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**Master's Thesis of Public Administration**

**The Relationship Between Transformational  
Leadership and Employee's Motivation in  
Indonesian Central Government:  
Centering on the Cabinet Secretariat of the Republic of Indonesia**

**인도네시아 중앙정부의 혁신적 리더십과  
공무원 동기부여 간 관계:  
인도네시아 내각을 중심으로**

**August 2019**

**Graduate School of Public Administration  
Seoul National University  
Global Public Administration Major**

**Andrian Fauzi**

**The Relationship Between Transformational  
Leadership and Employee's Motivation in  
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Indonesia**

**Academic Advisor Eom, Seok-Jin**

**Submitting a master's thesis of Public Administration**

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**Graduate School of Public Administration  
Seoul National University  
Global Public Administration Major**

**Andrian Fauzi**

**Confirming the master's thesis written by  
Andrian Fauzi**

**June 2019**

**Chair Kwon, Huckju**

**Vice Chair Lee, Sukwon**

**Examiner Eom, Seok-Jin**



# **Abstract**

## **The Relationship Between Transformational Leadership and Employee's Motivation in Indonesian Central Government: Centering on the Cabinet Secretariat of the Republic of Indonesia**

**Andrian Fauzi**  
**Global Public Administration Major**  
**The Graduate School of Public Administration**  
**Seoul National University**

According to Robbins (2011), transformational leadership is the best kind of leadership because it can motivate employees to work in accordance with goals that have never been achieved before, paying attention to employees, able to train, and make employees loyal to the company. The literature shows that transformational leadership has a great impact on the employee's motivation. Therefore, Purpose of this study is to examine the relationship between transformational leadership and employee's motivation in the Cabinet Secretariat of the Republic of Indonesia.

This research is based on depth interview with five employees from each level in Cabinet Secretariat and survey design which includes 182 sample observations from the Cabinet Secretariat of the Republic of Indonesia. The collected data was analyzed using SAS program. Pearson Correlation

Coefficient and Regression were used to examine the relationship between independent and dependent variables. Main dependent variable was employee's motivation and main independent variable was transformational leadership. Transactional leadership, laissez-faire leadership, sex, age, job position, year of service, and education level is included in the regression model as a control variable.

The result of statistical analysis of Pearson correlation coefficient illustrates that there is a significant and positive relationship between transformational leadership and employee's motivation in the Cabinet Secretariat of the Republic of Indonesia. Three regression models show that transformational leadership has a significant and positive causal relationship with employee's motivation at the Cabinet Secretariat of the Republic of Indonesia. Moreover, this study also found that transactional leadership has a significant and positive causal relationship with employee's motivation, meanwhile there is no statistically significant causal relationship between laissez-faire leadership and employee's motivation at the Cabinet Secretariat of the Republic of Indonesia.

**Keywords:** transformational leadership, employee's motivation, Indonesia, the Cabinet Secretariat.

**Student ID:** 2017-24959

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# **Chapter 1: Introduction**

This chapter highlights the background and nature of Indonesian Cabinet Secretariat, the importance of employee's motivation and the brief explanation of the relationship between leadership (especially transformational leadership) and employee's motivation. It also sets out research questions, purpose of the study, scope of the study and methodology.

## **1.1. Background of the Study**

Human resources become one of the key factors of an organization's success in achieving the vision or any targets that have been determined. The achievement of this vision is certainly determined by the performance of employees as the motor of the organization. This applies also to Indonesian central government, especially in the Cabinet Secretariat of the Republic of Indonesia.

The Cabinet Secretariat of the Republic of Indonesia is a government institution in Indonesia that is directly responsible to the President. The Cabinet Secretariat has the duty of providing support for the management of the cabinet to the President and Vice President in governance (Presidential Decree, no. 25 year of 2015). The President as Head of Government requires a presidential management institution that can manage, control and ensure the achievement of government policy and program objectives. The Cabinet Secretariat become one of the most important central government institution in Indonesia.

In its capacity as superintendent of cabinet management, the Cabinet Secretariat often faces strategic issues related to the formulation and problems of government programs and policies, especially in the efforts of debottlenecking and debureaucratization. In addition, in carrying out its functions, it is necessary to establish networking and coordination with ministries / agencies / government agencies concerned, the private sector, and other community organizations intensively. However, in the implementation of such a function, it often has to face the problems reflected from the dynamics of different responses to certain stakeholders (Cabinet Secretariat, 2016).

In relation to the tasks described above, the Cabinet Secretariat is expected to anticipate future challenges. Improving the quality of employee's job performance optimally is a demand that cannot be negotiable. One of the factors that affect employee's performance in the Cabinet Secretariat is generated and influenced by employee's motivation. Hayati (2016) found that in the Cabinet Secretariat of the Republic of Indonesia there is significant positive relationship between employee's motivation and employee's job performance. Moreover, Nel et al. (2011) stated that the motivation is a complex issue owing to the uniqueness of people and the wide range of the external and internal factors that have an impact on it of. If an employee is motivated, there is likely to be an increase in job performance. Motivation is important in organisations because in conjunction with the ability and environment, it determines performance (Moorhead & Griffin, 1998). Motivation regards to the creation of a willingness to work. Without work motivation, even if someone has a willingness to work, then the expected performance will also not be achieved. Both are key elements for the creation

of expected performance (Hamid, 2014:88). Mangkunegara (2010:67) stated that one of the factors that affect performance is the motivation factor. Similarly, Rivai (2011) which shows that the stronger the motivation of work, the employee performance will be higher. This means that any increase in employee motivation will provide a significant improvement for the improvement of employee's performance in carrying out its work.

Motivation itself is concerned with the direction of the individual's behavior concerning the behavior one chooses when there are several alternatives, the power of one's behavior after making an alternative choice, and the determination of that behavior. Simply motivation is an encouragement that is able to move a person from a passive state of attitudes and not interested in a thing to perform a dynamic action. Motivation is determined by the needs that exist in a person and the goals in the environment that is trying to achieve. According to Hasibuan (2001: 141) the importance of motivation is because motivation can cause and support human behavior in order to work hard, and enthusiastically achieve optimal results. Motivation will also encourage someone to work better in order to achieve the expected performance, so get what needs. Therefore, motivation is very important owned by leaders and employees in improving morale and performance of employees (Wursanto, 2001: 132).

Motivation is a critical determinant of performance (Moorhead & Griffin, 1998). Because motivation is a process that directs how much effort is devoted to doing the work (Buhler, 2001). So basically if the company wants to achieve optimal performance in accordance with the targets that have been specified then the company should motivated the employees, in order for employees willing to devote the energy and thoughts possessed for the job.

Issues in motivating employees is not easy because in employees there is a different desire, needs and expectations between one employee with another employee. One that can affect employee motivation is the leadership styles of the leader. Motivation is a key to success for every organization and employee's motivation can be achieved through leadership style of the leader. (Aunjum et al., 2017). For that leader always try to be a great motivator so that his subordinates have high morale. Unattended by the leader, high-commitment employees will work as effectively and efficiently as possible without thinking how much time is spent on the company. When employees have a high morale this means that employees are already satisfied with the approach taken by the leader. Leaders play a critical role in assisting groups, organizations or communities in achieving organizational goals. An effective leader must respond to change, be able to analyze the strengths and weaknesses of its human resources so as to maximize organizational performance and solve problems appropriately.

Organizations all over the world are deeply concerned with understanding, searching and developing leadership. Regardless of the type of organization, leadership is discerned to play a vital role in establishing high performing teams. Various efforts are made to influence employees in order to perform the work in accordance with predetermined concepts, such as by giving praise, giving awards, providing motivation, and by putting pressure on employees. Leadership is the process of influencing organized group activity to achieve goals (Rauch and Behling, 1984: 46).

The various styles of leadership applied within the organization can create positive work effectiveness for employees. The existence of leadership style in accordance with the situation and condition of the organization then

the employees will be more spirit in carrying out duties and obligations. Leadership style is a way of a leader to achieve organizational goals by paying attention to elements of philosophy, skills, attributes, and attitudes of employees. The style applied in leading the organization is very influential on the work. The style of a leader, is a description of the work steps to be followed by employees. Behavioral characteristics of a leader, can affect employee's performance.

One of leadership style that is believed to balance the mindset and reflection of a new paradigm in globalization is defined as transformational leadership. Chaudhry et. al. (2012) explains that there is a positive and significant relationship between transformational and transactional leadership with work motivation. The transformational leadership style is more innovative, productive, effective, and satisfying to employees as the two parties work toward the better of organization moved by collective visions and values as well as common trust and respect (Avolio et al., 1991). According to Robbins (2011) transformational leadership is the best kind of leadership because it can motivate employees to work in accordance with goals that have never been achieved before, paying attention to employees, able to train, and make employees loyal to the company. This kind of leadership is very popular in Indonesia, especially in government sector. Cabinet Secretariat of the Republic of Indonesia nowadays lead by Cabinet Secretary named Pramono Anung. He applied transformational leadership since the first time he become Cabinet Secretary, August 2015. His style somehow give a positive effect on Cabinet Secretariat performance and also for the employees.

There are limited studies those analyzed the relationship between transformational leadership and employee's motivation in central government in Indonesia. So, this topic needs to be further analyzed. Therefore, this study focusing on the relationship between transformational leadership and employee's motivation in the Cabinet Secretariat of the Republic of Indonesia.

## **1.2. Research Questions and Purpose of the Study**

The importance of motivation is cause and support human behavior in order to work hard, and enthusiastically achieve optimal results. Motivation will also encourage someone to work better in order to achieve the expected performance, so get what needs. Aunjumn et al (2017) said that motivation is a key to success for every organization and employee's motivation can be achieved through leadership style of the leader. One of leadership style that is believed to balance the mindset and reflection of a new paradigm in globalization is defined as transformational leadership. Transformational leadership is the best kind of leadership because it can motivate employees to work in accordance with goals that have never been achieved before, paying attention to employees, able to train, and make employees loyal to the company.

Transformational leadership is very popular in Indonesia, especially in public sector. The Cabinet Secretariat as one of the most important institutions in the course of governance in Indonesia also applied this leadership, especially when Pramono Anung become Cabinet Secretary. However, currently the relationship between transformational leadership and

employee's motivation in the Cabinet Secretariat is unknown. Based on the above, the research question of this study is:

- What is the relationship between transformational leadership and employee's motivation in the Cabinet Secretariat of the Republic of Indonesia?

The purpose of this study is to examine the relationship between the transformational leadership, as an independent variable, and the employee's motivation, as a dependent variable, in the Cabinet Secretariat of the Republic of Indonesia. This study also want to determine the interaction of transformational leadership, transactional leadership, laissez-faire leadership and the demographic variables (sex, age, job position, years of service, and education level) in effecting employee's motivation.

### **1.3. Scope of the Study**

The study is emphasize the context of the relationship between transformational leadership and employee's motivation. And the unit of analysis of this study is the Cabinet Secretariat of the Republic of Indonesia, an institution inside Indonesian Presidential Office, one of the most important institutions in the course of governance in Indonesia. The Cabinet Secretariat headed by Cabinet Secretary, and it consists of six deputies and two working units. The study will focus on both leaders and employees at the Cabinet Secretariat of the Republic of Indonesia.

### **1.4. Methodology**

This study uses depth interview and survey approach which is examined by taking a sample from a population by using a questionnaire to

collect data. The objective of current study is to analyze the relationship between transformational leadership and employee's motivation in the Cabinet Secretariat. There were five employees who interviewed from every level of employees in the Cabinet Secretariat. For this purpose Questionnaire adopted Multifactor Leadership Questionnaire (MLQ 6S), the latest version of multifactor leadership questionnaire developed by Bass and Avolio (1995) which is consist of twenty one items and also will use Manifest Needs Questionnaire (MNQ) developed by Steers and Braunsteir (1976) which is consist of fifteen items and in all items a five point Likert scale will use. Questionnaires will distribute for the purpose of collecting information in the Cabinet Secretariat implement simple random sampling method. Main reason for selecting this technique is that every element of the population has equal opportunity for electing as sample for study. The population in this study is all employee in the Cabinet Secretariat which total number is 412 employees, sample size of this study is 200 employees. For the purpose of statistical findings data will put and investigate through utilizing SAS software (version 3.4 for Windows).

# **Chapter 2: Theoretical Background and Literature Review**

This chapter provide the conceptual discussion of the important terms used in the study and the theoretical parts that underline the study: definitions of employee's motivation, McClelland's motivational needs theory, leadership, and transformational leadership from different sources like books, academic papers, journals, articles and any other online publications. This chapter also presents previous studies on the relationship between transformational leadership and employee's motivation.

## **2.1. Theoretical Background**

### **2.1.1. Leadership**

Leadership is needed by the organization in the effort to achieve its goals. Employees are required to follow the direction of their leaders because they are considered capable of influence for employees to have the same goals with the company. If the goals are not the same then it will be difficult for an organization to achieve its objectives. The definition of leadership extensively includes the process of influencing in determining organizational goals, motivating subordinate behaviors in achieving goals, influencing to improve groups and cultures.

In the book *The Art of Leadership*, Ordway Tead states that leadership is the activity of influencing people so that they want to work together to achieve the goals. Robbins and Judge (2011) argue that leadership is the

ability to influence groups toward achieving goals. While Boone and Kurtz (1984) said that leadership is the act of motivating others or causing others to perform certain tasks in order to achieve specific goals.

Terry (1960) argues that leadership is an activity to influence people to be directed toward the goals of the organization. Leadership can be defined as an individual's behavior while he is involved in the direction of group activities. Meanwhile, according to Rauch & Behling (1984), leadership is the process of influencing the activities of a group that is organized toward the achievement of goals. An organization will succeed or fail largely determined by its leader and leadership. Leaders are responsible for the success and failure of the implementation of a job. Day and Lord (1988) argue that the success or failure experienced by most organizations is determined by the leadership qualities of those who are in charge of leading the organization.

Leadership is exercised when one mobilizes institutional, political, psychological, and other resources to awaken, engage, and fulfill the motivation of its followers (Gary Yukl, 1981). Leadership has a substantial share to support the achievement of an institution's performance. This is because, leadership gives exemplary directly to the members either through example of attitude, behavior, or in the form of command, reprimand, to members. Thus, the leadership basically includes the use of one's influence to others in which there is a communication process and goals to be achieved. So it can be said that effective leadership is leadership related to the goals of individuals, groups and organizations.

Burns's (1978) and other researchers (see Avolio, 1999; Bass, 1998) categorized leadership styles into three, they are:

**1) Transformational leadership**

Transformational leadership involves establishing oneself as a role model by gaining the trust and confidence of followers. Such leaders state future goals and develop plans to achieve them. Skeptical of the status quo, they innovate, even when the organization that they lead is generally successful. By mentoring and empowering their followers, transformational leaders encourage them to develop their full potential and thereby to contribute more capably to their organization. Components of Transformational Leadership according to Burns (1978) consists of four dimensions of leadership; Idealized Influence, Inspirational Motivation, Intellectual Stimulation, and Individual Consideration.

