

The Effect of Transformational Leadership, Work Ethics, and Work Motivation on Employee Performance at Universitas Pendidikan Ganesha (Undiksha) Singaraja

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Abstract — This study aimed to determine the effect of transformational leadership, work ethic and work motivation on employee performance at Universitas Pendidikan Ganesha (Undiksha). This study used causality research design. The sample consisted of 85 employees of Undiksha. The data were analyzed using the descriptive statistical analysis and path analysis. The conclusions of this study are: (1) there is a positive and significant effect of transformational leadership on performance; (2) there is a positive and significant effect of transformational leadership on motivation; (3) there is a positive and significant effect of work ethics on performance; (4) there is a positive and significant effect of work ethics on motivation; (5) there is a positive and significant effect of motivation on performance; (6) work motivation does not mediate the relationship between transformational leadership and employee performance; and (7) work motivation does not mediate the relationship between work ethic and employee performance. From the research that has been carried out it is suggested that (1) there needs to be an example by a leader to improve employee performance; (2) there is a need for the leader to motivate the employees to perform better; and (3) it is also hoped that further research will be carried in different places, for example in manufacturing or tourism companies.

Index Terms —Transformational Leadership, Work Ethic, Work Motivation, Employee Performance.

1 INTRODUCTION

The role of a university that is directly related to student activity requires employees' performance to enable them to give the best service. The educational services at the university are directed toward rendering prime services, which means giving the best quality and maximal services, in the sense of fast, appropriate, just, transparent, accountable, making the students or the community satisfied according to the demand of this era of competition. Performance of employees at an educational institution is one of the factors that determine the level of success and quality of a university. Employee performance needs to be improved optimally to improve the performance of the organization. There are many factors that can influence employee performance, especially at a university, one of them is employee motivation in doing main tasks in their jobs. (Rai, 2012). Work motivation can be defined as the desire or need that motivates a person to do a task and shoulder his or her responsibility (Usman, 2008). Subawa (2015) clarifies that there is a significant contribution of motivation to teacher performance. Other factors that influence performance is transformational leadership. Transformational leadership is characterized as a leader who inspires his or her

subordinates to rule out their personal interest to achieve the best for the organization and the leader is able to have an extraordinary influence on the subordinates (Robbins, 2008). Work ethics is another important factor in influencing the performance of the employees of an educational institution. Simanjuntak (2005) states that motivation and work ethics are very important to motivate performance. Ethics can be defined as the basic attitude toward oneself and the world as transmitted by the life. Work in more specific terms can be defined as a commercial effort that becomes a necessity to survive, or something imperative from oneself, and something that is related to self identity that is sacred in nature.

It can be said that that employee performance, especially in an educational institution is influenced by three important factors above, namely work motivation, transformational leadership, and work ethics. This study aimed to explore the effect of the three factors in influencing employee performance at Undiksha Singaraja, especially in the service sector. Undiksha Singaraja was chosen as the context of the study since there are various problems that surface in relation to the performance in serving the students and teaching staff. Studies that are related to the three factors above and employee performance are still rare in the university context, especially in Singaraja. Hence, there is a need to do a research that tests the effect of transformational leadership, work ethics, and work performance of the employees of Undiksha Singaraja.

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2 METHODS

This study used a causality research design. A causality research is a research that wants to find an explanation in the form of cause and effect. Among some concepts or some variables or some strategies developed in management (Ferdinand, 2006). The verificative analysis method used in this study used path analysis. The data in this study were processed with *Statistical Package for Social Sciences* (SPSS) program.

3 RESULTS AND DISCUSSION

From the study that have been done the following results were obtained.

Table 1: Coefficient of Determination (R²) Model 1

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df 1	df 2	Sig. F Change	
1	.995 ^a	.990	.990	.18629	.990	4186.365	2	82	.000	1.915

a. Predictors: (Constant), Work Ethics (X₂), Transformational Leadership (X₁)
b. Dependent Variable: Motivation (Y₁)

Based on Table 1 the result of the analysis using SPSS *model summary* it is shown that R Square is 0.990 or 99% with the ANOVA analysis the F value = 4186.37 at sig. 0.000 that shows a significant positive correlation. Motivation variable (Y₁) can (99%) be accounted for by Transformational Leadership (X₁), and Work Ethics (X₂). The rest (1%) is accounted by other variables outside of the model.

