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# THE EFFECT OF TRANSFORMATIONAL LEADERSHIP STYLE, AND WORK DISCIPLINE ON EMPLOYEE PERFORMANCE AT PDAM OFFICE IN LAMONGAN

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Abstract:

This study aims to determine: (1) the effect of transformational leadership style on employee performance at the Central PDAM office in Lamongan, (2) the effect of work discipline on employee performance at the Central PDAM office in Lamongan, (3) the influence of transformational leadership style, and work discipline. on the performance of employees at the PDAM Central office in Lamongan. This research is a survey research with a quantitative approach. The sample used is employees at the PDAM Central office in Lamongan, totaling 55 employees with a saturated sampling technique. In the implementation in the field this research takes primary data by using a questionnaire. The secondary data other than the primary data obtained, obtained from the general section of the Central PDAM office in Lamongan including company profiles and company organizational structure. The analysis technique used is multiple linear regression analysis while the classical assumption test used includes: Multicollinearity Test, Heteroscedasticity Test, and Data Normality Test. The indicators used in this study are valid (because the value of sig <0.05) and reliable (because of the Cronbach's Alpha coefficient (0.6). The results of the classical assumption test also show that this study has fulfilled, among others: 1) both linear regression models are free from multicollinearity , 2) Heteroscedasticity does not occur, and 3) The residuals of both models are normally distributed. The results of the analysis conclude that all variables of transformational leadership style (X1), and work discipline (X2) have a significant effect on employee performance (Y).

**Keywords:** Transformational Leadership Style, Work Discipline, Employee Performance.

## 1. Introduction

In the era of globalization, companies and organizations owned by the government are always required to be able to optimize human resources and make these human resources able to survive in line with the increasingly fierce and complicated level of competition. Therefore, human resources also need to get more attention so that they can always be managed properly. Human resource management can also be started from the process of recruitment, training, to the process of maintaining it. This can also be the responsibility of management and company leaders, therefore management must be able to make or carry out careful planning, and also develop effective strategies and be able to coordinate all components of the company in general and human resources in particular (Sutrisno, 2009).

Central PDAM Lamongan is a regional-owned business unit, which is engaged in the distribution of clean water for the general public. One indicator of its success can be seen from the performance of its employees. Employee performance can run effectively if it is supported by a leadership style and work discipline. Effective leadership must always be able to provide

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direction to the efforts of employees who want to achieve goals. The leadership style will also affect the professionalism of its employees. One leadership style that is often considered capable of improving employee performance is the transformational leadership style. Munawaroh (2011) suggests that transformational leadership is described as a leadership style that can arouse or motivate employees, so that they can develop and achieve performance at a high level, exceeding what they previously thought. Transformational leaders must be able to invite their subordinates to make changes and these changes can affect the performance of the employees themselves.

Besides leadership style, employee performance in an organization cannot be separated from their motivation. Based on information from a system where an employee's performance appraisal can be seen from whether competent or incompetent, effective or ineffective, can also be promoted or not promoted. That's why it is necessary for employee performance to always increase. Even though a person's ability to carry out a task is quite good, if it is not supported by good work motivation, then the implementation of a job task will not be completed properly.

Even though the leadership style is good in a company, the achievement in an employee is very high, and discipline is also something that should be explored with the connection to the formation of an employee who has optimally high performance. Discipline can also be interpreted as a situation where an employee must carry out any thing on time whether going to work or coming home from work or doing a good job and complying with the rules and norms that already apply in a company. Employee performance can also be influenced by various personal characteristics of each individual as well as low performance due to low behavioral direction (work to achieve goals) and behavioral strength (how strong an individual's effort is at work). If each individual is not motivated, they will make a negative choice to do something because the company cannot satisfy their desires. And the second is arriving late and absent without clear explanation. Thus, employees show a performance that is not optimal. Therefore, this decrease is worthy of research.

Based on the description above, researchers are interested in conducting research related to employee performance at PDAM Lamongan because the idea arises about all these factors being mutually sustainable so that they affect employee performance. Based on the description above, it is necessary to conduct research with the title: "The Influence of Transformational Leadership Style and Work Discipline on Employee Performance at the Central PDAM Office in Lamongan"

#### 2. Research Method

This type of research is causal explanatory. This research will prove, analyze and explain the causal relationship (cause and effect) between the variables of transformational leadership style, work motivation, and work discipline either simultaneously or partially on employee performance. Sources of data obtained from primary data by distributing questionnaires and secondary data. The population in this study were all employees of the Central PDAM office in Lamongan, amounting to 55 people. The sampling technique in this study uses a non-probability technique, namely a saturated sample or often called total sampling. According to Sugiyono (2013:124) the saturated sample is a sampling technique by taking all members of the population as respondents or samples. The measurement scale uses a Likert scale. The data analysis used in this research is path analysis with the help of SPSS 22.0.

