



Effect of Transformational Leadership and Competence through Organizational Commitment to Organizational Performance PT. BERKAT SAHABAT SEJATI

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Abstract

This study aimed to determine the effect of transformational leadership and competence to organizational performance, determine the effect of transformational leadership and competence to organizational performance through organizational commitment. The study was conducted on the organization of PT. Berkat Sahabat Sejati. The sampling technique using saturated samples involving 88 employees in the organization. Analysis of data using path analysis.

Based on data analysis known that transformational leadership and competence variables affect organizational performance. The influence of transformational leadership and competence of the organizational performance through a greater organizational commitment than the direct effect so that it can be said that the organizational commitment variable as an intervening variable.

Keywords: transformational leadership, competence, organizational commitment, organizational performance

Introduction

Transformational leadership is a process of influencing the activities of a group in the organization toward the achievement of goals. According Siagian (2005) states that transformational leadership is a skill and ability of a person who has held the post of a leader in a work in influencing the actions of others, especially to his subordinates



in order to think and behave in such a way that through positive behavior can contribute real in the achievement of organizational goals.

Research on transformational leadership ever conducted by Jyoti and Bhau (2015) which states that transformational leadership influence on performance. Research conducted using SEM models in developing countries. Other studies have also suggested that transformational leadership have an impact on performance in a company (Morales, Reche, and Torres, 2008).

Another factor that can affect the performance of the organization is the competence of employees. Competence is the nature of being owned or part-depth personality and inherent to the person and behavior that can be predicted in a variety of circumstances and the job duties as an encouragement for achievement and a desire to have tried to carry out tasks effectively. Discrepancies incompetencies are what distinguish superior perpetrators of actors who excel limited. Competence is the mastery of a set of knowledge, skills, values, and attitudes that lead to performance and reflected in the habit of thinking and acting in accordance with the profession.

Organizational commitment also affects the performance of the organization. The better the commitment of the organization, the organization's performance is also getting bigger. Based on these conditions, this research will be done with the title of the effect of transformational leadership and competence to organizational performance through organizational commitment PT. BerkatSahabatSejati.

Literature Review

Transformational Leadership

According to O'Leary (2001), transformational leadership is the leadership styles used by someone the manager if he wants to widen the boundaries of a group and have surpassed the performance status quo or achieve a series of objectives of the organization are entirely new. Transformational leadership is principally motivated subordinates to do better than what can be done, in other words, to increase the trust or confidence of subordinates that will affect the performance improvement. Based on the above opinion can be concluded that transformational leadership involves changes to a subordinate to do more positive or better than what is normally done which affects the performance improvement.

Competence

Competence according to Spencer and Spencer (2007) is the basic characteristics that are owned by an individual related causally to meet the criteria necessary to occupy a position. Competence consists of five types of characteristics, namely the motive (consistent willingness as well as a cause of action), congenital (character and consistent response), the concept of self (self-image), knowledge (information in a particular field) and skills (the ability to carry out tasks).

Opinion in Becker and Ulrich (2001: 24) that the competency refers to an individual's knowledge, skills, abilities or personality characteristics that directly influence job performance. In contrast to Fogg (2004: 90) that divides competencies into two (2) categories: basic competence and basic competencies that differentiate (threshold) and distinctive competencies (differentiating) according to criteria that are used to predict the performance of a job. Basic competence (threshold competencies) are the main characteristics, which is usually in the form of knowledge or basic skills such as the ability to read, while the differentiating competencies are competencies that make a person different from another.

Organizational Commitment

According to Robbins and Judge (2008: 100) organizational commitment is a condition in which an employee is favoring a particular organization as well as the goals and desires to retain membership in the organization. Thus, a high job involvement means favoring certain work of an individual, while a high organizational commitment means favoring organizations that recruit such individuals.



Meanwhile, according to Moorhead and Griffin (2013: 73) organizational commitment is an attitude that reflects the extent to which an individual to know and adhere to the organization. An individual who has committed is likely to see himself as a true member of the organization. Meanwhile, according to Kreitner and Kinicki (2015: 165) that reflects the organization's commitment to recognizing the degree to which someone tied to an organization and its goals.

It can be concluded that organizational commitment is a psychological state of individuals associated with faith, trust and a strong reception to the goals and values of the organization, a strong willingness to work for the organization and the degree to which it still wants to be a member of the organization.

Research Methods

Samples

The sample used by the author in this study was employees. BerkatSahabatSejati.

The total number of employees as many as 88 people in the field of organization. This sampling is sampling in an analytical unit by taking into account the same characteristics in the samples. Overall samples were taken at the organization's use saturated sampling.

Results and Discussion

1. Effect of transformational leadership and competence to organizational performance

Linear analysis model can be based on calculations using SPSS program as follows.

