*

According to the interview results above, motivation is a willingness to spend a high level of effort towards organizational goals conditioned by the ability of that effort to meet individual needs. The work itself, prospects for promotion, a recognition or award, achievement, and duty as a person's obligation to carry out the given functions as well as possible while following the guidance received are also normatively considered to be markers of motivation.

### **3.3 Intellectual Stimulation**

It explain about the leader who can analyzes all the relevant data and information objectively before his decision making. First he will look from various perspectives and analyzes various type of information. For example, a leader will pay a close attention to different points of view before making a decision, as from the following interview excerpts:

*"A leader can indirectly invite the employees to be more innovative and creative by questioning individual assumptions, reframing problems, and approaching old situations in new ways. We are given creativity and no criticism of individual mistakes. Employees are requested to try new ideas and creative solutions to problem, including in the process of problem-solving and finding solutions."*

In line with Stephen P. Robbin [5], an individual's overall ability basically consists of two groups of factors, namely intellectual and physical. Intellectual ability is needed to perform various mental activities – thinking, reasoning, and solving problems

### **3.4 Individual Considerations**

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Individual balance is a description of the subordinates to the superiors regarding internalization and self-regulation, meaning that if the superior makes a decision then the decision is by self-regulation or does not conflict with the moral values he adheres to. For example, leaders make decisions based on predetermined moral/ethical values.

The transformational theory focuses on the relationship formed between the leader and his followers. Leaders motivate and inspire people by helping group members understand their potential in order to be transformed into real behavior to complete the main tasks and functions in togetherness. Transformational leaders focus on group members' performance but want everyone to fulfill their potential.

*"Our leader pays a special attention to each employee's need to excel by acting as mentors to gradually develop themselves to a higher level of potential. Individualized judgment is practiced when new learning opportunities are created, along with gaining support."*

Leaders who practice innovations, their leadership attitudes and behaviors are based on developing knowledge, and intellectually can translate them into productive performance. Intellectual stimulation means that leaders can provide work or main tasks for each individual according to their abilities and encourage innovation and creativity by questioning the assumptions used and supporting problem-solving efforts, [6].

## 4 Conclusion

At the Office of Cooperatives and Small and Medium Enterprises of South Sulawesi Province, there is a complexity that becomes a challenge for the leader. Besides overseeing the government institutions, he also oversees the business owners who are indeed become his responsibility. So, it is the institution's responsibility, which is of course under a leader who must carry out good regulations and bureaucracy and can be seen in overall performance. State administration institutions, regional governments, and regional sub-government organizations as the executors of the nation's dream and manifesting the goals of the state, as stated in the opening of the 1945 Constitution of the Republic of Indonesia, must be carried out maximally.

It states that the transformational leadership model is very good at job satisfaction. The transformational leadership model can increase the job satisfaction of the employees of the Office of Cooperatives and Small and Medium Enterprises of South Sulawesi Province because when viewed from the results of the interview data analysis, it shows that the transformational leadership model has reached the capable category, meaning that transformational leadership is applied by the Head of the of Cooperatives and Small and Medium Enterprises has been very good to increase job satisfaction and good employee performance.

Performance is the quality and quantity of an individual or group work (output) in a particular activity, which is caused by natural abilities or abilities obtained from the learning process and the desire to excel. The Head of the Cooperatives and Small and Medium Enterprises of the Province of South Sulawesi provides direction and is easy to mingle with in paying attention to employees. The employee will be more enthusiastic in doing their work and will establish good cooperation with colleagues so that the employee's work will be completed on time. This study's results align with the results of previous research conducted by [7], which concluded that work motivation also changes the performance.

The leader has been able to improve employee performance at the Office of Cooperatives and Small and Medium Enterprises, South Sulawesi Province, where the leader provides direction and is easy to mingle with the employees when paying attention to them. So, these employees will be more enthusiastic in doing their work and will establish good cooperation with colleagues. In result, the employee's work can be completed on time.

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