**2) Transactional leadership**

Transactional leadership style encompasses using exchange of valued things with employees to achieve their interest, as well as those of employee. Transactional leadership refers to the bulk of leadership models which focus on the exchanges of that occur between leaders and followers. The exchange dimension of this type of leadership is very common and can be realized at many levels throughout all types of organizations (Burns, 2012; Warrick, 2011). This leadership style comprises two dimensions: Contingent Reward and Management by Exception.

### **3) Laissez-faire leadership**

Laissez-faire leadership encompasses a leader following complete freedom to employees and refraining from directly influencing subordinates and giving direction. Such leaders do not participate in group or individual decision making (Bernard M. Bass, 1985; Deluga, 1990; Lewin, Lippitt, & White, 1939). This type of leaders have no specific way of achieving goals whereas employees are given authority and provided with necessary resources to make decisions and complete tasks by using their own style (Lewin et al., 1939) so that laissez-faire leadership gives more freedom, autonomy and flexibility to the followers’.

As already mentioned in the chapter one, this study will focus on transformational leadership. This leadership style is one of the most popular in Indonesia especially in public sector, because it can motivate employees to work in accordance with goals that have never been achieved before, paying attention to employees, able to train, and make employees loyal to the company. Below is further explanation about transformational leadership.

#### **2.1.2. Transformational Leadership**

Transformational leadership builds based on ideas from Burns (1978), he applied it in a political context. Further refined and introduced into the organizational context by Bernard Bass. Bass extended the original concept of Burn and used the word “transformational leadership” rather than “transforming leadership”.

Bass (1985) defines transformational leadership as a process of influencing major changes in the attitudes and assumptions of organizational members and the establishment of a commitment to mission

and organizational goals. Therefore, transformational leaders teach their followers to be a leader in themselves. Transformational leaders encourage their subordinates to adopt the vision of the organization within themselves. Luthans (2006) argues that transformational leadership leads to high performance in organizations facing demands for renewal and change. Transformational leadership is the ability to inspire and motivate followers to achieve results that are larger than originally planned and for internal rewards. (Mondiani, 2011).

According to Robbins and Judge (2011) transformational leadership is leader who inspire their followers to put aside their personal interests for the good of the organization and they are able to have tremendous influence on their followers. They are concerned with the self-development needs of their followers, changing the consciousness of followers on existing issues by helping others see old problems in new ways, and being able to please and inspire their followers to work hard in order to achieve common goals. Furthermore, Goodwin et al (2001) states that transformational leadership is a leader who encourages his followers to change motives, beliefs, values, and abilities so that the personal interests and goals of followers can align with the vision and goals of the organization.

Antonakis et al. (2003) defines transformational leadership as a proactive behavior, raises attention to the common good to followers, and helps followers to achieve goals at the highest level. Leaders who apply transformational leadership influence their followers by engaging their followers to participate in goal-setting, problem-solving, decision-making and feedback through training, direction, consultation, guidance and

monitoring of the tasks assigned. Hughes et al. (2002) suggests that transformational leaders have vision, rhetorical skills, and good impression management and use them to develop strong emotional ties with their followers. Transformational leaders are believed to be more successful in encouraging organizational change because of the emotion of followers and their willingness to work to realize the leader's vision. Luthans (2006: 654) argues that transformational leaders more often use legitimacy tactics and creates higher levels of identification and internalization, better performance, and develop followers.

Asgari et al. (2008) argue that transformational leaders motivate their followers by inviting their followers to internalize and prioritize greater common interests above personal gain. Moreover, Yukl (1981) stated that transformational leaders make followers more aware of the importance and value of work and persuade followers not to put their own self-interest on behalf of the organization. Leaders develop the skills and beliefs of followers to prepare them for more responsibility in an authorizing organization. Leaders provide support and encouragement as needed to maintain enthusiasm and effort to deal with obstacles, difficulties and fatigue. Through transformational leadership, the followers feel the trust, admiration, loyalty and respect for the leader, and they are motivated to do more than they initially expected.

Nguni (2005) argues that transformational leadership requires increased levels of motivation from followers beyond the value exchanged and beyond what the followers expect, so followers can achieve higher-level performance and self-actualization. Important characteristics of transformational leadership include:

- Challenging the status quo.
- Engage in creating a vision for the future of the organization.
- Promote appropriate changes in followers' values, attitudes and behaviors using empowerment tactics and strategies.

Bernard Bass (1985) suggested that transformational leadership takes place when leaders alter their employees in three crucial ways which together make employees believe in their leaders, using behaviors that contribute to the achievement of organizational goals, and being more motivated to achieving greater performance. They are:

- Increasing employees' awareness about the value of their tasks and performance,
- Enabling their employees to understand about their needs for personal growth, development and accomplishment, and
- Enlightening their employees to value the good of the organization as a whole rather than exclusively for their own personal gain or benefit.

Components of Transformational Leadership according to Burns (1978) consists of four dimensions of leadership are:

1. Idealized Influence is the ability to influence subordinates about the importance of values, morals, ethics, beliefs, and commitment and determination to achieve a goal. Leaders mechanize and concretely apply mutual trust because of the high ability of leaders to solve various problems encountered. Charismatic leaders provide vision and mission, instill pride, respect and trust, and add optimism among subordinates. This dimension shows that a process of a leader

influences members by generating strong emotions and identification with their subordinates.

2. Inspirational Motivation, is the ability of the boss to formulate and communicate the vision and mission in such a way as to inspire subordinates to commit to achieve goals. The ability to inspire leaders makes subordinates believe that goals can be achieved successfully. Leaders use various symbols to focus their efforts or actions and express the goals in simple ways. Leaders also arouse the spirit of teamwork, enthusiasm and optimism among colleagues and subordinates.
3. Individual Consideration is the ability of the leadership to pay attention and treat subordinates individually with as much as possible. Leaders can empathically hear the problems and complaints of subordinates and give advice needed by subordinates. Transformational leaders pay special attention to the individual needs for achievement and development, by way of coaches, advisors, teachers, facilitators, trusted people, and counselors. Leaders try to motivate subordinates to reach their full potential through training, mentoring, and connecting individual needs to the mission of the organization.
4. Intellectual Stimulation is the ability of leaders to encourage subordinates to develop skills, analyze how to work new, and create new ways of working better. Leaders encourage subordinates to question assumptions, provide subordinates with challenging new ideas and awaken awareness of problems, awareness of their own thoughts, and recognition of their visions in subordinates as well as an

old approach with new perspectives. Thus the encouragement of subordinates to produce more creative, innovative, and critical.

### **2.1.3. Motivation**

The term "motivation" is originated from the Latin root word *movere*, which means "to move" (Nelson & Quick, 2000). There are so many definitions of motivation that have been postulated by various scholars. Robbins (2003) defines motivation as a process that explains the intensity, direction, and perseverance of an individual to achieve his goals. There are three main elements in the definition, namely intensity, direction, and perseverance.

Meanwhile, according to Malthis and Jackson (2003) motivation is the desire in someone who causes the person to act. People usually act for one reason: to reach a goal. Need, desire, and encouragement are all similar to motives, which are the origin of the word motivation. Understanding motivation is important because performance, reactions to compensation, and other human resource issues are influenced by motivation.

According to Nel et al. (2011), motivation can further be explained as intentional and directional. Intentional motivation refers to "personal choice and persistence of action, whereas directional motivation refers to the presence of a driving force aimed at attaining a specific goal" (Nel et al., 2011,). A characteristic of a motivated person is that he is always attached to the specific goal that must be attained. This individual will constantly aim to reach this goal even when faced with difficulty. Herzberg further defines that motivation is: "A set of attitudes and values that influence the individual to achieve the specific in accordance with the individual goals. These attitudes

and values are the visible thing that gives the power to encourage the individual to behave in achieving a goal, so that with the existence of a goal the company or organization can achieve the target in accordance with what is expected.

Based on the above opinion can be concluded that motivation is the spirit or encouragement in a person to perform certain activities in order to achieve a goal that can have a positive effect in achieving performance or job satisfaction.

George and Jones (2005) stated that the elements of work motivation are as follows:

1. Direction of behavior. In the work, there are many behaviors that can be done by employees. The direction of behavior refers to the behavior one chooses to work from many behavioral choices that they can perform either right or wrong.
2. Level of effort talks about how hard a person's efforts to work in accordance with the selected behavior. In working, an employee is not enough if only choose the direction of behavior that is functional for the achievement of corporate goals. However, it must also have the motivation to work hard in running the selected behavior.
3. Level of persistence refers to employee motivation when faced with a problem, obstacles or barriers to work, how hard an employee continues to strive to perform the selected behavior.

In order to understand the concept of motivation and what motivates people one needs to understand the various theories of motivation. The theories help answer such questions by explaining why employees behave

the way they do in organisations. According to Hasibuan (2001) motivation theory is grouped into:

1. Content theory, based on approachment on the factors of individual needs and satisfaction that cause them to act and behave in a certain way. This theory focuses on factors in the person who strengthens, directs, supports and stops his behavior. The level of need and satisfaction one wants to achieve reflects the person's work spirit. Examples: Maslow's Hierarchy of Needs, Herzberg's Two Factor Theory, Alderfer's ERG Theory and McClelland's Motivational Needs Theory
2. Process theory, stating that motivation as a cause and effect process how a person works and what results will be obtained. Process theories seek to understand the thought process that takes place in the minds of people and that act to motivate their behaviour. Example: Vroom's Expectancy Theory.

Table 2.1. Motivational Theories

<b>Motivational Theories</b>	<b>Main Ideas</b>	<b>Key Terms</b>	<b>Researcher</b>
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Needs Hierarchy Theory	Employees are motivated to satisfy five basic types of needs as illustrated in a five-tier model of human needs. These needs are divided into higher-order needs and the lower-order needs. When a need reaches its peak, that need stops being the primary motivation of behavior. Then the second necessity dominates, but although the need has been satisfied, that need still affects behavior only in its smaller intensity.	<ul style="list-style-type: none"> <li>- Physiological needs</li> <li>- Safety and security needs</li> <li>- Affiliation or acceptance needs</li> <li>- Love and belonging needs</li> <li>- Self actualization needs</li> </ul>	Abraham Maslow
Two Factor Theory	The opposite of satisfaction is not dissatisfaction, getting rid of characteristics that are not satisfied on a particular job does not necessarily cause the job to be satisfactory. Sources of work dissatisfaction subsequently called hygiene factors and sources of satisfaction	<ul style="list-style-type: none"> <li>- Hygiene Factors</li> <li>- Motivator Factors</li> </ul>	Federick Herzberg

	subsequently called motivator factors.		
ERG Theory	This theory is a refinement of Needs Hierarchy Theory. In addition to the process of progressing satisfaction also the process of decision reduction. That is, if a person is constantly hampered in his efforts to meet the needs of causing the individual to lead to a reduction effort as it raises efforts to meet lower needs.	<ul style="list-style-type: none"> <li>- Existence needs</li> <li>- Relatedness needs</li> <li>- Growth needs</li> </ul>	Clayton Aldefer
Motivational Needs Theory	Employees have potential energy reserves. How this energy is released and used depends on the strength of one's motivational drive and the available situations and opportunities. An individual's specific needs are acquired over time and are shaped by one's life experiences.	<ul style="list-style-type: none"> <li>- Needs for achievement</li> <li>- Needs for power</li> <li>- Needs for affiliation</li> </ul>	David McClelland
Expectancy	Motivation as the process of	- Valence	Victor H.

Theory	setting choice among forms of alternative voluntary activities. The power of the tendency to act in some way depends on the power of expectation that it will be followed by a certain output and depends on the appeal of that output to the individual	- Expectancy - Instrumentality	Vroom
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Source: Various sources.

In the table 2.1. we can see various motivational theories, main idea, key terms and researcher of each theory. Motivational Needs Theory by David McClelland will be used in this study, because this theory is the most suitable to adopt in Indonesian government context, employee's motivation influenced by needs for achievement, needs for power, and needs for affiliation.

#### **2.1.4. McClelland's Motivational Needs Theory**

Motivational needs theory put forward by David McClelland, this theory argues that employees have potential energy reserves. How this energy is released and used depends on the strength of one's motivational drive and the available situations and opportunities (Hasibuan, 2001). McClelland developed Murray's theory which said that motivated behavior is in large measure a function of the strength of various needs (achievement, affiliation, and power) at a given point in time.

McClelland (1961) proposed that an individual's specific needs are acquired over time and are shaped by one's life experiences. He described three types of motivational need. A person's motivation and effectiveness in certain job functions are influenced by these three needs, they are:

**1) Needs for achievement**

It is the driving force that motivates one's work morale. Encourage a person to develop creativity and direct all the capabilities and energies he has acquired in order to achieve optimal performance. Generally speaking, people want to accomplish something in life. This could mean starting a large family for some and a well-paid job and an illustrious career for others.

Achievement is a term introduced by David McClelland into the field of psychology, indicating an individual's desire to significantly achieve, master skill, control or high standards. Needs for achievement deals with the difficulty of people choosing which tasks to run. Those who have low needs for achievement may choose an easy task, to minimize the risk of failure, or task with high difficulty, so that if it fails will not be embarrassing. Those who have high needs for achievement tend to choose tasks with moderate difficulty level, they will feel challenged but still achievable. Those with high needs for achievement have characteristics with a tendency to look for challenges and high degree of independence. People who have a high need for achievement try to surpass and thus tend to avoid low- and high-risk situations. High achievers avoid a low-risk situation because it is easy to achieve success that is not a real achievement. In high-risk projects, achievers see results as an opportunity that goes beyond one's ability. Individuals with n. High

Ach tends to work on situations with moderate success rates, ideally 50% chance. Achievers need continuous feedback to monitor the progress of their achievements. They prefer to work alone or with others with high achievers types.

## **2) Needs for power**

This need is reflected in someone who wants to have influence over others, they are sensitive to the structure of interpersonal influences and they try to control others by regulating their behavior and impressing others, and always maintaining his reputation and position. This driver produces a need to be influential, effective and to make an impact. There is a strong need to lead and for their ideas to prevail. There is also motivation and need towards increasing personal status and prestige.. This need in Maslow's theory lies between the need for appreciation and self-actualization needs. McClelland states that the need for power is closely related to the need to achieve a leadership position.

Need for power is the motivation of power. Employees have the motivation to influence the environment, have a strong character to lead and have ideas to win. There is also a motivation for upgrading personal status and prestige. Those with need for power consist of two types, personal and institutional. A person's need for power consist of two types - personal power and institutional power. Those who need personal power want to direct others, and this need often is perceived as undesirable. Persons who need institutional power (also known as social power) want to organize the efforts of others to further the goals of the organization.

### 3) Needs for affiliation

The need for affiliation is a desire for friendly and intimate interpersonal relationships. Individuals reflect a desire to have a close, cooperative and friendly relationship with others. Individuals who have high affiliate needs are generally successful in jobs that require high social interaction.

Those who have high need for affiliation need humanitarian relationships with others and require a sense of acceptance from others. They tend to strengthen the norms in their workgroups. They tend to work in places where personal interaction is possible. They work well on customer service and customer interaction situations.

