

# THE INFLUENCE OF TRANSACTIONAL LEADERSHIP STYLE AND WORK CULTURE ON WORK PERFORMANCE MEDIATED BY WORK MOTIVATION

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**Abstract:** This study examines the influence of transactional leadership style and organizational culture toward organizational performance through work motivation. The object research is Police Resort Office in Malang. The research problem is to analyze the significance of the transactional leadership style and organizational culture on organizational performance and work motivation. By using a simple random sampling technique, the sample is 91 people based on the Taro Yamane formula. This study uses the Path Analysis. There are two independent variables which are transactional leadership style and Organizational Culture. The dependent variable is organizational performance and work motivation as well as a mediating variable. The results show that there is a significant influence of transactional leadership style and organizational culture employment performance and on work motivation directly, and transactional leadership style and organizational culture on employee performance by using a work motivation as median variable as well. For the further advantage of both performance and motivation, it is suggested to Polresta Malang to enhance the transactional leadership style and cultural organization.

**Keywords:** Transactional Leadership, Organizational Culture, Motivation, Performance



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The Indonesia National Police Malang Resort is one of the state institutions that generally responsible for maintaining public security, law enforcement, protection, and services all over Malang. Malang is a city with an economic level that is quite ad-

vanced, diverse, and continues to develop to be a metropolitan city. This has an impact on the current urbanization which then causes a rapid increase in population and the complexity of social life in Malang.

Based on the data from BPS (Central Bureau of Statistics) Malang in 2017, the total population of Malang until 2016 amounted to 856.410 people. The population will be even higher if it is also counted

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the number of people living temporarily such as migrant workers and students as well as tourists both local and foreign. The presence of migrants brings change and advances in modernity. Besides having a positive impact, the change also often brings unexpected impacts.

Based on data obtained from Malang Resort Police, the level of threats, disturbances, challenges, and obstacles that occur in Malang is quite high. Meanwhile, the number of members in Malang Resort Police is only 962 people. Compared to the existing population, the ratio between Malang Resort Police and the population in Malang City is 1: 1021 people. The difference of the ratio will be even greater if the number of migrants including students, workers, and tourists are also counted. Meanwhile, the ideal ratio of the Indonesian police and population is 1: 400 (Fajar, 2011).

With such conditions, the Malang Resort Police has a very big challenge in carrying out its duties and obligations, which is enforcing security and law order in the community. Good organizational management and leadership need to be done so that the responsibility and functions of Malang Police are still running well according to the expectations of the society.

## LITERATURE REVIEW

Transactional leadership is based on conventional exchange relationships or transactions where the worker's obedience (loyalty, productivity, and effort) is exchanged for sufficient rewards. Transactional leadership is a leadership style that emphasizes transactions between leaders and subordinates. According to Avolio and Bass (2013), transactional leaders try to motivate workers with several methods. One of the methods is by rewarding workers who have performed their tasks well. For example by giving appreciation or praise to the employee who has optimal performance. However, on the contrary, the transactional leader will not hesitate to give punishment to his employee who is considered to have low performance or are below the target. Bass (2012), described three indicators or aspects, behavior and components of transactional leadership, which called Passive exception management, Ac-

tive exception management, and Contingent Rewards.

Leadership style is highly influenced by organizational culture (Avolio, 2014). The term of organizational culture was introduced by Dr. Elliott Jaques in his book "The Changing Culture of a Factory" (Hatch and Cunliffe, 2013). In general, it can be concluded that organizational culture is the values and norms of behavior that are accepted and understood together by members of the organization as a basis for the rules of behavior contained in the organization. The function is as the soul or spirit of the organization because there is an organization's philosophy, mission, and vision which is internalized by all members of the organization will be a force for the organization to compete each other (Schein (2014); Deal and Kennedy, 2016).

According to Robbins in Tika (2014), ten important characteristics can be used as essential indicators in understanding and measuring organizational culture which is called communication pattern, tolerance of conflict, reward system, identity, control, management support, integration, briefing, tolerance of risky actions, and individual initiative.