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#### 3. Results and Discussion

#### Validity test

According to Sugiyono (2011:121) the validity test is the accuracy between the data collected and the data that actually occurs in the object under study. A valid instrument means that the measuring instrument used to obtain data (measure) is valid. Valid means that the instrument can be used to measure what should be measured. The criterion of validity for each item is to compare r count with r table.

If r count > r table, then the instrument is considered valid.

If r count < r table, then the instrument is considered invalid (drop).

Table Validity Test
Transformational Leadership Style Variable (X1)

No	Instrumen	r count	r table	Information
1	X1_1	.761	0,2656	Valid
2	X1_2	.873	0,2656	Valid
3	X1_3	.862	0,2656	Valid
4	X1_4	.843	0,2656	Valid

Source: Tabulated data processed

#### Work Discipline Variable (X2)

No	Instrumen	r count	r table	Information
1	X2_1	.792	0,2656	Valid
2	X2_2	.854	0,2656	Valid
3	X2_3	.810	0,2656	Valid
4	X2_4	.832	0,2656	Valid
5	X2_5	.763	0,2656	Valid

Source: Tabulated data processed

#### Employee Performance Variable (Y)

No	Instrumen	r count	r table	Information
1	Y1_1	.832	0,2656	Valid
2	Y2_2	.908	0,2656	Valid
3	Y3_3	.802	0,2656	Valid
4	Y4_4	.727	0,2656	Valid

Source: Tabulated data processed

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So, based on the results of the validity test, it was found that the calculated r value of all instruments was > r table, so all instruments were declared valid and could be submitted for research.

#### **Reliability Test**

According to Ghozali (2006:41) the reliability test is intended to test the extent to which a measurement result is relatively consistent if the measurement is experienced twice or more. So reliability is an index that shows the extent to which a measuring instrument is used twice to measure the same symptoms, so the measurement results obtained are relatively consistent. Reliability includes 3 main things, namely stability, size, equivalence and internal consistency of measure. A variable is said to be reliable if it gives Cronbach's Alpha value > 0.60. The table below is a proof that all question items in the questionnaire are reliable.

Tabel Uji Reliabilitas

Variabel	Alpha	Kesimpulan
$X_1$	.856	Reliabel
$X_2$	.861	Reliabel
Y	.840	Reliabel

Source: Results of data processing with SPSS

The table above shows all the results of Cronbach's Alpha > 0.60, then the statement items on the variables of transformational leadership style, work discipline and employee performance are said to be reliable, which means that the measurement data that has been carried out are relatively consistent.

#### **Multiple Linear Regression Assumption Test**

This analysis is used to determine how much influence the independent variables are: transformational leadership style (X1), work discipline (X2) on the dependent variable, namely employee performance (Y). multiple linear regression equation is as follows (Ghozali, 2006). Then the multiple linear regression formula is formed as follows:

$$Y = \alpha + b1X1 + b2X2 + e$$

Where:

Y = Dependent variable (employee performance)

a = Constant

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b1, b2, b3 = Coefficient of regression line

X1, X2 = Independent variables (job satisfaction, and work environment

e = error / confounding variable

Table
Multiple Linear Regression Analysis

	Unstandardized Coefficients		Standardize d Coefficients		
Model	В	Std. Error Beta		T	Sig.
1 (Constant)	.556	1.298		.428	.670
leadership style transformational	.334	.166	.316	2.011	.050
work discipline	.224	.109	.263	2.052	.045

Source: Results of data processing with SPSS

Based on table 4 above, a linear regression equation model can be made, as follows:

Y = 0.556 + 0.334 X1 + 0.224 X2 + e

Based on the linear regression equation model mentioned above, it can be interpreted as follows: a = constant = 0.556

1. The constant value (a) of 0.556 indicates that, if the variable value of Transformational Leadership Style (X1), Work Discipline (X2) is equal to zero or constant, then the value of Employee Performance (Y) is 0.556 units.