McClelland said that most people have a combination of these characteristics, consequently will affect employee behavior in work or managing the organization. This need stimulate an employee's passion, because everyone wants:

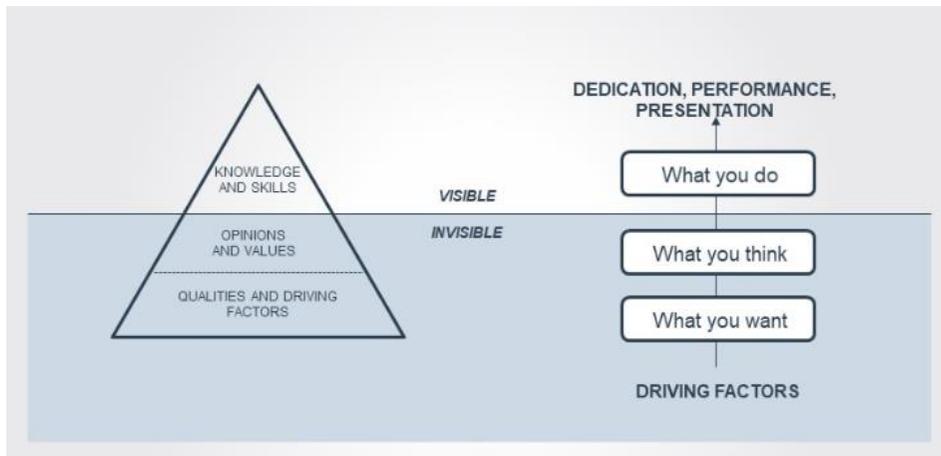
- a. The need for respected by others in the environment he lives and works.
- b. The need for respected, because every human being feels important.
- c. Need for progress and not fail.
- d. The need for feelings to participate.

Most people possess and exhibit a combination of these characteristics. Some people exhibit a strong bias to a particular motivational need, and this motivational or needs 'mix' consequently affects their behaviour and working/managing style. This theory suggests that a strong affiliation-motivation undermines a manager's objectivity, because of

their need to be liked, and that this affects a manager's decision-making capability. A strong authority-motivation will produce a determined work ethic and commitment to the organisation, and while n-pow people are attracted to the leadership role, they may not possess the required flexibility and people-centred skills. A strong Achievement motivation make the best leaders, although there can be a tendency to demand too much of their staff in the belief that they are all similarly and highly achievement-focused and results driven, which of course most people are not.

McClelland developed the iceberg model using the McClelland Motivation Theory (Mulder, 2015). The Iceberg model of looks at a person's visible behaviour, knowledge and skills and the underlying unexpressed and unconscious deeper layers.

Figure 2.1. McClelland Iceberg Model



Source: (Mulder, 2015)

In general, a person's knowledge, skills and behaviour can be found above the waterline of the iceberg. The central element is what they do.

Below the waterline we find think and want, which focus on abstract terms such as standards, self-esteem, characteristics, values and beliefs, motives and personality. These four invisible layers could reinforce one another as motives. However, they may also block the visible behaviour of the person in question.

Above the waterline is powerful and tangible in which the focus is not on 'what' but on 'how'. In an organization this can be translated into an organizational vision and strategy, structure, content, finance and especially the result of working arrangements, work, training and giving feedback. This will create a guideline for employees.

Below the waterline things are much more abstract and they are fed by the undercurrent. It is about the ever-present feeling without it being tangible. The relationships between people (interaction), their expressiveness, their feelings, sense of purpose can all be found below the waterline. The organizational culture is also created below the waterline. The events below the waterline affect the events above the waterline. This is the reason why both levels must be taken into consideration in change processes.

## **2.2. Literature Review on the relationship between Transformational Leadership and Employee's Motivation:**

There are numerous studies on the relationship between transformational leadership and employee's motivation and most of them found positive

relationship between transformational leadership and employee's motivation (Ahmad et al 2014, Putra et al 2017, Aunjum et al 2017, Htwe 2017).

For instance, Swasto, Risambessy et al (2012) found that transformational leadership style has a significant and positive influence towards motivation. This indicates that transformational leadership has a direct role to increase motivation. The unit of analysis this study is nursing paramedic at a hospital in Malang Raya, Indonesia. Data collection techniques are conduct interviews using questionnaires and observation techniques as well as using Structure Equation Mode (SEM) analysis tool with 105 respondents in a hospital.

Ariyani (2011) undertook a study to determine the effect of transformational leadership on work motivation of lecturers of universities in Madiun, Indonesia. The respondents of the research were 68 lecturers of Widya Mandala University of Madiun and Merdeka University of Madiun in Juni-Agustus 2009 period. The findings show that transformational leadership had significant influence on work motivation of lecturers.

Similarly, the studies conducted by Tucunan et al (2014) examined the effect of transformational leadership on employee motivation and performance. The research was done under the jurisdiction of PT. Pandawa in Bali, Indonesia and 62 employees were chosen to be subjects. The data analysis technique used descriptive analysis, factor analysis, and path analysis. This research showed that there is a positive and significant effect between transformational leadership and motivation of employees. (Elgelala and Noermijatib, 2014).

Moreover, research on Influence of transformational leadership and job promotion towards working motivation and performance of employees in UMKM banks in East Java, Indonesia showed that transformational leadership has positive and significant influence towards working motivation. The sampling technique was purposive sampling technique and data collection method of this study was distributing questionnaire. Path analysis was used to analyze data from a sample of 36 respondents (Putra et al, 2017).

According to Marnis (2012) research transformational leadership in the efforts of increasing motivation, performance, and job satisfactions at PT Bank Mandiri Tbk Riau, Indonesia. This study attempts to find out all the influences of transformational leadership in the company. The respondents of this study are employees of PT. Bank Mandiri Tbk at Riau, spreading to into eleven regional/branch offices, with 102 middle managers. The study uses interview and questioner with the measurement scale of 1-5. Structural Equation Model (SEM) and AMOS 17.0 were used to analyze the data. The study found that transformational leadership can provide significant influence and positive through employee's motivation.

Manik (2016) studied the influence of transformational leadership on achievement motivation and organizational climate and employee performance. The study population was employee's locally-owned enterprises in Bandung, West Java and the sample was taken by simple random sampling with as many as 71 people. Structural Equation Modeling (SEM) component based was used for analysis data. The results showed that transformational leadership influence on achievement motivation, organizational climate and employee satisfaction. However, if viewed more transformational leadership have different influences both the achievement motivation and the

organizational climate. This indicates that transformational leadership can increase achievement motivation.

Similarly, the studies conducted by Almer, et al., (2017) on the effect of leadership style on motivation and employee performance: a study on employees of pt. dipo star finance of Makassar branch, South Sulawesi, Indonesia showed that transformational leadership has a significant effect on work motivation. The study was done with 57 respondents who work at PT. Dipo Star Finance in Makassar Branch who selected using systematic random sampling and the sampling refers to the division of work.

Moreover, Muchran, et al (2017) conducted research on the influence of transformational leadership style to performance of islamic bank bank with work motivation as a mediating variable. The data was collected from 186 respondents who works in Islamic Banks in South Sulawesi. The result showed that that transformational leadership has significant effect to work motivation.

Hthwe (2017) conducted research the effect of transformational leadership on employees' motivation of public official in Myanmar. This study aimed is to explore the views of organizational employees in order to (1) investigate the perceptions of the organizational members to identify how leadership enhance motivation of employees in Central Statistical Organization (CSO) in Myanmar, (2) investigate on how transformational leadership is being implemented in CSO. The data was collected using Multifactor Leadership Questionnaire (MLQ) from 90 officers from Central Statistical Organization, Myanmar. The result showed that there is positive significant relation between the transformational leader and intrinsic

motivation of the followers in CSO. Furthermore, the results also indicated that there is no statistically significant relationship between transformational leadership and extrinsic motivation in CSO.

Pongpearchan (2016) conducted a study of effect of transformational leadership and high performance work system on job motivation and task performance. The study aimed to investigate the effect of transformational leadership and high performance work system on job motivation and task performance at the business schools of Thai universities. The sample was 896 lecturers from business schools at government Universities in Thailand but the completed and usable surveys were 194 (21,65% response rate) and the statistics used are tested by ordinary least squared regression. These results reveal that transformational leadership and high performance work system have a significant positive effect on job motivation. Furthermore, job motivation still has a significant relation to task performance. Surprisingly, power distance has no significant positive moderating effect on the relationship of transformational leadership, high performance work system on the job motivation of lecturers in the business schools of government Universities in Thailand.

Ahmad et al (2014) conducted a study on impact of transformational leadership on employee motivation in telecommunication sector in Pakistan. This study investigated the effect of transformational leadership on employee motivation and also the relationship between them in telecommunication sector in Punjab, Pakistan. 294 filled questionnaire from respondents were used for analysis. The analysis concluded that there is a significant relationship between transformational leadership and employee motivation.

The research on the impact of transformational on employee motivation in banking sector of Pakistan performance by Adeel Hussain Aunjum, Ghulam Abbas, Muhammad Sajid was conducted in 2017 in the banking sector in Pakistan. Data about relationship of transformational leadership with employee motivation in banking sector (Allied Bank Limited, Habib Bank Limited and National Bank of Pakistan) was collected through a designed questioner MLQ (Multi Factor Leadership Questionnaire). The study sample was 290 employees from 3 banks in Pakistan. Regression analysis revealed that all dimensions of Transformational Leadership have positive impact on Employee Motivation which proves that Transformational Leadership has significant, positive and strong effect on employee motivation in the Banking sector of Pakistan (Aunjum et al 2017).

As for Chaudhry et. al. (2012) study on the impact of leadership styles on employee motivation and commitment transformational and transactional leadership is positively co-related and highly significant with employee commitment and motivation. Data sets were analyzed using correlation and regression method. On the other hand, Masi (2000) found strong relation between transformational leadership and motivation. Their study on United States Army Recruiting Command in order to examine the effect of transformational leadership on motivation and organizational productivity.

In contrast, there was also studies that showed a different conclusion regarding the relationship between transformational leadership and employees' motivation. Tobing and Syaiful (2016) who examined the influence of transformational leadership, organizational culture, and work motivation on employee performance at the State Property Service Office and Auction in East Java Province, found that that the transformational leadership

has not significant influence on work motivation. But organizational culture has significant influence on employee's motivation. The path coefficient between the transformational leadership and work motivation is at -0.722 (negative) and significancy test for this coefficient result from CR (critical ratio) is -1.844, this is less than the critical value required by 2. The findings do not support the claim that employee's motivation are associated with high levels of transformational leadership. The study sampled 114 employees in KPKNL and Structural Equation Modelling (SEM) was used to analyze the data.

Moreover, Sembiring and Yunita (2017) conducted a study of the influence of transformational leadership on intrinsic motivation of employees at division of enterprise service of PT Telekomunikasi Indonesia. The study aimed to examine the influence of the four factors of transformational leadership on the intrinsic motivation of employees at the division of the Enterprise Service, PT Telekomunikasi Indonesia, the largest telecommunication company in Indonesia, where about 80% of the employees fully work at their customers' premises. The data was collected from 380 employees. Path analysis was used for tested the hypothesis. The findings showed that none of the four factors of transformational leadership significantly influence the intrinsic motivation of the employees. This indicated that the intrinsic motivation of the employees was affected by factors other than the factors measuring transformational leadership.

### **2.3. Critical Review**

After reading all of the paper, it is likely that transformational leadership is one of the most important factors that affects employee's motivation in

Indonesia, ASEAN countries, and also in developing countries. This idea has been proved by a number of research such as: Risambessy et al (2012), Tucunan et al (2014), Hthwe (2017), Pongpearchan (2016), Aunjum et al (2017), Ahmad et al (2014), etc. They found that transformational leadership has a positive impact on employee's motivation. However, there is also study concluded differently. Research conducted by Tobing and Syaiful (2016) and Sembiring and Yunita (2017) found an insignificant negative relationship between transformational leadership and employee's motivation. Therefore, it is unclear to claim, in this context, whether transformational leadership has positive impact on employee's motivation or not.

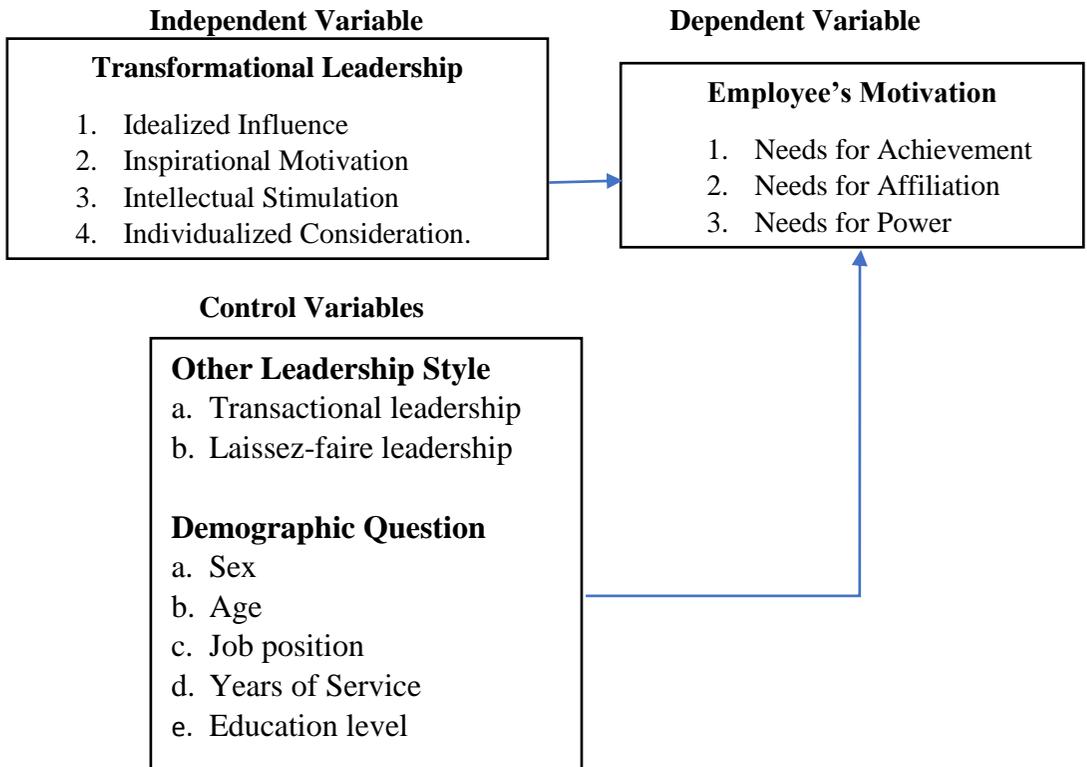
Eventhough there are a large number of relevant studies and researches focusing on the relationship between transformational leadership and employee's motivation, there is a lack of research on the relationship between transformational leadership and employee's motivation in the public sector, especially in one of Presidential Office. In addition, few research has been conducted on transformational leadership and employee's motivation in public sector in other country. Due to cultural differences, it is not practical to only apply some theories that are only based on other societies. Therefore, this study intends to fill the gap by focusing on the relationship between transformational leadership and employee's motivation in the public sector in Indonesia, particularly the Cabinet Secretariat. It is also a case study examining the practical application of those theories in the Indonesian context.

# Chapter 3: Research Design

This chapter explains the research design including: analytical framework, hypothesis, conceptualization and operationalization, and methodology. A triangulation method was undertaken to examine the relationship between transformational leadership and employees' motivation in the Indonesian Cabinet Secretariat using depth interview method and survey questionnaires for employees at the Cabinet Secretariat of the Republic of Indonesia; and other resources such as journals, books, publications and online reliable sources of information.