In an organization, member motivation is very essential. According to Robbins and Judge (2016) motivation is "*the willingness to do something and is conditioned by this action ability to satisfy some needs for the individual*". The motivation of people depends on the strengths underlying them which consist of needs, desires, or encouragement in individuals. Thus, discussing motivation is inseparable from the motivating factors (motives) why humans want to behave and act. This driving factor is often identified by needs or desires. The needs or desires felt by each employee are different from each other. There are five indicators of motivation themselves which are called recognition; salary; interpersonal relations; organizational policies, and; supervision. (Handoko and Sukanto, 2016).

Motivation, organizational culture, and leadership all refer to performance. Etymologically, the word 'performance' comes from the word 'work performance'. Performance can be caused by various factors. These factors can be grouped into 3 aspects. First, the aspects of knowledge and skills,

Second, environmental factors, the last is the good resources of software, hardware, and people.

Based on the study of Ranupandojo and Husnan (2012), performance indicators are initiative, work quantity, work quality, reliability, diligence, attitude, and attendance. However, not all indicators are used in this study. From the seven assessment indicators presented by Ranupandojo and Husnan, this study summarizes them into 3 (three) indicators only, which are: quality of work; work quantity, and: responsibility.

H<sub>1</sub>: Transactional leadership style significantly influences work motivation in Malang Resort Police Office.

H<sub>2</sub>: Organizational culture has a significant influence on work motivation at Malang Resort Police Office.

H<sub>3</sub>: Transactional leadership style significantly influences the performance of employees at Malang Resort Police Office

H<sub>4</sub>: Organizational culture has a significant influence on employee performance at Malang Resort Police Office.

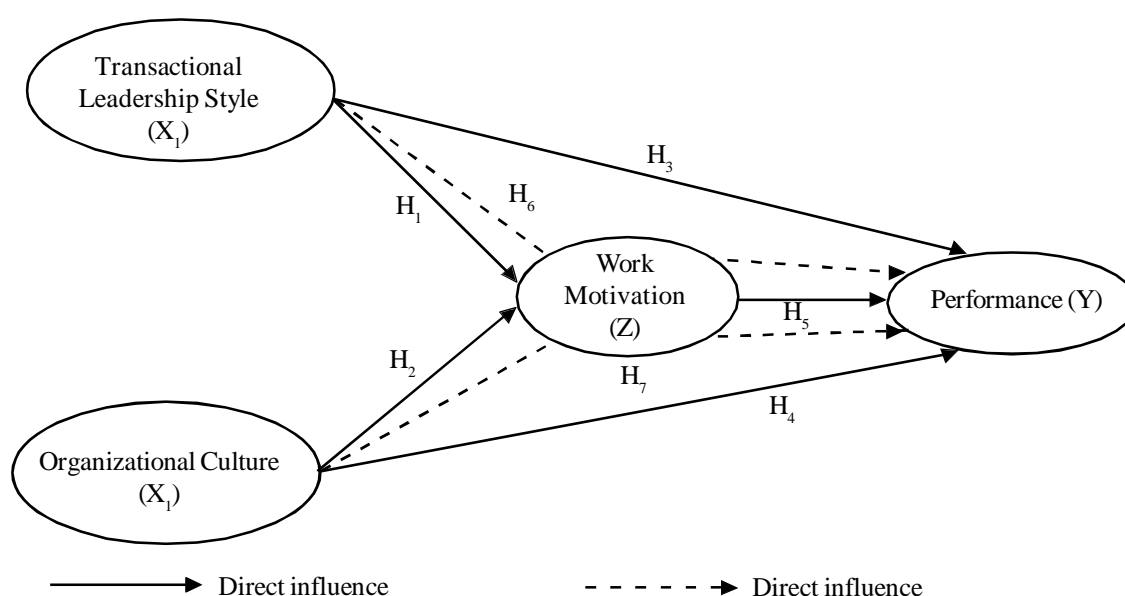


Figure 1 Framework for Thinking

H<sub>5</sub>: Work motivation has a significant influence on employee performance in Malang Resort Police Office.