Table 1. Results of the analysis of the first equation

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	beta		
(Constant)	15.365	2,496		6.155	,000
1 LEADERSHIP	,751	,112	,461	6.707	,000
COMPETENCE	,578	,070	,571	8.311	,000

a. Dependent Variable: PERFORMANCE

Based on the tables above, the simultaneous structural equations can be described as follows

$$Y = 0,461X1 + 0,571X2$$

Table 2. Calculate the F value equations simultaneously

Model	Sum of Squares	df	mean Square	F	Sig.
1 Regression	1885.976	2	942.988	65.244	,000b
Residual	1228.524	85	14.453		
Total	3114.500	87			

a. Dependent Variable: PERFORMANCE

b. Predictors: (Constant), COMPETENCE, LEADERSHIP

Based on the above table it is known that the calculated F value of 65.244 and significance of 0.00. This value is less than 0.05. This means transformational leadership and competence variables affect the performance of the organization simultaneously. The magnitude of the effect of the independent variable on the dependent variable can be seen from the following values of r squared.

Table 3. Values r squared regression model first

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,778a	,606	,596	3.80174	1,282

a. Predictors: (Constant), COMPETENCE, LEADERSHIP

b. Dependent Variable: PERFORMANCE



Based on the above table it is known that the value of r squared of 60.6% means transformational leadership and competence variables affect the organizational performance of 60.6% while the rest influenced by other variables that are not incorporated into the model equations.

2. Analysis influence of transformational leadership on organizational performance

The results of the analysis of the influence of transformational leadership on partial performance can be seen in the following table.

Table 4. Results of the analysis of the second regression equation

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	beta		
1 (Constant)	25.453	2.880		8.718	,000
LEADERSHIP	,870	,149	,534	5.855	,000

a. Dependent Variable: PERFORMANCE

The structural equation of the data above can be seen as follows

$$Y = 0.534X1$$

Based on the table the results of the analysis above note that the coefficient of transformational leadership is 0.534. The value of t is 5.855. The significance value of 0.00. This significance value is smaller than 0.05. This means that the variable transformational leadership influences organizational performance partially. The magnitude of the effect of transformational leadership on organizational performance can be seen in the following table.

Table 5. The value of r squared for the second equation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,534a	,285	,277	5,08863

a. Predictors: (Constant), PERFORMANCE

Based on the table above, it can be seen that the value of r squared is 0.285. This means that the influence of transformational leadership variables on performance is 28.5% and the rest is influenced by other variables that are not included in the equation model.

3. Analysis of the effect of competence on organizational performance

The results of the analysis of the influence of competency on performance partially can be seen in the following table.

Table 6. Results of the third regression equation analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	28,577	1,885		15,162	,000
COMPETENCE	,638	,085	,630	7,522	,000

a. Dependent Variable: PERFORMANCE

The structural equation of the data above can be seen as follows

$$Y = 0.630X2$$

Based on the table of the results of the above analysis it is known that the competency coefficient is 0.630. T value is 7.522. The significance value of 0.00. This significance value is smaller than 0.05. This means that competency variables affect organizational performance partially. The magnitude of the influence of competence on organizational performance can be seen in the following table.

Table 7. Value of r squared third equation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,630a	,397	,390	4,67376

a. Predictors: (Constant), COMPETENCE



Based on the table above, it can be seen that the value of r squared is 0.397. This means that the influence of competency variables on organizational performance is 39.7% and the rest is influenced by other variables that are not included in the equation model.

4. Analysis of the effect of organizational commitment to organizational performance

The results of the analysis of the effect of organizational commitment on organizational performance partially can be seen in the following table.

Table 8. Results of the fourth regression equation analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	8,237	2,182		3,774	,000
1 COMMITMENT	,818	,052	,862	15,761	,000

a. Dependent Variable: PERFORMANCE

The structural equation of the data above can be seen as follows

$$Y = 0.862X3$$

Based on the table of the results of the above analysis, it is known that the coefficient of organizational commitment is 0.862. T value is 15.761. The significance value of 0.00. This significance value is smaller than 0.05. This means that the organizational commitment variable influences organizational performance partially. The magnitude of the effect of organizational commitment on organizational performance can be seen in the following table.

Table 9. The value of r quadratic fourth equation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,862a	,743	,740	3,05174

a. Predictors: (Constant), COMMITMENT

Based on the table above can be seen the value of r squared is 0.743. This means that the influence of organizational commitment variables on organizational performance is 74.3% and the rest is influenced by other variables that are not included in the equation model.

5. Analysis of the influence of transformational leadership on organizational performance through an organizational commitment

Based on the partial path analysis above, it can be described as follows. The analysis is an analysis of the pathway with the image of the sub-structure as follows.

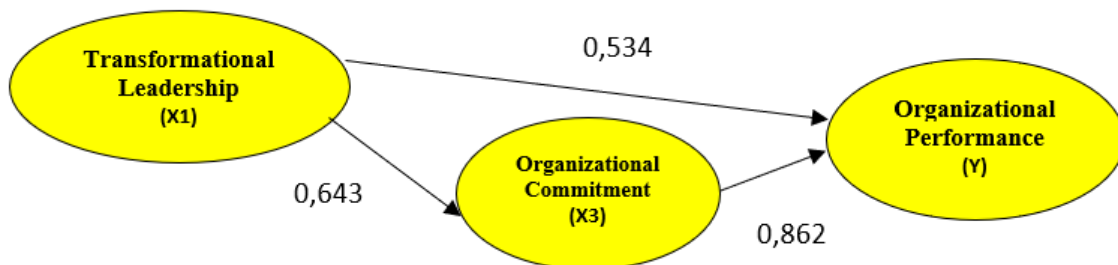


Figure 1 Path analysis of the effect of X1 on Y through X3

The coefficient of the influence of transformational leadership on organizational performance through organizational commitment can be seen in the following table.