## 3.1. Analytical Framework

Figure 3.1. Analytical framework for the study



According to the theoretical background and literature review, the analytical framework for this study is (shown in figure 3.1) shows the relationship between the defined variables including transformational leadership (TFL) as an independent variable and employee's motivation (EM) as dependent variable. Therefore, this study proposes that transformational leadership potentially affect employee's motivation.

## **3.2. Hypothesis**

To find further answers to the problems that exist, need to be tested the truth by presenting the research hypothesis. There are three hypothesis put forward in this research. The main interested in of researcher is transformational leadership, but researcher also will present transactional leadership and laissez-faire leadership. Those leadership styles include in Multifactor Leadership Questionnaire (MLQ-6S) that researcher use.

### **3.2.1. Transformational Leadership and Employee's Motivation**

Transformational leadership as a process of influencing major changes in the attitudes and assumptions of organizational members and the establishment of a commitment to mission and organizational goals (Bass, 1985). Transformational leaders encourage their subordinates to adopt the vision of the organization within themselves. According to Robbins and Judge (2011) transformational leadership is leader who inspire their followers to put aside their personal interests for the good of the organization and they are able to have tremendous influence on their followers. They are concerned with the self-development needs of their

followers, changing the consciousness of followers on existing issues by helping others see old problems in new ways, and being able to please and inspire their followers to work hard in order to achieve common goals.

Antonakis et al. (2003) defines transformational leadership as a proactive behavior, raises attention to the common good to followers, and helps followers to achieve goals at the highest level. Leaders who apply transformational leadership influence their followers by engaging their followers to participate in goal-setting, problem-solving, decision-making and feedback through training, direction, consultation, guidance and monitoring of the tasks assigned. Leaders develop the skills and beliefs of followers to prepare them for more responsibility in an authorizing organization. Burns (1978) explained that there are four components of transformational leadership: Idealized Influence, Inspirational Motivation, Individual Consideration, and Intellectual Stimulation. Transformational leadership is very popular in Indonesia, especially in public sector.

In term of relationship between transformational leadership and employees' motivation, there are some previous research about it. Some of them held in Indonesia but in private sector and others held in other countries such as ASEAN countries, developing countries, and developed countries. Various research has been found, it is likely that transformational leadership is one of the most important factors that affects employee's motivation in Indonesia and other countries. This idea has been proved by a number of research such as: Risambessy et al (2012), Tucunan et al (2014), Hthwe (2017), Pongpearchan (2016), Aunjum et al (2017), Ahmad et al (2014), etc. They found that transformational leadership has a positive

impact on employee's motivation. Hence, the first hypothesis is formulated as:

**H1: Transformational leadership significantly positive affect employee's motivation in the Cabinet Secretariat of the Republic of Indonesia.**

It is expected that the better the transformational leadership implemented will be the higher employee's motivation in the Cabinet Secretariat of the Republic of Indonesia.

### **3.2.2. Transactional Leadership and Employee's Motivation**

Transactional leadership style encompasses using exchange of valued things with employees to achieve their interest, as well as those of employee. Burns (2012), said that transactional leadership refers to the bulk of leadership models which focus on the exchanges of that occur between leaders and followers. The exchange dimension of this type of leadership is very common and can be realized at many levels throughout all types of organizations.

Transactional leadership consists of two dimensions: contingent reward and management by exception. Transactional leadership theory recommends that both the leaders and followers may have significant power and influence through a mutual beneficial exchanges (Deluga, 1990). This type of leadership can be practiced in the work place with clear cut measurable work performance standard and expectations in light of the abilities of followers to accomplish the organizational visions and

objectives. Leaders and follower can make specific negotiations in terms of the responsibilities and accountabilities with an opportunity of revision of their quality and quantity outcome and output.

There are various research which test the relationship between transactional leadership and motivation. Some of them said that transactional leadership is positively co-related and highly significant with employee motivation. This idea has been proved by a number of research such as: Barbuto (2005), Chaudhry et. al. (2012), Kappen (2010) etc. Hence, the second hypothesis is formulated as:

**H2: Transactional leadership significantly positive affect employee's motivation in the Cabinet Secretariat of the Republic of Indonesia.**

It is expected that the better the transactional leadership implemented will be the higher employee's motivation in the Cabinet Secretariat of the Republic of Indonesia.

### **3.2.3. Laissez-faire Leadership and Employee's Motivation**

Laissez-faire leadership is represents the absence of leadership and leaders takes an approach of lets –things- ride. Northouse (2013) explained that this types of leaders fail to take the responsibilities, delays decisions gives no feedback and reluctant to make any effort to fulfill the followers needs. Leaders are not in contact and hence no transactions with followers. This type of leaders have no specific way of achieving goals whereas employees are given authority and provided with necessary resources to make decisions and complete tasks by using their own style (Lewin et al.,

1939). Laissez-faire leader gives more freedom, autonomy and flexibility to the followers.

Followers' with high quality skill, knowledge and abilities may accomplish their tasks own their own. This may lead to higher motivation and morale in followers' side and beneficial to both the followers and the whole organization. At the same time lack of long term goals, team exercise and absence of learning from others may be demerit for modern organizations where an expected level of team work and many interdependent tasks has to be performed to achieve the vision, mission, goals and objectives.

This type of leadership is a rather relaxed leadership style, giving complete decision-making control to the staff. It is up to them to manage their workload, while the leaders neither get in the way nor closely oversee what they are doing. Laissez faire leadership is praised for granting independence, and for that the employees will feel important. It is a huge responsibility for them to make the decisions themselves and to be in charge of their own work loads. Hence, the third hypothesis is formulated as:

**H3: Laissez-faire leadership significantly positive affect employee's motivation in the Cabinet Secretariat of the Republic of Indonesia.**

It is expected that the better the laissez-faire leadership implemented will be the higher employee's motivation in the Cabinet Secretariat of the Republic of Indonesia.

### **3.3. Conceptualization and Operationalization**

#### **3.3.1. Independent Variable**

According to the analytical framework, independent variable in this study is transformational leadership (TFL), by looking at four sub-variables defined by Burn (1978) and Bass (1985) such as: (1) idealized influence (II), (2) inspirational motivation (IM), (3) individual consideration (IC) and (4) intellectual stimulation (IS).

#### **3.3.2. Dependent Variable**

The dependent variable of this study is employee's motivation (EM). Based on McClelland's motivational needs theory, this variable will looking at three sub-variables, they are: (1) needs for achievement (NAch), (2) needs for affiliation (NAff), and (3) needs of power (NP).

#### **3.3.3. Control Variable**

In order to test the relative relationship of transformational leadership and employee's motivation, this study has control variable by looking at transactional leadership (TSL). looking at two sub-variables defined by Burn (1978) and Bass (1985) such as: (1) contingent reward (CA), (2) management by exception (MBE). And the other control variables are laissez-faire leadership (LF) and demographic variables consists of sex, age, job position, years of services, and education level.

### **3.4. Methodology**

The type of research used in this study is using quantitative research methods with descriptive approach. The approach is to explain, summarize the

various conditions, situations, or variables that are the object of research (Bungin, 2014).

The research method uses the perspective of quantitative approach with descriptive type, used to analyze the data by describing the data that has been accumulated as it is without intending to make conclusions that apply to the general or generalization. This method will be used to explain whether transformational leadership affect on employee's motivation. This research approach is done by using depth interview and survey method that is trying to describe and know various data concerning the relationship between transformational leadership on employee's motivation. The main characteristic of this study is, the data collected from a number of respondents who have been determined in number by using a questionnaire and interviewing five employees from each level. The advantage of survey research is that it is possible to make generalizations for large and small populations that are generally carried out to take a generalization of inadequate observation.

### **3.4.1. Research Instrument**

The instrument that is used in this study consists of three sections, first section include question about transformational leadership, transactional leadership and laissez-faire leadership, second one contain items about employee's motivation and last section consist of demographics. The demographics part looked at five variables: sex, age, job position, years of service, and education level.

The survey instrument for transformational leadership will be Multifactor Leadership Questionnaire (MLQ-6S), the latest version of

multifactor leadership questionnaire developed by Bass and Avolio (1995) which measures four sub-variables of transformational leadership. For the transformational leadership part, it used five-scale of Likert type measurement, ranking from “1 = Not at all” to “2 = Once in a while” to “3 = Sometimes” to “4 = Fairly often” to “5 = Frequently or always.” The questionnaire adapted from MLQ-6S by selecting only twelve items that measuring four sub-variables of transformational leadership. Each sub-variable measured by three items. Samples of the items include “Leader/s express with a few simple words what we could and should do”, “Leader/s enable others to think about old problems in new ways“, “Leader/s enable others develop themselves”, and “Others have complete faith in Leader/s”. The Multifactor Leadership Questionnaire by Bass and Avolio (1995) has been widely tested which tend to confirm its high reliability and validity regarding the measurement of transformational leadership (Pruijn & Boucher 1994, Botha 2001, Hayward et al. 2003, BA, TL et al. 2008).

Moreover for employee’s motivation will be measured through Manifest Needs Questionnaire (MNQ) developed by Steers and Braunsteir (1976). As for the employee’s motivation part, it is a five Likert-scale questionnaire, ranking from “1 = Strongly disagree” to “2 = Disagree” to “3 = Neutral” to “4 = Agree” to “5 = Strongly agree.” MNQ is adapted according to the direction and the needs of the study, meaning that it measured only three variables, viz., needs for achievement (NAch), needs for affiliation (NAff), and needs for power (NP). In the questionnaire, there are 15 items. Each sub-variable measure by five items. Samples of the items include “I do my best work when my job assignments are fairly difficult,” “When I have a choice, I try to work in a group instead of by

myself,” and “I seek an active role in the leadership of a group.” A number of studies have been conducted using MNQ as a tool, and is still used to measure manifest needs (Arogundade and Olunubi, 2013;Birecikli, Alpkam, Ertürk and Aksoy, 2016; Chou and Lopez-Rodriguez, 2013; Ivarsson and Ekehammar, 2001).

Lastly, the survey instrument for control variable (transactional and laissez-faire leadership) will be Multifactor Leadership Questionnaire (MLQ-6S), which measures two sub-variables of transactional leadership and one sub-variable of laissez-faire leadership. For this part, it used five-scale of Likert type measurement, ranking from “1 = Not at all” to “2 = Once in a while” to “3 = Sometimes” to “4 = Fairly often” to “5 = Frequently or always.” The questionnaire adapted from MLQ-6S by selecting only 9 items that measuring two sub-variables of transactional leadership and one sub-variable of laissez-faire leadership. Each sub-variable measured by three items. Samples of the items include “Leader/s tell others what to do if they want to be rewarded for their work”, “Leader/s am satisfied when others meet agreed-upon standards”, and “Leader/s am content to let others continue working in the same ways always”.

Table 3.1. Measurement and Data Sources of the Variables in the Study

<b>Main Type of Variable</b>	<b>Variables</b>	<b>Attributes</b>	<b>Indicators</b>	<b>Data Source</b>
Independent variable	Transformational Leadership	Idealized influence (attributed)	Q1, Q8, Q15	Apendix Part 1 (MLQ)

	(Questionnaire on Leadership adapted from MLQ-6S)	Inspirational motivation	Q2, Q9, Q16	
		Intellectual stimulation	Q3, Q10, Q17	
		Individualized consideration	Q4, Q11, Q18	
Dependent variable	Employee's Motivation (Questionnaire on Motivation adapted from MNQ)	Needs for achievement	Q25, Q27, Q28, Q31, Q32	Appendix Part 2 (MNQ)
		Needs for Power	Q22, Q24, Q29, Q33, Q35	
		Needs for affiliation	Q23, Q26, Q30, Q34, Q36	
Control variable	Transactional and Laissez-faire Leadership (Questionnaire on Leadership adapted from MLQ-6S)	Contingent reward	Q5, Q12, Q19	Appendix Part 1 (MLQ)
		Management by Exception	Q6, Q13, Q20	
		Laissez-faire	Q7, Q14, Q21	
	Sex	Male	QA	Appendix Part 3 (Demographic question)
		Female		
	Age	18 – 29 years	QB	
30 – 39 years				

	40 – 49 years	
	49 – 59 years	
Job Position	Staff officer	QC
	Eselon IV	
	Eselon III	
	Eselon II	
	Eselon I	
Years of Service	Less than 5 years	QD
	5 – 10 years	
	10 – 15 years	
	15 – 20 years	
	20 – 25 years	
	more than 25 years	
Education Level	High school	QE
	Diploma	
	Bachelor degree	
	Master degree	
	Doctorate degree	

		Other		
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### **3.4.2. Population and Sample**

Neil (2012) defines population as the collection of all individuals or items under consideration in a statistical study. The targeted population of this study is all employees in the Cabinet Secretariat which total number is 412 people who already working more than 2 years. The Cabinet Secretariat of the Republic of Indonesia is chosen as population of this study because it is one of the most important central government institution in Indonesia. The Cabinet Secretariat is government institution in Indonesia that is directly responsible to the President which has the duty of providing support for the management of the cabinet to the President and Vice President in governance.

Neil (2012) describes study sample as the part of the population from which information is obtained. Based on the population, the determination of representative sample in this research using probability sampling technique, that is simple random sampling in which employees are randomly chosen from the population and have equal chance to be included in the study. With margin error 5%, confidence level 95%, and response distribution is 50%, sample size of this study is 200 people (Sample Size Calculator, 2017).

### **3.4.3. Data Sources**

Primary data used in this study through depth interview and survey questionnaire to examine the extent to which transformational leadership

has been implemented, and the relationship between transformational leadership and employees' motivation. Secondary data will be used in order to understand the ideas, thinking and theories of previous scholars on motivation in different views.

### 3.4.4. Data Collection Strategy

The new survey made by combining MLQ-6S, MNQ, and demographic questions. The questionnaire distributed to the respondent in the Cabinet Secretariat on August, 2018 . The filled questionnaire collected and sent back to Korea. These questionnaire was rechecked for assurance of whether it is completed or not, the complete filled questionnaire will be recorded in MS-excel then will be transformed to SAS software (version 3.4 for Windows) for data analysis.

