## The Influence of Transformational Leadership, Work Environment and Job Satisfaction toward the Performance of Employees in the Office of Public Works, Housing, and Energy of Mineral Resource in the Special Region of Yogyakarta

Titi Laras<sup>1</sup>, Nindyo Cahyo Kresnanto<sup>1</sup>, Rini Raharti<sup>1</sup> and Nurwiyanta<sup>1</sup> <sup>1</sup>Janabadra University, Yogyakarta, Indonesia

Keywords: Transformational Leadership, Work Environment, Job Satisfaction and Employee Performance

Abstract: This study aims to determine the influence of transformational leadership, work environment and job satisfaction on employee performance in the office of public works, housing, and energy of mineral resource in the Special Region of Yogyakarta (PUP Department Office and ESDM DIY). Totaling respondents in this study is 204 with proportional stratified random sampling method. The analytical tool used multiple regression with F test and T test to test the hypothesis in this study. The results of this study concluded that variables of transformational leadership, work environment and job satisfaction have a significant effect simultaneous on the performance employees of the office of PUP Department and ESDM DIY and variables of transformational leadership, work environment and job satisfaction have positive effect and significant individually on the performance employees of the Office of PUP Department and ESDM DIY.

#### **1 INTRODUCTION**

An organization that is always developing is everyone's dream. Both the government and the private sector expect their organizations to grow and develop well. With these developments, the organization is expected to be able to compete and accelerate with the progress of the times. The fact shows that organizations that are not able to accelerate with the progress of the times will be left behind to then sink into the times. The level of success of an organization can be seen from how the organization manages its resources. Organizations with good performance, have effectiveness in handling human resources, determine goals that must be achieved both individually and in their organizations.

Employee performance is one of the important aspects that must be considered in the organization, because employee performance guides the organization to achieve its objectives. Employee performance is a work achievement, a comparison between work results that can be seen clearly with the work standards set by the organization (Dessler, 2006). The factors that affect the decline in employee performance at the Office of PUP and ESDM DIY are the gaps in mindset/ perspective between leaders and employees,

a less ideal work environment, timeliness in completing tasks, abilities possessed to utilize resources or potential that exists, open communication is also one of the factors that affect the decline in employee performance. Communication that is established in the PUP and DIY EMR Office between leaders and employees is quite good, only because the level of leadership is high enough so that it does not allow time for any time to meet face to face or communicate directly, this causes a gap in communication relations between leaders and employees. The delay or absence of employees entering the office is also one of the causes of the decline in employee performance, so this certainly will affect the receipt of employee benefits. These problems are part of the causes of declining employee performance. Some of these problems are indicated by three things: transformational leadership, work environment and job satisfaction.

The Office of PUP and ESDM DIY has the duty to carry out the affairs of the Regional Government in the fields of public works, housing, spatial planning, and energy mineral resources and Deconcentration and Co-Administration tasks provided by the Government. (PERGUB DIY No. 47 of 2008), while the WWTP outline of this WWTP has three benefits, namely protection of water bodies (rivers and wells)

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from household pollution, improvement and environmental aesthetics, utilization of IPAL products in the form of organic fertilizer from mud wastewater. Balai PSDA is in charge of carrying out operational services to the community in the field of water resources, and operational management of conservatio/preservation of water and water resources and technical training in water resources. (article 47) and BPIPBPJK (Center for Testing, Settlement and Building Information and Construction Services Development), tasked with supervising the quality control process of development tasks in order to realize the control system and quality assurance, delivery of residential and building information and construction services. (article 53).

From this description, the researcher needs to conduct research using the title: "The Influence of Transformational Leadership, Work Environment and Job Satisfaction Toward the Performance of Employees in The Office of Public Works, Housing, And Energy of Mineral Resource in The Special Region Of Yogyakarta" Based on this background, the problem can be formulated as a problem as follows:

- 1. How is the effect of transformational leadership, work environment and job satisfaction simultaneously on employee performance at the PUP Office and ESDM DIY?
- 2. How is the partial /individual influence of transformational leadership, work environment and job satisfaction on employee performance at the PUP Office and ESDM DIY?

#### 2 HYPOTHESIS DEVELOPMENT

#### 2.1 Transformational Leadership and Employee Performance

(Burns and Leadership, 1978) states that the transformational leadership model essentially emphasizes that a leader needs to motivate his subordinates to carry out their responsibilities more than they expected. Transformational leaders must be able to define, communicate and articulate the organization's vision, and subordinates must accept and recognize the credibility of their leaders. (Hater, 1998) states that "the dynamic of transformational leadership involve strong personal identification with the leader, joining in a shared vision of the future, or going beyond the self-interest exchange of rewards for compliance".

Transformational leadership style can improve job satisfaction for employees and in turn will improve the performance of employees, because of the higher needs of employees such as self-esteem needs and self-actualization. The results of this study also reinforce the opinion of (Nicholls, 1994), Pawar and Eastman (1997) that the practice of transformational leadership style is able to bring more fundamental changes such as employee values, goals, and needs and these changes have an impact on increasing employee performance. Whereas (Bycio et al., 1995) and Howell and Avolio (1993) suggest that transformational leadership has a positive relationship to employee performance because employees feel valued existence, then transformational leadership style influences employee performance. From the description, the hypothesis can be derived as follows:

H1 : Transformational leadership has a significant positive effect on employee performance, at the PUP Office and DIY ESDM.