#### b1 = Regression Coefficient for X1 = 0.334

1. The value of the regression coefficient (b1) of 0.344 has a positive value of (b1) indicating a unidirectional influence between the Employee Performance variable and the Transformational Leadership Style variable (X1), which means that if the value of the Transformational Leadership Style variable (X1) increases by 1 unit, Employee Performance variable (Y) will increase by 0.344 units with the assumption that the other independent variables are constant.

#### b2 = Regression Coefficient for X2 = 0.224

The regression coefficient value (b2) of 0.224 is positive (b2) indicating a unidirectional influence between the Employee Performance variable (Y) and the Work Discipline variable (X2), which means that if the value of the Work Discipline variable (X2) increases by 1 unit, then Employee Performance variable (Y) will increase by 0.224 units with the assumption that the other independent variables are constant.

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#### T test

According to Imam Ghozali (2012:98) the T test is used to test how far the independent variables used in this study individually explain the dependent variable partially.

- a. If the significance probability value is > 0.05, then the hypothesis is rejected. The rejected hypothesis means that the independent variable has no significant effect on the dependent variable.
- b. If the significance probability value < 0.05, then the hypothesis is accepted. The hypothesis cannot be rejected, which means that the independent variable has a significant effect on the dependent variable.

1. Test Results						
	Unstandardized Coefficients		Standardized Coefficients			
Model	В	Std. Error	Beta	t	Sig.	
1 (Constant)	.556	1.298		.428	.670	
leadership style transformational	.334	.166	.316	2.011	.050	
work discipline	.224	.109	.263	2.052	.045	

T. Test Results

- 1. The transformational leadership style variable has a t value of 2.011 > t table 2.00758 and a significance of 0.050 < = 0.05, meaning that the transformational leadership style variable has a partial and significant effect on employee performance at the Central PDAM Office in Lamongan, so Ha is accepted.
- 2. The work discipline variable has a t value of 2.052 > t table 2.00758 and a significance of 0.045 < = 0.05, meaning that the work discipline variable has a partial and significant effect on employee performance at the Central PDAM Office in Lamongan, so Ha is accepted.

#### F test

According to Imam Ghozali (2012:98) the F statistical test basically shows whether all independent variables or independent variables included in the model have a joint influence on the dependent variable or the dependent variable. To test this hypothesis, the F statistic is used with the following decision-making criteria:

- a. If the probability of the variable to be tested is 0.05 then Ho is accepted, which means that the regression is not a fit regression model.
- b. If the variable probability < 0.05 then Ho is rejected, which means the regression equation is a fit model.

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Table ANOVA<sup>a</sup>

Mod	del	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	287.250	3	95.750	53.961	.000 <sup>b</sup>
	Residual	90.496	51	1.774		
	Total	377.745	54			

a. Dependent Variable: employee performance

b. Predictors: (Constant), work discipline, transformational leadership style

### Source: Results of data processing with SPSS

The results of the F test with SPSS obtained the calculated F value 53.961 > F table 2.78 and significant 0.000 < = 0.05, meaning that transformational leadership style variables, and work discipline have a significant simultaneous effect on employee performance at the Central PDAM Office in Lamongan, so that hypothesis is accepted.

#### 4. Conclusion

Based on the results of research on the Effect of Transformational Leadership Style, and Work Discipline on Employee Performance at the Central PDAM Office in Lamongan, the test results obtained by researchers draw several conclusions to answer the problem formulation and hypotheses that have been previously stated. Conclusions that can be drawn include:

- 1) Transformational leadership style has a significant effect on employee performance at the Central PDAM Office in Lamongan.
- 2) Work Discipline has a significant effect on employee performance at the Central PDAM Office in Lamongan.
- 3) Transformational Leadership Style, and Work Discipline have a significant simultaneous effect on employee performance at the Central PDAM Office in Lamongan.

### Suggestion

Based on the conclusions described above, the researchers will provide suggestions and inputs that need to be considered by the Central PDAM Office in Lamongan in order to improve in the future, these suggestions include:

- 1) It is hoped that the Central PDAM Office in Lamongan can apply a transformational leadership style that is suitable for employees, so that all employees feel more comfortable when working so they can improve their performance. And it is also hoped that the leadership of the Central PDAM Office in Lamongan can provide opportunities for employees to be able to respond to an idea that arises in achieving a common goal.
- 2) For further research, it is hoped that more can add or develop variables that have an influence on employee performance.

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