H<sub>6</sub>: Transactional leadership style significantly influences employee performance through work motivation at Malang Resort Police Office.

H<sub>7</sub>: Organizational culture has a significant influence on employee performance through work motivation at the Malang Resort Police Office

## METHOD

This study uses a quantitative approach that emphasizes statistical procedures as the main tool of analysis based on the theories used. The type is

correlational research, which is the research conducted to detect to what extent the variations in a factor correlate to one or more other factors (Creswell, 2018). Assessment of detection is carried out using correlation coefficients. However, because this research already has a hypothesis that will be tested later, this research can also be included in the type of explanatory or confirmatory research (Creswell, 2018).

In this study, there are two independent variables which are Transactional Leadership (X1) and Organizational Culture (X2). The dependent variable is Performance (Y) while Motivation (Z) is the median or intermediate variable. Data obtained

through questionnaire distribution. In collecting data, the technique used is simple random sampling. Therefore, this study excludes level, class, gender, and various other variables. This method was taken because the characteristics of the population that become the object of research, which is the members of Malang Police office, the number of sampling units is not too large and is relatively the same, uniform or homogeneous. In selecting samples, the selective or discriminatory selection is not possible, whereby any member of the population can be chosen to become a research sample. This method is suitable for use in this study for several reasons. First, the population sample in this study is relatively small, only less than 100 people. Second, the characteristics of the sample are also relatively homogeneous, which is the members of the Malang resort police office who already have a standardized organizational culture. The sampling process is carried out in several ways.

Determination of the number of samples in this study is using the Slovin or Taro Yamane approach (Yamane, 2012; Israel, 2015) with the following formula:

$$n = \frac{N}{N.(d)^2 + 1}$$

where: n = Number of Samples; N = Total Population; d = Degree of Trust / Precision

The total number of real personnel who became the study population both members of the National Police and civil servants was 962 (nine hundred sixty-two people). By using a degree of trust/ precision (0.1) 2 we obtain the number of samples from the calculation as follows:

$$\begin{aligned} n &= \frac{N}{N.(d)^2 + 1} = \frac{962}{962(0.1)^2 + 1} \\ &= \frac{962}{10.62} = 90.58 = 91 \end{aligned}$$

Based on the results of the above calculation, the sample size used in this study amounted to 90.98 respondents or was fulfilled to 91 respondents.

The method on how to evaluate the results of the questionnaire answers is conducted by using a Likert scale with a value category: Strongly Disagree (1); Disagree (2); Neutral (3); Agree (4); Strongly Agree (5). The data obtained is then tested for validity and reliability. Data validity testing techniques in this study use product-moment correlation. Reliability tests were performed by using Cronbach's alpha coefficients.

## RESULTS

### Validity and Reliability Test

Data validity testing techniques in this study use product-moment correlation, with the condition:

1. If  $r_{\text{count}} \geq 0.30$ , then the question variable is declared valid
2. If  $r_{\text{count}} < 0.30$  then the question variable is declared invalid

The test is conducted by using a two-tailed test with a significance level of 0.05. all variables in this study (X1; X2; Z; and Y) are valid because the value of  $r_{\text{count}}$  is greater than 0.3 so that all question items on all variables in this study have the feasibility to be used as an instrumented research.

The reliability test is conducted by using Cronbach's alpha formula. An instrument can be declared reliable if Cronbach Alpha > 0.6 (Ghozali, 2012). The result shows that the Cronbach Alpha coefficient value on each variable's value is > 0.6. It means all the questions in the research variables are reliable.

### Analysis of Multiple Linear Regression Model 1

The analysis of multiple linear regression model 1 was conducted to determine the influence of transactional leadership styles and organizational culture on work motivation. The hypothesis test criteria are: if sig < 0.05, then Ho is rejected and Ha is accepted. Otherwise, if sig > 0.05, then Ho is accepted and Ha is rejected. T-test results in model 1 multiple linear regression analysis are shown in Table 1 below.