Table 3.2. Table of Methodology

<b>Steps</b>	<b>Description</b>
Step 1	<ul style="list-style-type: none"> <li>- Develop Hypothesis: Transformational leadership significantly positive affect employee's motivation in the Cabinet Secretariat of the Republic of Indonesia.</li> <li>- Survey questionnaire: combining MLQ-6S, MNQ, and demographic questions (Apendix 1).</li> </ul>
Step 2	<ul style="list-style-type: none"> <li>- Pilot test questionnaire with small set of respondents similar to those in the final survey.</li> <li>- Check wether meanings of questions clear.</li> </ul>
Step 3	<ul style="list-style-type: none"> <li>- Target population: all employees in the Cabinet Secretariat</li> </ul>

	<p>which total number is 412 people</p> <ul style="list-style-type: none"> <li>- Sample size: with margin error 5%, confidence level 95%, and response distribution is 50%, sample size of this study is 200 people using simple random sampling technique.</li> </ul>
Step 4	<ul style="list-style-type: none"> <li>- Conduct survey. The questionnaire distributed to the respondent in the Cabinet Secretariat on August, 2018 . The filled questionnaire collected and sent back to Korea.</li> </ul>
Step 5	<ul style="list-style-type: none"> <li>- The complete filled questionnaire will be recorded in MS-excel then will be transformed to SAS software for data analysis.</li> <li>- Data screened, coded and entered into SAS program. Then, the researcher calculated the Cronbach's alpha for instruments' reliability, and summarized demographics of all the respondents by using frequency and percentage. Descriptive statistics, Pearson's correlation coefficient and regression model will use for all items to interpret and analyze the data, and to test the hypothesis.</li> </ul>

### **3.4.5. Data Analysis Method**

This study used SAS software (version 3.4 for Windows) all data analysis. First, data screened, coded and entered into the program. Then, the researcher calculated the Cronbach's alpha for instruments' reliability, and summarized demographics of all the respondents by using frequency and percentage. Descriptive statistics, Pearson's correlation coefficient and

regression model will use for all items to interpret and analyze the data,  
and to test the hypothesis.

## Chapter 4: Result and Discussion

This chapter presents the findings of the study, specifically describes descriptive analysis of all variables, tests the hypothesis, and discussion of the result.

### 4.1. Descriptive Analysis

#### 4.1.1. Demographic of Respondents

In this study, 220 employees of Cabinet Secretariat of the Republic of Indonesia have been requested to participate, 203 questionnaires were received and 182 fulfilled questionnaires were analyzed. This equaled to 91% response rate of the designated sample.

Table 4.1. Respondents' Characteristics

Variables	Characteristics	Type	Frequency	Percentage (%)
Sex	Female	Real	191	46.36
		Respondent	98	53.85
	Male	Real	221	53.64
		Respondent	84	46.15
Age	18 - 30 years	Real	79	19.17
		Respondent	24	13.19
	30 - 40 years	Real	169	41.02

		Respondent	96	52.75	
	40 - 50 years	Real	106	25.73	
		Respondent	43	23.63	
	50 - 60 years	Real	58	14.08	
		Respondent	19	10.44	
Job Position	Staff Officer	Real	164	39.80	
		Respondent	66	16.02	
	Eselon IV	Real	133	32.28	
		Respondent	79	19.17	
	Eselon III	Real	79	19.17	
		Respondent	30	16.48	
	Eselon II	Real	22	5.34	
		Respondent	6	3.30	
	Eselon I	Real	14	3.41	
		Respondent	1	0.55	
	Years of Working	2 - 5 years	Respondent	39	21.43
		5 - 10 years	Respondent	59	32.42
10 - 15 years		Respondent	30	16.48	

	15 - 20 years	Respondent	13	7.14
	20 - 25 years	Respondent	28	15.38
	more than 25 years	Respondent	13	7.14
Education Level	High School	Real	36	8.74
		Respondent	5	2.75
	Diploma	Real	23	5.58
		Respondent	4	2.20
	Bachelor Degree	Real	185	44.90
		Respondent	90	49.45
	Master Degree	Real	162	39.32
		Respondent	82	45.05
	Doctorate Degree	Real	6	1.45
		Respondent	1	0.55

The demographics of respondents of this study can be seen in Table 4.1. In the sample of respondents, there are more numerous Female respondents than male respondents, female (n=98, 53.85%) and male (n=84, 46.15%). If we compare with the real data, so there is a gap between them, in data real male employees are more than female employees. As for the age range, the majority of respondents are 30-40

years old (which is 96 respondents or 52.75% of the sample) followed by 40-50 years old (43 respondents or 23.63%). Those aged 18-30 years old were 24 respondents (13.19%), and followed by those aged 50-60 years old (which is 19 respondents or 10.44%). This condition is same with the real data.

The most common number for job position is Eselon IV representing 43.41% (79 respondents) of the total, followed by 36.26% (66 respondents) staff officer. Eselon III 16.48% (30 respondents), 3.30% (6 respondents) for Eselon II and lastly Eselon 1 0.55% (1 respondent). With regards to the years of working, a great number of respondents (59 respondents or 32.42%) are 5-10 years. Followed by 2-5 years of working (39 respondents or 21.43%) and 20-25 years of working (28 respondents or 15.38%). Only 7.14 % (13 respondents) for those who has more than 25 years working experiences and 15-20 years as well.

Additionally, the respondents were asked to indicate their education level with the result showing that the majority (90 respondents or 49.45%) have obtained bachelor's degree while the other 45.05% (82 respondents) have master's degree. The rest have obtained high school (5 respondents, 2.75%), Diploma (4 respondents, 2.20%), and only 1 respondent (0.55%) who have obtained Doctorate degree.

#### **4.1.2. Dependent Variable**

Table 4.2 Simple Statistics of Job Motivation

<b>Variable</b>	<b>N</b>	<b>Mean</b>	<b>Std Dev</b>	<b>Minimum</b>	<b>Maximum</b>
Needs for Achievement	182	4.13	2.16	3.00	5.00
Needs for Power	182	3.81	2.28	2.60	5.00

Needs for Affiliation	182	3.95	2.04	3.00	5.00
Job Motivation	182	3.96	5.40	3.33	5.00

Table 4.4. provides results of the simple statistic of of the job motivation variables. Manifest Needs Questionnaire covering three sub-variables of job motivatin such as: needs for achievemnet, needs for power and needs for affiliation. Each sub-variable was measured by five questions. The score of each sub-variable was the average score of the five questions. Also, the score on job motivation was the average score of its three sub-variables.

As it is shown in the table, needs for achievement was measured by three question asked obtained highest score (Mean= 3.39, SD =2.16) and followed by needs for affiliation (Mean =3.95, SD =2.04) appeared to be the most motivate among employees at the Cabinet Secretariat of the Republic of Indonesia. However, the lowest score is needs for power (Mean 3.81, SD=2.28). The average score for job motivation in this study was 3.96 meaning is employees at the Cabinet Secretariat of the Republic of Indonesia have quite strong motivation.

Table 4.2.a. Demographic Category Comparisons for Employee's Motivation

<b>Variable</b>	<b>Level</b>	<b>N</b>	<b>Mean</b>	<b>Std Dev</b>	<b>Minimum</b>	<b>Maximum</b>
Sex	Female	98	3,95	5,34	3,33	5,00
	Male	84	3,98	5,50	3,33	4,93
Age	18 - 30 years	24	3,91	6,15	3,33	5,00

	30 - 40 years	96	3,91	4,97	3,33	4,93
	40 - 50 years	43	4,06	5,17	3,33	4,87
	50 - 60 years	19	4,08	6,33	3,33	4,80
Job Position	Staff Officer	66	3,91	5,30	3,33	5,00
	Eselon IV	79	3,89	5,00	3,33	4,93
	Eselon III	30	4,18	5,23	3,33	4,87
	Eselon II	6	4,30	3,39	4,00	4,60
	Eselon I	1	4,47	.	4,47	4,47
Years of service	2 - 5 years	39	3,98	6,35	3,33	5,00
	5 - 10 years	59	3,89	4,47	3,40	4,60
	10 - 15 years	30	3,87	4,40	3,33	4,40
	15 - 20 years	13	4,18	4,91	3,73	4,87
	20 - 25 years	28	4,02	5,71	3,33	4,80
	more than 25 years	13	4,11	6,47	3,33	4,80
Education Level	High School	5	3,88	5,54	3,33	4,20
	Diploma	4	3,92	5,50	3,60	4,40
	Bachelor Degree	90	3,89	5,51	3,33	5,00
	Master Degree	82	4,04	5,05	3,33	4,87
	Doctorate Degree	1	4,47	.	4,47	4,47

Table 4.2.a provides results of the comparisons between demographic category and employee's motivation. As it shown in the table, according to gender of respondents, the job motivation between male and female is

quite same, because the average is only 0.03 difference, male respondent higher. In age category, employee above 40 years is more motivated than below 40 years. Other result shown that respondent with higher position are more motivated. Respondents with 15-20 years of service is the most motivated, followed by those who have more than 25 years of service. This also happened with education level category, respondents who got their master degree and doctorate degree is mor motivated than those with lower education level.

### 4.1.3. Independent Variable

Table 4.3. Simple Statistics of Transformational Leadership

Variable	N	Mean	Std Dev	Minimum	Maximum
Idealized influence	182	3.86	1.92	2.33	5.00
Inspirational Motivation	182	3.78	2.05	2.00	5.00
Intellectual Stimulation	182	3.94	1.98	2.33	5.00
Individual Consideration	182	3.85	1.88	2.67	5.00
Transformational Leadership	182	3.86	6.73	2.75	5.00

SAS program was using to examined and calculated transformational leadership. The number is shown in descriptive statistics. There were 182 employees at the Cabinet Secretariat of the Republic of Indonesia who responded to 12 questions of the Multifactor Leadership Questionnaire covering four sub-variables of transformational leadership such as: idealized influence, inspirational motivation, intellectual stimulation and

individual consideration. Each sub-variable was measured by three questions. After the collected data was coded and computed into SAS, the new variables were computed and created. These new variables included all four sub-variables of transformational leadership and the transformational leadership by means of average score. The score of each sub-variable was the average score of the three questions. Also, the score on transformational leadership was the average score of its four sub-variables. According to the collected data, among the five subvariables, intellectual stimulation got the highest average score of 3.94 (SD = 1.98), idealized influence was 3.86 (SD = 1.92), individual consideration was 3.85 (SD = 1.88), and inspirational motivation was 3.78 (SD = 2.05), respectively, which resulted in an average score of 3.86 for the transformational leadership.

Table 4.4. Average Score of Transformational Leadership

<b>Range of average score</b>	<b>1.00-1.99</b>	<b>2.00-2.99</b>	<b>3.00-3.99</b>	<b>4.00-5.00</b>	<b>Total</b>
Frequency	0	11	97	74	182
Percentage (%)	0	6.04	53.30	40.66	100

According to Bass and Avolio (2003), the midpoint of the scale used on the whole MLQ is an average score of 2.5. The average score above 2.5, indicates a positive attitude to this style while a score below 2.5 would indicate a negative attitude to the style. Bass and Avolio (2003) stated that average scores of 4.00 or above for all transformational leadership factors would suggest effective transformational leadership. The result of this study (Table 4.3.) showed that 6.04% of the leaders had an average score of 2-2.99 and 53.3% had an average score of 3-3.99,

which are under the suggested average score of 4.00. However, 40.66% of the leaders had an average score of 4-5. This means that 59.34% of the office leaders at the Cabinet Secretariat of the Republic of Indonesia are not really demonstrating transformational leadership while 64% of them are performing transformational leadership. The average score for Transformational leadership in this study was from 2.75 to 5, so, it indicates that the respondents accepted their leaders as transformational.

Table 4.3.a. Demographic Category Comparisons for Transformational Leadership

<b>Variable</b>	<b>Level</b>	<b>N</b>	<b>Mean</b>	<b>Std Dev</b>	<b>Minimum</b>	<b>Maximum</b>
Sex	Female	98	3,90	6,71	2,75	5,00
	Male	84	3,81	6,75	2,75	5,00
Age	18 - 30 years	24	3,84	7,22	2,83	5,00
	30 - 40 years	96	3,81	6,42	2,75	5,00
	40 - 50 years	43	3,92	6,84	2,75	5,00
	50 - 60 years	19	3,95	7,65	2,92	5,00
Job Position	Staff Officer	66	3,80	6,33	2,92	5,00
	Eselon IV	79	3,77	6,54	2,75	5,00
	Eselon III	30	4,06	7,25	2,75	5,00
	Eselon II	6	4,53	2,80	4,25	4,75
	Eselon I	1	4,25	.	4,25	4,25
Years of service	2 - 5 years	39	3,98	7,67	2,83	5,00
	5 - 10 years	59	3,75	6,02	2,75	4,92
	10 - 15 years	30	3,78	4,81	2,92	4,67

	15 - 20 years	13	4,14	7,26	2,83	5,00
	20 - 25 years	28	3,77	7,32	2,75	5,00
	more than 25 years	13	4,08	7,24	2,92	5,00
Education Level	High School	5	3,45	5,94	2,92	4,08
	Diploma	4	3,54	5,00	2,92	3,75
	Bachelor Degree	90	3,83	6,57	2,75	5,00
	Master Degree	82	3,93	6,93	2,75	5,00
	Doctorate Degree	1	4,25	.	4,25	4,25

Table 4..a indicates results of the comparisons between demographic category and perception of transformational leadership's of the leader. As it shown in the table, female respondents have higher perception than male respondents. In terms of age category, employee above 40 years is have higher perception than those who below 40 years. Other result shown that respondent in position Eselon 3 above is have higher perception than those in Eselon 4 and staff officer. Respondents with year of service 15-20 years has the highest perception of leader's transformational leadership, followed by who had more than 25 years of service and those who has 2-5 years of service. Lastly, rspondent who got higher education have higher perception of leader's transformational leadership.

#### 4.1.4. Control Variable

Table 4.5. Simple Statistics of Transactional Leadership and Laissez-faire Leadership

<b>Variable</b>	<b>N</b>	<b>Mean</b>	<b>Std Dev</b>	<b>Minimum</b>	<b>Maximum</b>
Contingent Rewards	182	3.72	2.19	1.67	5.00
Management by Exception	182	3.91	1.99	2.00	5.00
Transactional Leadership	182	3.82	3.86	2.17	5.00
Laissez-faire Leadership	182	3.57	1.69	2.33	5.00

Same like transformational leadership, SAS program also used to examined and calculated transactional leadership and laissez-faire leadership. for transactional leadership and laissez-faire leadership also using Multifactor Leadership Questionnaire which covering two sub-variables of transactional leadership (contingent reward and management by exception) and 1 subvariable for laissez-faire leadership. This questionn Each sub-variable was measured by three questions. The score of each sub-variable was the average score of the three questions. Also, the score on transactional leadership and laissez-faire leadership was the average score of its sub-variables.

Table 4.5 illustrates simple statistics of two control variable transformational leadership and laissez-faire leadership received by the respondents of the Cabinet Secretariat of the Republic of Indonesia. Management by exception has higher mean score than contingent reward,

3,91 with standar deviation 1,99. The average score for transactional leadership was 3.82 and for laissez-faire leadership was 3,57.

According to table 4.2. and table 4.5. we can see that among three styles of leadership, laissez-faire leadership has the least means score, because in Indonesia, especially in public sector, laissez-faire leadership is not that popular. Typical of Indonesian leader in public sector does not like to provides an environment where the subordinates get many opportunities to make decisions. In this type, the group often lacks direction because the leader himself abdicates responsibilities and avoids making decisions.