Table 2: Coefficient of Determination (R²) Model 2

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df 1	df 2	Sig. F Change	
1	.996 ^a	.993	.993	.19071	.993	3716.293	3	81	.000	1.705

a. Predictors: (Constant), Motivation (Y₁), Work Ethics (X₂), Transformational Leadership (X₁)
b. Dependent Variable: Performance (Y₂)

Based on Table 2 the result of the SPSS *model summary* analysis it is shown that R Square is 0.993 or 99.3% with the ANOVA analysis the F value = 3716.29 at sig. 0.000 that shows a significant positive correlation. Performance Variable (Y₂) can (99.3%) be accounted for by Transformational Leadership (X₁) and Work Ethics (X₂) and Motivation (Y₁) and the rest (0.7%) by other variables outside the model.

Based on the R² test as shown on Table 1 it is found out that e₁ value = 0.100. The empiric causal effect of the variables of Transformational Leadership (X₁), dan Work Ethics (X₂) on Motivation variable (Y₁) can be drawn by structural equation 1 (one), that is:

$$Y_1 = 2.545 + 0.709 X_1 + 0.222 X_2 + e_1$$

becomes

$$Y_1 = 2.545 + 0.709 X_1 + 0.222 X_2 + 0.100 e_1$$

Based on the R² test as shown on Table 2 it is found out that e₁ value = 0.100. The empiric causal effect of the variable of Transformational Leadership (X₁), Work Ethics (X₂) and Motivation (Y₁) on the variable of Employee Performance (Y₂) can be drawn by structural equation 1 (one), that is :

$$Y_2 = 10.519 + 0.638 X_1 + 0.187 X_2 + 0.296 X_3 + e_2$$

becomes

$$Y_2 = 10.519 + 0.638 X_1 + 0.187 X_2 + 0.296 X_3 + 0.084 e_2$$

The interpretation of the result of path analysis can be seen on Figure 1 below.

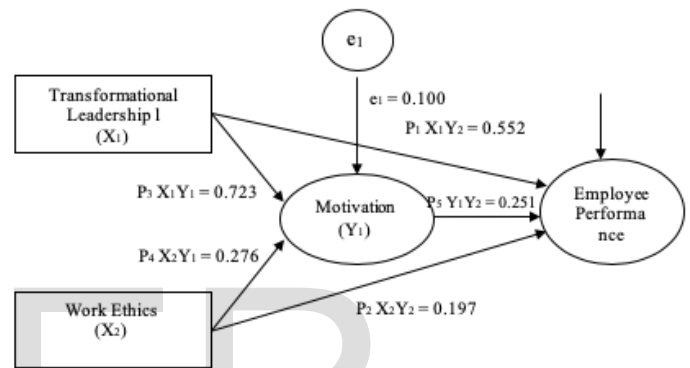


Figure 1 Path Analysis Flowchart

From the results it can be concluded that Transformational Leadership (X₁) does not have an indirect effect on Employee Performance (Y₂). This is caused by the fact that the value of direct effect is greater than that of the indirect effect (0.552 > 0.181). Work ethics (X₂) does not have an indirect effect on Employee Performance (Y₂). This is caused by the fact that the value of direct effect is greater than that of the indirect effect (0.197 > 0.069). Therefore, it can be concluded that Motivation (Y₁) is not an intervening variable between Transformational Leadership (X₁) and Employee Performance (Y₂) and between Work Ethics (X₂) and Employee Performance (Y₂).

The results of this study showed two things that become the concern in employee performance that need to be considered in a further study. First, it is known that motivation does not have a positive effect as a mediator of the effect of transformational leadership on employee performance. Secondly, motivation does not have a positive effect as a mediator of the effect of work ethics on employee performance.