**Table 1 T-test Results of Analysis of Multiple Linear Regression Model 1 The influence of Transactional Leadership Style and Organizational Culture on Work Motivation**

Variable	B	T	sig
Constant		3.822	0.000
Transactional Leadership Style (X1)	0.326	3.399	0.001
Organizational Culture (X2)	0.309	3.218	0.002

Based on the result, there is a significant influence between the transactional leadership style and organizational culture on work motivation at the Malang Resort Police Office, as evidenced.

### Results of Multiple Linear Regression Analysis Model 2

The analysis of multiple linear regression model 2 was conducted to determine the influence of transactional leadership style, organizational culture, and work motivation on the performance of Malang Resort Police officers. The hypothesis test criteria are: If  $\text{sig} < 0.05$ , then  $H_0$  is rejected and  $H_a$  is accepted. Otherwise, if  $\text{sig} > 0.05$ , then  $H_0$  is accepted and  $H_a$  is rejected. T-test results in model 2 multiple linear regression analysis are shown in Table 2 below.

**Table 2 T-test Results of Analysis of Multiple Linear Regression Model 2 The influence of Transactional Leadership Style, Organizational Culture and Work Motivation on Employee Performance**

Variable	B	T	sig
Constant		0.446	0.656
Transactional Leadership Style (X1)	0.242	2.514	0.014
Organizational Culture (X2)	0.233	2.429	0.017
Work Motivation (Z)	0.295	2.929	0.004

Based on the result, there is a significant influence between the transactional leadership style on employee performance, the influence of organizational culture on employee performance, and the influence of work motivation on employee performance at the Malang Resort Police Office as evidenced.

### Path Analysis

Path analysis is conducted to determine the influence of transactional leadership style and organizational culture on the performance of Malang resort Police officers through work motivation. The direct influence of transactional leadership style and organizational culture on work motivation is shown by the value of B in Table 1, where:

- $p_1$  = direct influence of transactional leadership style on work motivation = 0.272
- $p_2$  = direct influence of organizational culture on work motivation = 0.321

The direct influence of the transactional leadership style, organizational culture, and work motivation on performance is shown by the value of B in Table 2, where:

- $p_3$  = direct influence of transactional leadership style on performance = 0.252
- $p_4$  = direct influence of organizational culture on performance = 0.302
- $p_5$  = direct influence of work motivation on performance = 0.368

The direct and indirect influences of the transactional leadership style on performance are:

- The direct influence =  $p_3 = 0.252$
- Indirect influence =  $(p_1 \times p_5) = 0.100$
- Total influence =  $p_3 + (p_1 \times p_5) = 0.352$

Based on the Sobel test, the  $t_{\text{count}}$  value was 2.166 and the t table value for  $n = 91$  was 1.990, so that  $t_{\text{count}}$  is greater than t-table, meaning "There is a significant influence between the transactional leadership style on the performance of Malang resort Police officers through work motivation at Malang resort Police Office". This shows that the sixth hypothesis can be proved.

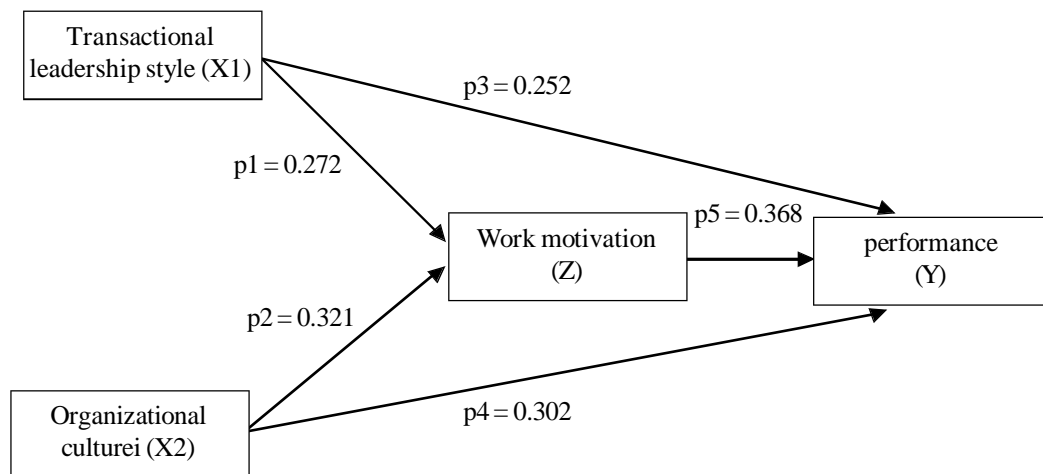


Figure 2 Path Analysis Diagram

The direct and indirect influences of organizational culture on performance are:

- The direct influence =  $p4 = 0.302$
- Indirect influence =  $(p2 \times p5) = 0.118$
- Total influence =  $p4 + (p2 \times p5) = 0.420$

Based on the Sobel test, the  $t_{count}$  value was 2.111 and the  $t$  table value for  $n = 91$  was 1.990, so that  $t_{count}$  was greater than  $t$  table, meaning “There is a significant influence between organizational culture on the performance of Malang resort Police officers through work motivation at Malang resort Police Office”. This shows that the seventh hypothesis can be proved.

## DISCUSSION

The transactional leadership style has a positive and significant influence on work motivation. If the transactional leadership style increases, then work motivation will also increase, and vice versa if the transactional leadership style decreases, work motivation will also be lower. The transactional leadership style allows leaders to motivate and influence subordinates by exchanging rewards with certain forms of performance. In a transaction, subordinates are promised to be rewarded if the subordinates can complete their tasks following the agreement that has been made together (Yukl, 2011). According to Bass (2012) and Hughes, et al, (2012),

rewards will affect the motivation of subordinates and subsequently will affect the performance and decisions of subordinates. The exchange of fees is based on an agreement on the tasks that must be accomplished. Transactional leaders always encourage workers to achieve mutually agreed performance levels.

Based on the existing data processing, it has been proved that there is a direct influence of the transactional leadership style in the Malang resort police office on its members. This means that the stronger the transactional leadership style is applied at the Malang resort police station, it will lead to increased employee performance. Where based on existing calculations, the direct influence of transactional leadership style on work motivation is 0.272

Organizational culture has a positive and significant influence on work motivation. If organizational culture improves, work motivation will also be increased, and vice versa if organizational culture decreases, work motivation will also be lower. The results of this study are in line with Parsons and Marton in Tika (2014), who suggested that organizational culture functions as a solution to the main problems in the survival process of a group and its adaptation to the external environment and the process of internal integration. Chaubey (2012), in his empirical research on the impact of organizational culture on motivation and performance of

Malang Resort Police station employees shows the results that organizational culture strongly influences work motivation

Based on existing data processing, it has been proved that there is a direct influence of organizational culture style on the Malang resort police office on its members. This means that the stronger the application of organizational culture will increase work motivation at the Malang Resort Police Office. Where based on existing calculations, the direct influence of organizational culture on work motivation is 0.321%.

The transactional leadership style has a positive and significant influence on the performance of Malang Resort Police officers. If the transactional leadership style increases, the performance of Malang Resort Police officers will also get better. Vice versa, if the transactional leadership style of employees decreases, the performance of the Malang Resort Police officers will also become lower. The results of this study are in line with Barth-Farkas and Vera (2016), in police institutions in Germany, resulting in the conclusion that the transactional leadership style is proven to have a significant impact on performance. In an empirical analysis of transformational leadership styles and transactional leadership styles within an organization, Diechmann and Stam (2015), give the results that the transactional leadership style has a positive influence on organizational performance.

Based on available data, it has been proved that there is a direct influence of the transactional leadership style in the Malang resort police office on the performance of its members. This means that the stronger the application of the transactional leadership style, the better the performance in the Malang Resort Police Office. Where based on existing calculations, the direct influence of the transactional leadership style on performance is 0.252%.