Table 4.5.a. Demographic Category Comparisons for Transactional Leadership

<b>Variable</b>	<b>Level</b>	<b>N</b>	<b>Mean</b>	<b>Std Dev</b>	<b>Minimum</b>	<b>Maximum</b>
Sex	Female	98	3,82	3,64	2,17	5,00
	Male	84	3,82	4,12	2,17	5,00
Age	18 - 30 years	24	3,95	3,93	2,50	5,00
	30 - 40 years	96	3,77	3,53	2,33	5,00
	40 - 50 years	43	3,78	4,30	2,17	5,00
	50 - 60 years	19	3,96	4,37	2,67	5,00
Job Position	Staff Officer	66	3,78	3,70	2,33	5,00
	Eselon IV	79	3,75	3,48	2,50	5,00
	Eselon III	30	3,91	4,88	2,17	5,00
	Eselon II	6	4,53	1,83	4,17	4,83
	Eselon I	1	4,50	.	4,50	4,50

Years of service	2 - 5 years	39	4,00	3,87	2,50	5,00
	5 - 10 years	59	3,73	3,59	2,33	4,83
	10 - 15 years	30	3,66	2,84	2,83	4,67
	15 - 20 years	13	4,01	4,55	2,17	5,00
	20 - 25 years	28	3,70	4,34	2,17	5,00
	more than 25 years	13	4,10	4,33	2,67	5,00
Education Level	High School	5	3,47	4,27	2,67	4,17
	Diploma	4	3,71	4,35	3,00	4,33
	Bachelor Degree	90	3,76	3,80	2,17	5,00
	Master Degree	82	3,90	3,85	2,17	5,00
	Doctorate Degree	1	4,50	.	4,50	4,50

Table 4.5.a. provides results of the comparisons between demographic category and transactional leadership. As it shown in the table, according to gender of respondents, the perception of leader's transactional leadership between male and female is same. In age category, employee around 18-30 years and 50-60 years have the highest perception of leader's transactional leadership. Other result shown that Eselon 3 have the highest perception of leader's transactional leadership and Eselon IV is the lowest one. Respondents with 10-15 years of service have the lowest perception of leader's transactional leadership, followed by those who have 20 - 25 years of service. In the education level category,

respondents who got higher education level, have higher perception of leader's transactional leadership.

Table 4.5.b. Demographic Category Comparisons for Laissez-faire Leadership

<b>Variable</b>	<b>Level</b>	<b>N</b>	<b>Mean</b>	<b>Std Dev</b>	<b>Minimum</b>	<b>Maximum</b>
Sex	Female	98	3,56	1,80	2,33	5,00
	Male	84	3,59	1,56	2,67	5,00
Age	18 - 30 years	24	3,64	1,47	2,67	4,33
	30 - 40 years	96	3,52	1,69	2,33	5,00
	40 - 50 years	43	3,64	1,86	2,33	5,00
	50 - 60 years	19	3,61	1,57	2,67	4,67
Job Position	Staff Officer	66	3,56	1,63	2,33	4,67
	Eselon IV	79	3,47	1,58	2,67	4,67
	Eselon III	30	3,80	1,99	2,67	5,00
	Eselon II	6	3,78	1,03	3,33	4,00
	Eselon I	1	4,33	.	4,33	4,33
Years of service	2 - 5 years	39	3,67	1,64	2,33	4,67
	5 - 10 years	59	3,54	1,74	2,33	5,00
	10 - 15 years	30	3,50	1,74	2,67	5,00
	15 - 20 years	13	3,54	2,18	2,33	4,67
	20 - 25 years	28	3,51	1,48	2,67	4,67
	more than 25 years	13	3,74	1,48	3,00	4,67
Education	High School	5	3,40	1,30	3,00	4,00

Level	Diploma	4	3,50	1,29	3,00	4,00
	Bachelor Degree	90	3,49	1,64	2,33	4,67
	Master Degree	82	3,67	1,75	2,67	5,00
	Doctorate Degree	1	4,33	.	4,33	4,33

Table 4.5.b. provides results of the comparisons between demographic category and laissez-faire leadership. As it shown in the table, according to gender of respondents, the perception of leader's laissez-fair leadership between male and female is quite same, because the average is only 0.03 difference, male respondent higher. In age category, employee around 18-30 years and 40-50 years have the highest perception of leader's laissez-fair leadership. Other result shown that Eselon 3 have the highest perception of leader's laissez-fair leadership and staff officer is the lowest one. Respondents with 10-15 years of service have the lowest perception of leader's laissez-fair leadership, followed by those who have 20 - 25 years of service. In the education level category, respondents who got higher education level, have higher perception of leader's laissez-fair leadership.

#### 4.1.5. Reliability Test

Table 4.6. Cronbach Coefficient Alpha

Variable	Question	Cronbach Alpha	Variable	Question	Cronbach Alpha
Idealized	Q1	0.933	Laissez-faire	Q7	0.933

influence	Q8	0.933	Leadership	Q14	0.934
	Q15	0.933		Q21	0.933
Inspirational Motivation	Q2	0.933	Needs for Achievement	Q25	0.936
	Q9	0.933		Q27	0.936
	Q16	0.932		Q28	0.934
Intellectual Stimulation	Q3	0.933		Q31	0.935
	Q10	0.933		Q32	0.937
	Q17	0.933		Q22	0.936
Individual Consideration	Q4	0.933	Needs for Power	Q24	0.936
	Q11	0.934		Q29	0.935
	Q18	0.937		Q33	0.935
Contingent Rewards	Q5	0.933		Q35	0.937
	Q12	0.933	Needs for Affiliation	Q23	0.935
	Q19	0.934		Q26	0.935
Management by Exception	Q6	0.932		Q30	0.935
	Q13	0.933		Q34	0.935
	Q20	0.934		Q36	0.935

The internal consistency of the transformational leadership, job motivation, transactional leadership, and laissez-faire leadership were performed by using the Cronbach's alpha coefficient in SAS program. The estimate of all study variable reliability was supported.

In table 4.6. above, the reliability of the independent variable and its four subvariables are shown. All of them have Cronbach's alpha value of more than 0.93, meaning that it indicates a high internal consistency of the indicator questions used to measure quality. Dependent variable and

control variable with their subvariables have Cronbach's alpha value of more than 0.93. From the analysis above, the clear indication of the fact that all the items representing the various determinants of transformational leadership, job motivation, transactional leadership, and laissez-faire leadership were very reliable and the responses from respondents who participated in this study were internally consistent.

#### **4.1.6. Tolerance and Variance Inflation Factor (VIF) Test**

Table 4.7. Tolerance and VIF Coefficients

<b>Variable</b>	<b>Tolerance</b>	<b>Variance Inflation</b>
Intercept		0
Transformational Leadership	0.3926	3.2614
Transactional Leadership	0.4273	2.1826
Laissez-faire Leadership	0.8362	1.0334
Sex	0.4213	3.0283
Age	0.6817	2.9372
Job Position	0.1725	5.7384
Years of Service	0.5316	3.9177
Education Level	0.3283	4.7264

The multicollinearity of the transformational leadership, transactional leadership, laissez-faire leadership, sex, age, job position, years of service, and education level were tested by using the tolerance and variance inflation factor (VIF) coefficient. In this test if the magnitude of  $VIF < 10$  means the absence of multicollinearity.

Table 4.7. shown the tolerance and variance inflation factor associated with the variables in the regression model. This table indicates that VIF score of all variables are less than 10, this means that the absence of multicollinearity in the regression model of this study. Analysis of VIF is sufficient to decide on presence or absence of multicollinearity, because the value of tolerance is reciprocal of the VIF scores.

## 4.2. Hypotetical Test

### 4.2.1. Testing Hypothesis 1

As mention earlier, hypothesis 1 of this study is Transformational leadership significantly positive affect employee's motivation in the Cabinet Secretariat of the Republic of Indonesia. Pearsons' correlation analysis will use to test the hypotesis 1.

Table 4.8. Correlation of Transformational Leadership, Transactional Leadership, Laissez-faire Leadership, and Job Motivation

	II	IM	IS	IC	CA	MBE	Nach	Npow	Naff	TFL	TSL	LF	JM
II	1												
IM	0.76*	1											
IS	0.67*	0.62*	1										
IC	0.67*	0.62*	0.55*	1									
CA	0.67*	0.72*	0.66*	0.57*	1								

<b>MBE</b>	0.75*	0.70*	0.70*	0.59*	0.70*	1								
<b>Nach</b>	0.40*	0.40*	0.40*	0.30*	0.39*	0.40*	1							
<b>Npow</b>	0.56*	0.62*	0.49*	0.52*	0.63*	0.53*	0.59*	1						
<b>Naff</b>	0.57*	0.55*	0.54*	0.50*	0.51*	0.58*	0.51*	0.52*	1					
<b>TFL</b>	0.91*	0.88*	0.83*	0.82*	0.76*	0.80*	0.44*	0.64*	0.63*	1				
<b>TSL</b>	0.77*	0.77*	0.74*	0.63*	0.93*	0.91*	0.43*	0.63*	0.59*	0.84*	1			
<b>LF</b>	0.52*	0.59*	0.41*	0.39*	0.50*	0.43*	0.27*	0.46*	0.39*	0.56*	0.50*	1		
<b>JM</b>	0.61*	0.63*	0.57*	0.53*	0.61*	0.60*	0.84*	0.86*	0.80*	0.68*	0.66*	0.45*	1	

\* = correlation is significant at 0.01 level (2-tailed)

Furthermore, the study further looked for a causal relationship between transformational leadership and job motivation using regression model in order to find out whether transformational leadership really has an impact on job motivation at the Cabinet Secretariat of the Republic of Indonesia by considering seven control variables included in the regression model (transactional leadership, laissez-faire leadership, sex, age, year in service, job position, and education level). Regression was carried out in three models – Model 1 for simple linear regression between transformational leadership and job motivation, Model 2 for multiple regression between transformational leadership and job motivation with two control variables, including transactional leadership, and laissez-faire leadership, and Model 3 for multiple regression between transformational leadership and job motivation with seven control variables, transactional leadership, laissez-faire leadership, sex, age, year in service, job position, and education level.

Table 4.9. Analysis of the Casual Relationship Between Job Motivation, Transformational Leadership and Control Variables

	Dependent Variable (Job Motivation)							
	Model 1 (Bivariat Analysis)		Model 2 (Multivariat Analysis)		Model 3 (Multivariat Analysis)			
	Parameter Estimate	Std. Error	Parameter Estimate	Std. Error	Parameter Estimate	Std. Error		
Intercept	34.120	2.044	32.729	2.179	38.462	4.666		
Transformational Leadership	0.547*	0.044	0.319*	0.083	0.303*	0.089		
Transactional Leadership	/	/	0.392*	0.139	0.430*	0.146		
Laissez-faire Leadership			0.276	0.206	0.113	0.218		
Sex			/	/	/	/	-0.555	0.596
Age							-0.469	2.018
Job Position							-9.091**	4.149
Year of Service							1.894	2.357
Education Level							-1.577	1.984
N							182	182
R <sup>2</sup>			0.4652	0.4946	0.5528			
Adjusted R <sup>2</sup>			0.4622	0.4861	0.5004			
Sig. In ANOVA	<0.0001	<0.0001	<0.0001					
F	156.54	58.06	10.54					
* = p<0.01, ** = p<005								

#### **4.2.1.1. Pearsons' Correlation Analysis**

Correlation analysis was done to determine the extent of linear relationship between the variable of Transformational Leadership and Job Motivation. Table 4.8. indicates , the correlation coefficient ( $r$ ) between transformational leadership (TFL) and job motivation (JM) was 0.68 at significant level of alpha equaled to 1% (confidence level 99%). Therefore, this means that the null hypothesis ( $H_0$ ) is rejected due to the  $p$ -value is smaller than the alpha (0.01), and with  $r = 0.68$  the study can conclude that at 1% significant level there is a very strong evidence that there is a significant and positive relationship between Transformational Leadership and Employee's Job Motivation at the Cabinet Secretariat of the Republic of Indonesia. This finding implies that the two variables are correlated in positive direction – if the transformational leadership increase, the job motivation increase.

Table 4.8. also illustrates the correlation coefficient ( $r$ ) between job motivation (JM) and four sub-variables of transformational leadership (TFL). The highest correlation coefficient ( $r$ ) between JM and the four sub-variables of TFL was inspirational motivation (0.63), followed by idealized influence (0.61), intellectual stimulation (0.57) and individual consideration (0.53). First, the correlation coefficient between job motivation and inspirational motivation was 0.63 at the significant level of alpha equaled to 1% (confidence level 99%). This shows a strong evidence of significant and positive relationship between job motivation and inspirational motivation at the Cabinet Secretariat of the Republic of Indonesia. Second, the correlation coefficient between job motivation

and idealized influence was 0.61 at the significant level of alpha equaled to 1% (confidence level 99%). Again, this proves a strong evidence of significant and positive relationship between job motivation and idealized influence at the Cabinet Secretariat of the Republic of Indonesia. Third, the correlation coefficient between job motivation and intellectual stimulation was 0.57 at the significant level of alpha equaled to 1% (confidence level 99%). This also shows a strong evidence of significant and positive relationship between job motivation and intellectual stimulation at the Cabinet Secretariat of the Republic of Indonesia. Fourth, the correlation coefficient between job motivation and individual consideration was 0.53, the lowest among other subvariables, at the significant level of alpha equaled to 1% (confidence level 99%). This shows a strong evidence of significant and positive relationship between job motivation and individual consideration at the Cabinet Secretariat of the Republic of Indonesia.

In the table 4.8. above we can also see the correlation coefficient between transformational leadership (TFL) and three subvariables of job motivation (JM). The highest correlation coefficient was between transformational leadership and needs for power equaled to 0.64 at the significant level of alpha equaled to 1% (confidence level 99%), meaning that there is strong evidence that there is a significant and positive relationship between transformational leadership and needs for power at the Cabinet Secretariat of the Republic of Indonesia. As for needs for affiliation, the correlation coefficient between transformational leadership and needs for affiliation equaled to 0.63 at the significant level of alpha equaled to 1% (confidence level 99%), meaning that there is

strong evidence that there is a significant and positive relationship between transformational leadership and needs for affiliation at the Cabinet Secretariat of the Republic of Indonesia. Lastly, the correlation coefficient between transformational leadership and needs for achievement equaled to 0.44 at the significant level of alpha equaled to 1% (confidence level 99%), meaning that there is strong evidence that there is a significant and positive relationship between transformational leadership and needs for achievement at the Cabinet Secretariat of the Republic of Indonesia.

#### **4.2.1.2. Regression Model Analysis**

Table 4.9. shown that Model 1 for the simple linear regression between transformational leadership and job motivation is fit according to the value of Sig. in ANOVA is  $<0.0001$ , smaller than alpha (0.01, confidence level 99%) , meaning is the model is significant in order to predict job motivation (dependent variable). The value of R square equaled to 0.4652, meaning that transformational leadership (independent variable of the study) accounts for 46,52% of the variance in job motivation (dependent variable). Table 4.9. also indicates the intercept equaled to 34.120 and slope of the transformational leadership equaled to 0.547, meaning that job motivation will increase by 0.547 for every 1-unit increased in transformational leadership. The p-value is smaller than alpha of 0.01 (confidence level 99%), which means that transformational leadership (independent variable) makes a statistically significant contribution to the model. This result shows that transformational leadership positively significant affects job motivation at the Cabinet Secretariat of the Republic of Indonesia.