Table 10. Effect of transformational leadership on transformational leadership on organizational performance through organizational commitment

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	20,270	2,787		7,274	,000
PERFORMANCE	1,103	,142	,643	7,778	,000

a. Dependent Variable: COMMITMENT

Based on the picture above it can be seen that the influence of transformational leadership on organizational performance is 0.534. The influence of transformational leadership on organizational performance through organizational commitment is $0.643 \times 0.862 = 0.554$. In this case, the indirect effect is greater than the direct influence so that it can be said that the variable organizational commitment as an intervening variable.

6. Analysis of the effect of competence on organizational performance through an organizational commitment

Based on the partial path analysis above, it can be described as follows. The analysis is an analysis of the pathway with the image of the sub-structure as follows.

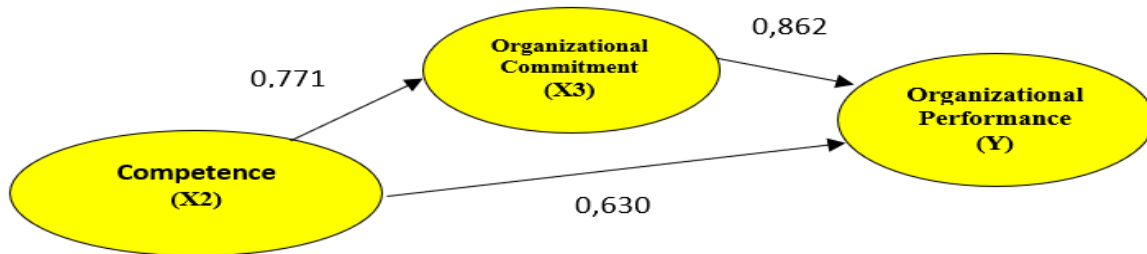


Figure 2. Pathway analysis of the influence of X2 on Y through X3

Competency coefficient values for competence can be seen in the following table

Table 11. Value of competency influence coefficients on organizational performance through organizational commitment

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	23,933	1,627		14,711	,000
COMPETENCE	,822	,073	,771	11,239	,000

a. Dependent Variable: COMMITMENT

Based on the picture above it can be seen that the direct influence of competence on organizational performance is 0.630. While the influence of competence on organizational performance through organizational commitment is $0.771 \times 0.862 = 0.664$. In this case, the direct influence is smaller than the indirect effect so it can be said that the organizational commitment variable is an intervening variable.

Conclusions and Recommendations

Conclusion

The variables of transformational leadership and competency affect organizational performance simultaneously. The calculated F value is 65.224 and the significance is 0.00. This value is less than 0.05. The value of r squared is 60.6% meaning that the variables of transformational leadership and competency affect organizational performance by 60.6% while the rest is influenced by other variables that are not included in the equation model.



Variable transformational leadership influences organizational performance partially. The value of t is 5.855. The significance value of 0.00. This significance value is smaller than 0.05. The value of r squared is 0.285. This means that the influence of transformational leadership variables on performance is 28.5% and the rest is influenced by other variables that are not included in the equation model.

Competency variables affect organizational performance partially. T value is 7.522. The significance value of 0.00. This significance value is smaller than 0.05. The value of r squared is 0.397. This means that the influence of competency variables on organizational performance is 39.7% and the rest is influenced by other variables that are not included in the equation model.

Organizational commitment variables have an effect on organizational performance partially. T value is 15.761. The significance value of 0.00. This significance value is smaller than 0.05. The value of r squared is 0.743. This means that the influence of organizational commitment variables on organizational performance is 74.3% and the rest is influenced by other variables that are not included in the equation model.

The influence of transformational leadership on organizational performance is 0.534. The influence of transformational leadership on organizational performance through organizational commitment is $0.643 \times 0.862 = 0.554$. In this case, the indirect effect is greater than the direct influence so that it can be said that the variable organizational commitment as an intervening variable.

The direct influence of competence on organizational performance is 0.630. While the influence of competence on organizational performance through organizational commitment is $0.771 \times 0.862 = 0.664$. In this case, the direct influence is smaller than the indirect effect so it can be said that the organizational commitment variable is an intervening variable.

Recommendations

Organizational performance needs to be improved by increasing the magnitude of transformational leadership, employee competence, and organizational commitment. Transformational leadership can be improved by improving transformational leadership applied to the organization. Fair attitude, discipline, and attention to employee needs need to be developed.

Competence can be improved by taking into account the role of continuing education for employees and employee participation in the subsidiary mentoring program.

Organizational commitment can be improved through increased employee awareness of the organization in the form of employee participation in the decision making of the company, the activities of togetherness and personality enhancement training activities.

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