Organizational culture has a positive and significant influence on the performance of Malang resort Police officers. If the organizational culture improves, the performance of Malang resort Police officers will get better. Vice versa if the organizational culture decreases, the performance of Malang resort Police officers will also be lower. The results

of this study are in line with the study of dissertation Coenegrachts (2017), in a police institution in Belgium resulting in the conclusion that organizational culture can be positive feedback on the performance of police officers. Sokro (2012), in his empirical research related to the relationship between organizational culture, work motivation, and performance shows the results that organizational culture has a significant influence on the performance of employees.

Based on the data processing, it has been proved that there is a direct influence of organizational culture at the Malang resort police office on the performance of its members. This means that the stronger the application of organizational culture will create a better performance at the Malang resort Police Office. Based on existing calculations, the direct influence of culture on performance is 0.302%.

Work motivation has a positive and significant influence on the performance of Malang Resort Police officers. If work motivation improves, the performance of Malang Resort Police officers will also be increased. Vice versa, if work motivation decreases, the performance of Malang Resort Police officers will also be lower. The results of this study are in line with Sokro (2012), which mentions motivation has a significant influence on the performance of employees. According to Robbins and Judge (2016), motivation is the desire to work. Without motivation, employees can't have a good spirit in working. The level of motivation of employees is very influential on the level of organizational performance.

Based on the data processing, it has been proven that there is a direct influence of work motivation in the Malang resort police office on the performance of its members. This means that the stronger work motivation, the better employee performance will be created at the Malang Resort Police Station. Where based on existing calculations, the direct influence of work motivation on performance is 0.368%.

The transactional leadership style influences employee performance through work motivation. The high level of the transactional leadership style of

Malang Resort Police officers in the organization will increase work motivation so that the performance of Malang Resort Police officers will also increase too. The results of this study are in line with Robbins and Judge (2016), Barth-Farkash and Vera (2016) and Coenegrachts (2017), in their study, they explained that transitional leadership is positively correlated to motivation as the will to work also has a significant influence on employee performance.

Based on existing data processing, it has been proved that there is an indirect influence of the transactional leadership style in the Malang resort police office on the performance of its members through work innovation. This means that the stronger the application of the transitional leadership style in Malang City Resort resorts will improve performance through work motivation. Where based on existing calculations, the indirect influence of the transactional leadership style on performance through work motivation is 0.352%.

Organizational culture influences employee performance through work motivation. The high level of organizational work culture of Malang Resort police officers in the organization will increase work motivation so that the performance of Malang Resort Police officers will be better as well. The results of this study are in line with the explanation from Ravasi and Schultz (2017), stated that organizational culture is a set of shared assumptions that guide what happens in organizations by defining appropriate behavior for various situations. It is also a pattern of behavior and collective assumptions taught to new organizational members as a method to understand the way of thinking and feeling. Thus, organizational culture influences the way people and groups interact with one another, with clients, and with stakeholders. Besides, organizational culture can influence how much employees identify themselves by the organization (Chaubey, 2012). The organizational culture can ultimately motivate members to improve their performance.

Based on the processing of existing data, it has been proved that there is an indirect influence of organizational culture in the Malang resort police office on the performance of its members through

work innovation. This means that the better the organizational culture in Malang resort police, then it will improve employee performance through work motivation. Then, based on the existing results, the indirect influence of organizational culture on employee performance through work motivation is around 0.420%.

## CONCLUSIONS AND RECOMMENDATIONS

### Conclusions

Based on the results of the analysis, there is a significant influence between transactional leadership style and organizational culture on work performance and motivation. Likewise, there is also a significant influence between work motivations on employee performance at Malang Resort Police Office

### Recommendations

Malang Resort Police Chief to improve transactional leadership style and organizational culture as well as work motivation so it can improve employee performance. Leaders should provide the broadest opportunities for employees to get their work motivation such as opportunities to develop themselves, pursue a career, and so on. The employees who can meet their needs are expected to feel satisfied with what they get from the company. Then, they can work well so that they can improve their performance, reduce absenteeism, and turnover of workers.

Future researchers, it is recommended that further research can be developed to other variables that are considered to influence employee performance such as competence, compensation, organizational climate, and others with in-depth analysis.

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