Table 4.9. further indicates that the Model 2 for multiple regression between transformational leadership and job motivation with two control variables (transactional leadership, and laissez-faire leadership), Table 4.9. shows that the model is significant to predict the dependent variable (job motivation) by the value of Sig. in ANOVA is  $<0.0001$ , smaller than alpha (0.01, confidence level 99%). The value of R square equaled to 0.4946, meaning that transformational leadership (independent variable of the study) accounts for 49.46% of the variance in job motivation (dependent variable) when the effect of control variables has been statistically controlled. In Model 2, the intercept equaled to 32.729 and slope of transformational leadership equaled to 0.319, means that job motivation will increase by 0.319 for every 1-unit increased in transactional leadership. The p-value is smaller than alpha of 0.01 (confidence level 99%), which means that transformational leadership (independent variable) makes a statistically unique contribution to the model, and the value of 0.319 represents the unique contribution of transformational leadership to the job motivation (dependent variable) when effect of other variables has been statistically removed. This result shows that transformational leadership positively significant affects job motivation at the Cabinet Secretariat of the Republic of Indonesia. This model also shows that only one control variable, transactional leadership, among the two control variables, has a significant and positive contribution by 0.392 to job motivation at the p-value is smaller than alpha of 0.01 (confidence level 99%). This means that transactional leadership also makes a statistically unique contribution to the model.

As for Model 3 for multiple regression between transformational leadership and job motivation with seven control variables, including transactional leadership, laissez-faire leadership, sex, age, job position, year in service, and education level has the value of the Sig. in ANOVA equaled to  $<0.0001$  which is smaller than alpha (0.01, confidence level 99%). Therefore, it is significant to predict job motivation (dependent variable). The value of R square equaled to 0.5528, meaning that transformational leadership (independent variable of the study) accounts for 55.28% of the variance in job motivation (dependent variable) when the effect of control variables has been statistically controlled. The intercept equaled to 38.462 and the slope of the transformational leadership equaled to 0.303, meaning that job motivation will increase by 0.303 for every 1-unit increased in transformational leadership. The p-value is smaller than alpha of 0.01 (confidence level 99%), which means that transformational leadership (independent variable) makes a statistically unique contribution to the model, and the value of 0.303 represents the unique contribution of transformational leadership to job motivation (dependent variable) when effect of other variables has been statistically removed. This result shows that transformational leadership positively significant affects job motivation at the Cabinet Secretariat of the Republic of Indonesia. This model also shows that there are two control variables, transactional leadership and job position, that have significant contribution to job motivation at significant level of alpha 1% and 5%, respectively. The control variable transactional leadership has a significant and positive contribution by 0.430 to job motivation at the p-value is smaller than alpha of 0.01 (confidence level 99%). As for control

variable job position, it has significant and negative contribution by -9.091 to job motivation at the p-value is smaller than alpha of 0.05 (confidence level 95%).

Table 4.10. Pvalue of Job Position

<b>Parameter</b>	<b>Estimate</b>	<b>Standard Error</b>
<b>JP</b>	-9.091	4.149
<b>JP Staff Officer</b>	-8.695*	4.137
<b>JP Eselon IV</b>	-9.021*	4.159
<b>JP Eselon III</b>	-7.508**	4.221
<b>JP Eselon II</b>	-5.905	4.050
<b>JP Eselon I</b>	0	.

\* =  $p < 0.05$ , \*\* =  $p < 0,1$

Table 4.9. shown that job position as control variable have significant contribution to job motivation at significant level of alpha 5%, it has significant and negative contribution by -9.091 to job motivation at the p-value is smaller than alpha of 0.05 (confidence level 95%). Table 4.10. illustrates, that among 5 level of job motivation, there are three level of job positions (Staff Officer, Eselon IV, and Eselon III) that have contribution to job motivation at significant level of alpha 5% and 10%. Staff Officer and Eselon IV have p-value smaller than alpha of 0.05 (confidence level 95%) and Eselon III have p-value smaller than alpha of 0.1 (confidence level 90%). All of them has significant and negative contribution to job motivation (dependent variable). These three are the lowest level of job position at the Cabinet Secretariat of the Republic of

Indonesia, this means the lower job position of the employee statistically has significant contribution to employee's motivation.

In conclusion, these findings from Pearson's Correlation Coefficient found significant and positive relationship between transformational leadership and job motivation, which confirmed the hypothesis 1. Additionally, the three regression models proved that there is a significant and positive causal relationship between transformational leadership and job motivation. Transformational leadership uniquely, significantly and positively contributes to job motivation at the Cabinet Secretariat of the Republic of Indonesia. These findings imply that the more the leaders perform transformational leadership style, the more employee's job motivation increases in the Cabinet Secretariat of the Republic of Indonesia. The results of this study support the theory of transformational leadership by Burn (1978) and Bass (1985) as well as prior researches. Similar prior results are from Tucunan et al (2014) who found that there were a positive and significant effect between transformational leadership and motivation of employees, Aunjum et al (2017) who discovered that Transformational Leadership has significant, positive and strong effect on employee motivation, and Ahmad et al (2014) who concluded that there is a significant relationship between transformational leadership and employee motivation.

#### **4.2.2. Testing Hypothesis 2**

Hypothesis 2 of this study is Transactional leadership significantly positive affect employee's motivation in the Cabinet Secretariat of the

Republic of Indonesia. Pearsons' correlation analysis and regression also use to test the hypotesis 2.

#### **4.2.2.1. Pearsons' Correlation Analysis**

Correlation analysis was done to determine the extent of linear relationship between the variable of Transactional Leadership and Job Motivation. Table 4.8. indicates, the correlation coefficient ( $r$ ) between transactional leadership (TSL) and job motivation (JM) was 0.66 at significant level of alpha equaled to 1% (confidence level 99%). Therefore, this means that the null hypothesis ( $H_0$ ) is rejected due to the  $p$ -value is smaller than the alpha (0.01), and with  $r = 0.66$  the study can conclude that at 1% significant level there is a very strong evidence that there is a significant and positive relationship between Transactional Leadership and Employee's Motivation at the Cabinet Secretariat of the Republic of Indonesia. This finding implies that the two variables are correlated in positive direction – if the transactional leadership increase, the job motivation increase.

Table 4.8. also illustrates the correlation coefficient ( $r$ ) between job motivation (JM) and two sub-variables of transactional leadership (TSL). The highest correlation coefficient ( $r$ ) between JM and the two sub-variables of TSL was contingent rewards (0.61) and management by exception (0.60). First, the correlation coefficient between job motivation and contingent reward was 0.6146 at the significant level of alpha equaled to 1% (confidence level 99%). This shows a strong evidence of significant and positive relationship between job motivation and contingent award at the Cabinet Secretariat of the Republic of Indonesia.

Second, the correlation coefficient between job motivation and management by exception was 0.60 at the significant level of alpha equaled to 1% (confidence level 99%). Again, this proves a strong evidence of significant and positive relationship between job motivation and management by exception at the Cabinet Secretariat of the Republic of Indonesia.

#### **4.2.2.2. Regression Model Analysis**

Table 4.9. shown the intercept equaled to 38.462 and the slope of the transformational leadership equaled to 0.430, this means that job motivation will increase by 0.430 for every 1-unit increased in transactional leadership. The p-value is smaller than alpha of 0.01 (confidence level 99%), which means that transactional leadership makes a statistically unique contribution to the model, and the value of 0.430 represents the unique contribution of transactional leadership to job motivation (dependent variable) when effect of other variables has been statistically removed. This result shows that transactional leadership significantly positive affects job motivation at the Cabinet Secretariat of the Republic of Indonesia.

In conclusion, these findings from Pearson's Correlation Coefficient found significant and positive relationship between transactional leadership and job motivation, which confirmed the hypothesis 2. Additionally, the three regression models proved that there is a significant and positive causal relationship between transactional leadership and job motivation. Transactional leadership uniquely, significantly and positively contributes to job motivation at the Cabinet Secretariat of the Republic of Indonesia. These findings imply that the

more the leaders perform transactional leadership style, the more employee's job motivation increases in the Cabinet Secretariat of the Republic of Indonesia.

### **4.2.3. Testing Hypothesis 3**

Hypothesis 3 of this study is Laissez-faire leadership significantly positive affect employee's motivation in the Cabinet Secretariat of the Republic of Indonesia. Pearsons' correlation analysis and regression also use to test the hypotesis 3.

#### **4.2.3.1. Pearsons' Correlation Analysis**

Table 4.8. indicates, the correlation coefficient ( $r$ ) between laissez-faire leadership (TSL) and job motivation (JM) was 0.45 at significant level of alpha equaled to 1% (confidence level 99%). Therefore, this means that the null hypothesis ( $H_0$ ) is rejected due to the p-value is smaller than the alpha (0.01), and with  $r = 0.45$  the study can conclude that at 1% significant level there is a very strong evidence that there is a significant and weak positive relationship between Laissez-faire Leadership and Employee's Motivation at the Cabinet Secretariat of the Republic of Indonesia. This finding implies that the two variables are correlated in positive direction – if the laissez-faire leadership increase, the job motivation increase.

Table 4.8. also revealed that among three leadership styles, transformational leadership has the strongest relationship with job motivation ( $r=0.68$ ), followed by transactional leadership ( $r=0,66$ ), and the weakest is laissez-faire leadership ( $r=0.45$ ). Furthermore, at the

significant level of alpha equaled to 1% (confidence level 99%) p-value of all of the leadership style are same (smaller than  $\alpha = 0.01$ ), meaning there is strong evidence that there is a significant and positive relationship between all of the three leadership styles and job motivation at the Cabinet Secretariat of the Republic of Indonesia.

#### **4.2.3.2. Regression Model Analysis**

Table 4.9. shown in the multiple regression (model 3) the p-value of laissez-faire leadership is 0.6044 is bigger than alpha of 0.1 (confidence level 90%), which means that laissez-faire leadership did not makes a statistically unique contribution to the model. This result shows that laissez-fair leadership is not significantly positive affects job motivation at the Cabinet Secretariat of the Republic of Indonesia.

In conclusion, these findings from Pearson's Correlation Coefficient found significant and weak positive relationship between laissez-faire leadership and job motivation, which confirmed the hypothesis 3. Additionally, the three regression models proved that there is no significant and positive causal relationship between laissz-faire leadership and job motivation.

### **4.3. Discussion**

This study aimed to explore the opinions of organizational members in order to identify how transformational leadership enhances employee's job motivation in the Cabinet Secretariat of the Republic of Indonesia. Therefore, researcher examined the effect of transformational leadership on employee's job motivation in Cabinet Secretariat.

Regards to demographic's respondent, female respondent of this study is more than male respondent rate. More than half respondents are from aging group 30-39 years old. According to the job position of respondents, all of the level of employee are participated in the survey, from staff officer until Eselon 1, and among them, staff officers and Eselon 4 is the highest participants. Most of the respondents have less than ten years of service in this organization. Lastly, for the educational levels, more than 90% are holding bachelor degree and master degree.

Based on the findings of demographic data, they accept that their leaders indicates a positive attitude of transformational leadership, although in average score is below 4.0, meaning the leaders in Cabinet Secretariat are not really demonstrating transformational leadership, only 40,66% of them are implementing transformational leadership well. This result approved from the interview, some of the leaders in Cabinet Secretariat already implemented transformational leadership such as emphasize the importance of mission and purpose, talk about future, show confidence for organizational goal, encourage staff to find new ways of solving problems and assigned tasks, teach and helps staff to develop their capacities and strengths, and they enjoy that their leaders treat and pay attention them as an individual than as a member.

In terms of Pearson's correlation analysis, this study found that there is a significant and positive relationship between transformational leadership and employee's job motivation at the Cabinet Secretariat of the Republic of Indonesia. This result followed by all of the subvariables of transformational leadership, the highest correlation coefficient was inspirational motivation,

followed by idealized influence, intellectual stimulation, and individual consideration.

Based on this finding, in Inspirational Motivation, leaders usually provide challenging experiences and express confidence that goals will be achieved. It makes staffs to be confident in making decisions and performing their duties. Leaders with this characteristic suggest staffs which need to be fulfilled and this makes them to do good job. Staffs also want to try their best because they want recognition and pride from their leaders. Talking hopefully about future and expressing a vision of the future by the leaders inspire staffs to have their own vision of the future.

Moreover, on Idealized Influence implies that for the staffs in Cabinet Secretariat, their leaders' important values and beliefs, emphasizing on the importance of having a strong sense of purpose and mission affect their motivation. The use of idealized influence by the leaders represents role-modeling behavior where the leader instills pride, faith, and respect, and has a gift for seeing what is really important, and transmits a sense of mission, raising the expectations and beliefs of their staff concerning the mission and vision. Such leaders encourage their staff to bring creative viewpoints to work and stimulate a team vision through positive motivation.

Based on this finding in Intellectual Stimulation, staffs motivated when their leaders considers from many facets in solving problems and when their leaders give them suggestions for finding new ways to complete their assigned works. The staff likes when the leader question them the status quo and to address difficult problems by coming up with new or innovative solutions. In so doing, leaders support staff in their efforts, while encouraging

them to demonstrate initiative and independent problem solving skills. The leader encourages staff to be resourceful and innovative.

The results also demonstrate that on Individual Consideration reveal that spending time in teaching and coaching by their leaders motivates them to think outside of the box not only for existing problems but also for future problems. On the other hand, they gain knowledge or improve capacity from the organizational training and therefore they can gain knowledge or ability to think apart from traditional ways. Helping staffs to develop their strengths, understanding their different abilities makes them to have satisfaction and encouragement in their working environment. And considering staffs as an individual rather than as a member in the organization makes or provide supporting them to be confident when they face a challenge.

Pearsons' correlation analysis also found that there is a significant and positive relationship between employee's job motivation and transactional leadership, also laissez-faire leadership at the Cabinet Secretariat of the Republic of Indonesia. Among all of leadership styles, transformational leadership has strongest correlation with employee's job motivation, and laissez-faire is the weakest one.

After analyzing regression analysis in three models, it is approved that there is a significant and positive relation between transformational leadership and job motivation. So, we can say that when the leaders want to motivate their staff, they need to pay attention to them as an individual than a member. Getting pay attention individually from leaders and helping the staffs with their individual needs makes staff happy. And they are pleased to be a part of this organization as a necessary player in making smooth in operation.

Encouraging and giving training to them to develop their capacities makes them to utilize these capacities practically, to be confident in solving problems and overcoming daily challenges and can improve efficiency in the working environment. When staffs see that their leaders emphasize future of organization and their leaders have confidence to achieve goals, they can easily and clearly know what to do and how to do to achieve their individual vision and goals.

In model 2 of the regression analysis, we can conclude that among three leadership styles, transformational leadership is the most significant affect job motivation, followed by transactional leadership. This result might happen because transformational leadership had leaders who went beyond self-interest for the good of the group, considered the moral and ethical consequences of decisions, directed their attention toward failures to meet standards, considered a subordinate as having different needs, abilities, and aspirations from others, expressed satisfaction when others meet expectations, and those who express confidence that goals will be achieved used transformational leadership skills. This is because transformational leaders can ably raise the consciousness of subordinates by appealing to higher ideals and values, and moving the focus of followers away from their self-interests encouraged by transactional leadership. In other words, the leader encourages their subordinates to consider their actions beyond simply “what is in it for them.” This creates a feeling of service above self, making the subordinates to be more devoted towards achieving the mission and goals of the health facility and thus making them to perform better in that endeavor.