Based on the findings, transformational leadership has a significant and positive effect on employee performance. This means that transformational leadership has a direct role in improving performance that will be produced in the organization. Transformational leadership basically makes subordinates more sensitive of the value and the

importance of work, activates the need at a higher level and leads subordinates to become more concerned with the organization. The effect of transformational leadership is achieved by using charisma, inspirational leadership, individual concern, idealism, and intellectual stimulation. Leadership can give an example and always create new ideas that involve their workers in decision making. Thus, it can be expected that this will improve worker satisfaction and their performance

Top, et.al. (2020) state that transformational leadership is positively related to worker performance and clarifies that transformational leadership helps workers to be more creative and innovative to adapt to the external environment. Khan, et al.,(2009) state that transformational leaders with their dynamic ability improves the organization innovation.. In the relation such as this, organization size plays an important facilitator. The leaders show charisma , stimulate motivation and considerations that motivate the development of organization innovations. Susilo (2018) clarifies that the obligation of a leader of a company does end with the giving of orders and the making of policies about the system of career track in the company but he or she has to be a motivator who has to be able to motivate and make the workers want to pursue a higher level in their careers.

In addition to transformational leadership, work ethics is also one of the determinants which directly determines employee performance. Work ethics is a set of positive behaviors that are realized as a fundamental belief and total commitment in an integral set of work paradigms. A person who sees work as an achievement will produce a high performance which starts with a positive mindset toward problems that occur and , even makes difficulty as trigger of his or her spirit. Therefore, employee's good work ethics directly produces a high employee performance. It is expected that the results of this study can provide some empirical evidence for further research and can enrich the development of human resources management that is related to transformational leadership, work ethics and performance

Osibanjo, et al. (2015) in his study states that strong work ethics leads to a very good performance. Workers' integrity, sense of responsibility, quality, self discipline, and sense of teamwork determine strong or weak work ethics which will contribute to the level of their work performance Salahudin, et al., (2016) proves that work ethics will lead to a high worker performance and shows that the implementation of work ethics can help organizations to achieve an excellent performance as a whole. The importance of an appropriate code of ethics for workers as the guidance which can motivate them to improve their performances. Thus, an effort to improve worker performance will no longer depend on compensation systems and rewards but on the contrary will also be focused on work ethics too.

4 CONCLUSION AND SUGGESTIONS

Based on the results of the study and discussion it can be concluded that (1) transformational leadership (X1) has a positive and significant direct effect on performance (Y2) in the environment of Universitas Pendidikan Ganesha; (2) work ethics (X2) has a positive and significant direct effect on performance (Y2) in the environment of Universitas Pendidikan Ganesha; (3) transformational leadership (X1) has a positive and significant effect on motivation (Y1) in the environment of Universitas Pendidikan Ganesha; (4) work ethics (X2) has a positive and significant effect on motivation (Y1) in the environment of Universitas Pendidikan Ganesha; (5) motivation (Y1) has a positive and significant direct effect on performance (Y2) in the environment of Universitas Pendidikan Ganesha; (6) motivation (Y1) does not become an intervening variable between transformational leadership (X1) and employee performance (Y2) in the environment of Universitas Pendidikan Ganesha; and (7) motivation (Y1) does not become an *intervening* variable between work ethics (X2) and employee performance (Y2) in the environment of Universitas Pendidikan Ganesha.

Based on the conclusion that has been made there are three suggestions that are presented in this section : (1) there is a need for giving an example on the part of a leader to improve employee performance. It can be said that there is a need to pay attention to dissonance theory, in which if motivation is likened to a reward. A high reward (motivation) will only accompany the dissonance that tends to reduce tension attached to the dissonance; (2) as a leader, motivation is not one of the ways to improve employee performance , the latter can be improved by the leader by giving an example who becomes a role model for the employees to perform well ; and (3) it is expected that a further study can be done in a different place, for example in a manufacturing company or tourism.

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