The result shown that there is no significant affect from laissez-faire leadership. This style is associated with poorly defined roles and lack of

motivation (Lewin, 1938). It has been found to produce the least results because the leader provides little or no guidance to subordinates. Morgan (2013) argues that laissez-faire leadership (also known as declarative leadership) is a rather relaxed leadership style, giving complete decision-making control to the staff. It is up to them to manage their workload, while the leaders neither get in the way nor closely oversee what they are doing. Laissez faire leadership is praised for granting independence, and for that the employees will feel important. It is a huge responsibility for them to make the decisions themselves and to be in charge of their own work loads. However, productivity is at risk of falling if this leadership style is implemented on someone who could benefit from more guidance and direction. It might also backfire, as it could look like the manager is just lazy or cannot be bothered to lead properly.

As for characteristic respondents, among all of the characteristic, only job position which has significant affect to the job motivation. And among categories of job position, only three lowest level of job position (staff officer, Eselon 4, and Eselon 3) which have significant effect to the job motivation. This indicates that the lower job position has better affect to job motivation.

## **Chapter 5: Conclusion and Recommendation**

This chapter summarizes the result in relation to the objective of the study, provides recommendations, and presents the limitations of the study.

### **5.1. Conclusion**

The result of the study shows that only 40,66% of the office leaders were effectively performing transformational leadership. And among the subvariables of transformational leadership, intellectual stimulation has the highest average score. Meaning the leaders tend to challenging those working under them to question the status quo and to address difficult problems by coming up with new or innovative solutions. In so doing, leaders support staff in their efforts, while encouraging them to demonstrate initiative and independent problem solving skills. The leader encourages subordinates to be resourceful and innovative.

Furthermore, the objective of the study is to examine the relationship between transformational leadership and employee's job motivation, which has a great significance to shape future success of the Indonesian Cabinet Secretariat. The result of the statistical analysis of correlation coefficient shows that there is a significant and positive relationship between transformational leadership and employee's job motivation. Through three regression models, the researcher also found that transformational leadership had positive causal relationship with employee's job motivation. Employees showed signs of not being able to believe in pure scientific management. Everything involves individual feeling, including job motivation. People tend

to concern themselves more about individual relationship between one another and the way people treat each other, that's why transformational leaders as defined above can play a significant role in employee's job motivation.

The study shows that transformational leadership uniquely accounts for approximately 55% of variance in employee's job motivation; and with every 1-unit increased in transformational leadership, employee's job motivation will increase by approximately 0.303. There is no doubt that transformational leadership is extremely crucial in the Cabinet Secretariat of the Republic of Indonesia because transformational leaders are respectful and trustworthy individuals who have inspiring and motivating influence over employees. Transformational leaders can develop a sense of belongings in employees at work. Additionally, transformational leaders in practice regard their employees and team members as friends and families. Transformational leaders offer opportunities to their employees to learn, to experience, and to grow. Finally, the study concludes that transformational leadership positively affects employee's job motivation in the Cabinet Secretariat of the Republic of Indonesia. The more the leaders perform transformational leadership style, the more employee's job motivation increases. Therefore, the objectives of the study were confirmed.

## **5.2. Recommendation**

According to the conclusion, transformational leadership is able to influence employee's job motivation in a positive direction. For long-term organizational success and better employee's job motivation, Cabinet Secretariat of the Republic of Indonesia should provide transformational

leadership workshops and offer trainings (refresher courses) on transformational leadership to leaders at all levels, and further enforce implementation of transformational leadership vertically and horizontally in all departments. The organization should also legitimize transformational leadership's disciplines into staffing rules and regulations for utmost practice at workplace. Leaders should be open and encouraging toward employees, who are inspired to further their capacity building. Leaders should also be aware of their employees' potential and help push them toward greater job motivation.

From the result, implementation of transactional leadership and more a reduction on application of laissez-faire leadership by Cabinet Secretariat is recommended. This is not in bad faith that the laissez-faire leadership style has no positive results but can be applied in only appropriate situations. Infact a balance of the three styles of leadership (transactional, transformational and laissez-faire) needs to be employed by all level in order to achieve organizational objectives, goals and better service delivery.

### **5.3. Limitations of Study**

Despite of the accomplishment of its objectives, this study had some limitations. First is time constraints. Researcher went back to Indonesia and did the survey questionnaire and interview by own self, but because time limit, there were some staff on their business trip or day off, even there were some staff that did not show willingness to participate in responding to the survey questions. Moreover, the expected number of respondents were not fully achieved: only 90% from designated samples.

On the other hand, data collection method used in this study brings another challenges and limitation. Using questionnaire in data collection gives respondents chance to provide information depending on their perceptions. Their perceptions are sometimes not reliable, and there were some questionnaires which was not fulfilled.

On top of that, this study was centering in the Cabinet Secretariat of the Republic of Indonesia; thus, the results may not be generalizable to the entire Indonesian central government. So, the results of this study may not provide sufficient information for the other organizations or some difference in results may be expressed by other staffs. Consequently, further studies should include a larger sample size that represents more of the Indonesian central government.

Despite the above limitations, this study provide valuable information on how relationship between transformational leadership and job motivation in Cabinet Secretariat of the Republic of Indonesia. It also provided valuable understandings on how transactional leadership, laissez-faire leadership, and demographic variables are differently affected job motivation differs among them. Moreover, this study provide and add value to the academic community on how transformational leadership and job motivation in Indonesia, especially in Indonesian central government.

#### **5.4. Implication of Study**

The result of this study provide an important and initial step toward addressing the relationship between transformational leadership and job motivation in Indonesian central government. Given the fact that positively significant relationship were found between transformational leadership and

job motivation it might be because in the Cabinet Secretariat of the Republic of Indonesia, the leader who always engage with followers improve followers motivation and morality will increase employee's job motivation.

#### **5.4.1. Theoretical Implication of Study**

This study will add knowledge to the theory of the relationship between transformational leadership and employee's motivation in a different setting and context than previous studies. As few studies about transformational leadership and employee's motivation have been conducted in Southeast Asia, this research will provide insights as a case study examining those theories in the Indonesian context. Basing on the findings of this study, The results of this study support the theory of transformational leadership by Burn (1978) and Bass (1985) as well as prior researches. Similar prior results are from Tucunan et al (2014) who found that there were a positive and significant effect between transformational leadership and motivation of employees, Aunjum et al (2017) who discovered that Transformational Leadership has significant, positive and strong effect on employee motivation, and Ahmad et al (2014) who concluded that there is a significant relationship between transformational leadership and employee motivation. Moreover, this study is the first research in Indonesia which combined Transformational Leadership Theory by Burn (1978) and Bass (1985) and Motivational Needs Theory by McClelland (1961), so that it will enrich the finding of relationship between transformational leadership and job motivation.

### **5.4.2. Policy Implication**

This will be used for a policy guidance by the Cabinet of the Secretariat of the Republic of Indonesia to provide the leadership with the necessary incentive and tools to increase employee's job motivation for future organizational success. This study seeks to provide indepth and practical information that will allow the management of the organization to increase effectiveness of the leaders and it will inform the employees about their roles and obligations within the organization. It will highlight the positive reactions of employees to transformational leaders and set out components of transformational leadership that encourage employees to increase their motivation.

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## **Appendix**

# **Survey Questionnaire on the Relationship Between Transformational Leadership and Employee's Motivation**

Dear Participant,

I am Andrian Fauzi, a policy analyst in the Cabinet Secretariat of the Republic of Indonesia. I am a candidate for master degree of Public Administration at Seoul National University. I am inviting you to participate in a survey which aims to examine the relationship between the transformational leadership and the employee's motivation in the Cabinet Secretariat of the Republic of Indonesia. Your given answers to the questions is highly and strictly confidential and could be used for academic purpose only. Your participation is highly valued to this study as it will contribute to shape future success of the Cabinet Secretariat.

This survey contains three parts: 1) Main survey questions about transformational leadership, 2) Main survey questions about employee's motivation, and 3) Demographic questions.

Should you have any concern or query, please kindly contact me. Please answer all the questions. Your participation in the survey is highly appreciated.

**Andrian Fauzi**

Global Master of Public Administration  
Graduate School of Public Administration

**Part I: Main survey questions – Multifactor Leadership Questionnaire (MLQ 6S by Bass and Bruce, 1995)**

This part of the questionnaire is aimed to describe your leaders’ leadership style as you perceive it. Please answer all questions. Thank you in advance for your indispensable cooperation.

**Directions:** Please answer items below by circling a number from **1 to 5** that best reflects your perception using the following rating scale:

- 1= Not at all                      2= Once in a while                      3= Sometimes**  
**4= Fairly often 5= Frequently or always**

Description		Not at all	Once in a while	Sometimes	Fairly often	Frequently or always
1	Leader/s make feel good to be around them	1	2	3	4	5
2	Leader/s express with a few simple words what we could and should do	1	2	3	4	5
3	Leader/s enable others to think about old problems in new ways	1	2	3	4	5
4	Leader/s enable others develop	1	2	3	4	5

	themselves					
5	Leader/s tell others what to do if they want to be rewarded for their work	1	2	3	4	5
6	Leader/s am satisfied when others meet agreed-upon standards	1	2	3	4	5
7	Leader/s am content to let others continue working in the same ways always	1	2	3	4	5
8	Others have complete faith in Leader/s	1	2	3	4	5
9	Leader/s provide appealing images about what we can do	1	2	3	4	5
10	Leader/s provide others with news ways of looking at puzzling things	1	2	3	4	5
11	Leader/s let others know how leader/s think when we are doing	1	2	3	4	5
12	Leader/s provide recognition/ rewards when others reach their goals	1	2	3	4	5
13	As long as things are working, Leader/s do not try to change anything	1	2	3	4	5
14	Whether others want to do is OK	1	2	3	4	5

	with Leader/s					
15	Others are proud to be associated with Leader/s	1	2	3	4	5
16	Leader/s help others find meaning in my work	1	2	3	4	5
17	Leader/s get others to rethink ideas that I had never questioned before	1	2	3	4	5
18	Leader/s give personal attention to others who seem rejected	1	2	3	4	5
19	Leader/s call attention to what others can get for what they accomplish	1	2	3	4	5
20	Leader/s tell others the standard they have to know to carry out their work	1	2	3	4	5
21	Leader/s ask no more of others than what is absolutely essential	1	2	3	4	5

**Part II: Main survey questions – Manifest Needs Questionnaire (MNQ), motivation questionnaire by Richard M. Steers and Daniel N. Braunstein, D. (1976). A Behaviorally Based Measure of Manifest Needs in Work Settings. Journal of Vocational Behavior 9, pp. 251-266.**

This part of the questionnaire is aimed to describe your motivation as you perceive it. Please answer all questions. Thank you in advance for your indispensable cooperation.

**Directions:** Please answer items below by circling a number from **1 to 5** that best reflects your perception using following rating scale:

**1= Strongly disagree**

**2= Disagree**

**3= Neutral**

**4= Agree**

**5= Strongly agree**

<b>Description</b>		<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
22	I seek an active role in the leadership of a group.	1	2	3	4	5
23	When I have a choice, I try to work in a group instead of by myself.	1	2	3	4	5
24	I avoid trying to influence those around me to see things my way. (R)	1	2	3	4	5
25	I do my best work when my job assignments are fairly difficult.	1	2	3	4	5
26	I pay a good deal of attention to the feelings of others at work.	1	2	3	4	5
27	I try very hard to improve on my past performance at work.	1	2	3	4	5
28	I take moderate risks and stick my neck out to get ahead at work.	1	2	3	4	5
29	I find myself organizing and	1	2	3	4	5

	directing the activities of others.					
30	I prefer to do my own work and let others do theirs. (R)	1	2	3	4	5
31	I try to avoid any added responsibilities on my job. (R)	1	2	3	4	5
32	I try to perform better than my co-workers.	1	2	3	4	5
33	I strive to gain more control over the events around me at work.	1	2	3	4	5
34	I express my disagreements with others openly. (R)	1	2	3	4	5
35	I strive to be “In command” when I am working in a group. Data	1	2	3	4	5
36	I find myself talking to those around me about non-business related matters.	1	2	3	4	5

### **Part III: Demographic questions of the respondents**

Please answer the following questions by choosing the appropriate response.

THANK YOU!

A. What is your Sex?

- (1) Male (2) Female

B. What is your Age Group?

- (1) 18 – 30    (2) 30 – 40    (3) 40 – 50    (4) 50 – 60

C. What is your current position level?

- (1) Staff officer    (2) Eselon IV    (3) Eselon III  
(4) Eselon II    (5) Eselon I

D. How long have you been working for the Cabinet Secretariat?

- (1) Less than 5 years    (2) 5 – 10 years    (3) 10 – 15 years  
(4) 15 – 20 years    (5) 20 – 25 years    (6) more than 25  
years

E. What is your highest level of education?

- (1) High school    (2) Diploma (D1, D2, D3)    (3) Bachelor degree  
(4) Master degree    (5) Doctorate degree    (6) Other

**Once a gain, thank you very much for your time.**

국문초록

# 인도네시아 중앙정부의 혁신적 리더십과 공무원 동기부여 간 관계: 인도네시아 내각을 중심으로

Andrian Fauzi

서울대학교 행정대학원

글로벌행정전공

Robbins(2011)에 따르면 혁신적 리더십은 한 번도 달성하지 못한 목표를 위해 일할 수 있도록 동기를 부여하고, 직원들에게 관심을 기울이고 잘 훈련시켜서 직원들을 회사에 충성하게 만들 수 있는 최고의 리더십이다. 문헌조사에 따르면 혁신적 리더십은 직원의 동기부여에 큰 영향을 미친다. 따라서, 본 연구의 목적은 인도네시아의 내각에서 혁신적 리더십과 공무원의 동기부여 사이의 관계를 조사하는 것이다.

본 연구는 인도네시아 내각의 182개 표본 관측을 포함하는 각급 직원 5명과의 심층면접 및 조사 설계에 기초한다. 수집된 데이터는 SAS 프로그램을 사용하여 분석되었다. 독립 변수와 종속 변수 간의 관계를 조사하기 위해 Pearson 상관 계수 및 회귀 분석을 사용했다. 주요 종속변수는 직원들의 동기부여였으며, 주요 독립변수는 혁신적 리더십이었다. 거래적 리더십, 자유방임적 리더십, 성별, 나이, 직위, 근무년도, 교육수준은 회귀모델에 통제변수로 포함된다.

Pearson 상관 계수의 통계적 분석 결과는 전환적 리더십과 인도네시아 내각에서 직원의 동기 사이에 유의하고 긍정적인 관계가 있음을 보여준다. 3가지 회귀 모델 또한 전환적 리더십이 인도네시아 내각에서 직원의 동기부여와 유의하고 긍정적인 인과관계를 가지고 있음을 나타낸다. 또한, 이 연구는 거래적 리더십은 직원의 동기부여와 유의미하고 긍정적인 인과관계를 가지고 있는 반면, 자유방임적 리더십과 인도네시아의 내각의 공무원들의 동기부여 사이에는 통계적으로 유의미한 인과관계가 없음을 발견하였다.

**주제어:** 혁신적 리더십, 공무원들의 동기 부여, 인도네시아, 내각

**학번:** 2017-24959

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