## 2.2 Work Environment and Employee Performance

(Sedarmayanti and Pd, 2001) work environment is all the factors that surround the workplace for work purposes. The work environment includes the physical work environment is a physical form of situation that is around the workplace that can affect employees both directly and indirectly. Whereas the nonphysical work environment is all the situation that occurs relating to work relations, both relationships with superiors and relationships with colleagues, or with subordinates. This work environment both directly and indirectly will determine the level of comfort in work.

(Ruky, 2001) states that "performance is a translation of English" performance "which is interpreted by Bernadin and Russel as a record of the results obtained from certain job functions or certain activities during a certain period of time). In this definition, it is clear that they emphasize the notion of achievement as a result or thing that comes out of a job and their contribution to the organization.

While an inadequate work environment can interfere with the concentration of employees in carrying out their work so as to cause errors in work and employee performance will decrease (Siagian, 2002). According to Nunung Ristiana (2012) there is a positive and significant influence on the variables of the work environment, the more comfortable the work environment, the more employee performance will be.

H2: The work environment has a significant positive effect toward employee performance, at the PUP Office and DIY ESDM Office.

# 2.3 Job Satisfaction and Employee Performance

According to (Hasibuan, 2013) job satisfaction is an emotional attitude that is fun and loves his job. Employee job satisfaction must be created as well as possible so that work morale, dedication, love and discipline increase. This attitude is reflected by work morale, discipline, and work performance. Job satisfaction enjoyed in work, outside work, and a combination of in and outside work.

(Rivai and Basri, 2005), states that performance is a person's overall results during a certain period in carrying out tasks, such as work outcome standards, targets or targets or criteria predetermined and agreed upon. According to (Sudarmanto, 2009) there are three levels of performance, namely; (1) organizational performance, is an outcome (out come) at the level or unit of analysis of the organization related to organizational goals, organizational design, and organizational management; (2) process performance, is a performance in the stage process in producing a product or service that is influenced by process objectives, process design, and process management; (3) the performance of individuals / jobs, is the achievement of effectiveness at the level of employees or jobs that are influenced by job objectives, work design, and job management and individual characteristics.

The relationship of Job Satisfaction with Performance is more appropriately called the "management myth" and it is difficult to determine in what direction the causal relationship between the two. But from various studies found evidence that organizations that have more satisfied employees tend to be more effective than organizations that have employees who are less satisfied (Robbins and Judge, 2008).

H3: Job satisfaction has a significant positive effect on employee performance, at the PUP Office and DIY ESDM Office.

## 2.4 Transformational Leadership, Work Environment, and Job Satisfaction and Employee Performance

The presence of leaders in the company is very important because of the backbone and has a strategic role in achieving organizational goals. The right leadership style can lead to employee motivation for achievement, because the success or failure of employees in carving work performance can be influenced by leadership style. The work environment is related to everything that is around the work and which can affect employees in carrying out tasks including employee service, working conditions, employee relations in the company concerned (Agus Ahyari, 1994). A good work environment is a pleasant work environment and can provide security. That work environment is what everyone wants. This can motivate employees to work better, so that it will improve employee performance. In addition, more satisfied employees tend to be more effective than organizations that have employees who are less satisfied. H4: Transformational leadership, work environment and job satisfaction partially/individually have a significant positive effect on employee performance, at the PUP and DIY ESDM Office.

#### **3 RESEARCH METHODOLOGY**

#### 3.1 Object of Research

The research was carried out at the DIY PUP and ESDM Office, which was located at Kyai Mojo Yogyakarta Street and various Balai which was part of the DIY PUP and ESDM Office, with the object of research being the employees of DIY PUP and ESDM Office, Balai PSDA, Balai BPIPJK, and the IPAL Hall.

#### 3.2 Data Source

The data sources used in this study are primary data and secondary data. Primary data means data obtained directly from the source, using instruments or questionnaire tools that contain a number of structured written questions to obtain information from respondents, both about the person and other things needed in this study.

Secondary data is a way of collecting data obtained from various library materials, both in the form of books, magazines, journals or other documents that have to do with the study material. Secondary data is obtained by using documentation and literature.

#### 3.3 Sampling Technique

Population is the object of the overall research whose characteristics are to be expected (Djarwanto and Subagyo, 1996). In this study, the population is 414 employees. Samples are a portion of the population whose characteristics will be examined and considered to represent the whole of the population (Djarwanto and Subagyo, 1996). In this study, the determination of sample size was calculated based on the opinion of Solvin (Husein, 2005), so the sample numbered 203.4 respondents, rounded up to 204 respondents.

The sampling technique used is proportional stratified random sampling method which is a sample selection which can be done by first classifying a population into sub-populations.

#### 3.4 Data Analysis Method

To test hypotheses one to four, the data analysis method used in this study uses multiple linear regression. Multiple linear regression analysis is used to determine the effect of several independent variables on the dependent variable (Wiratna, 2007). The multiple linear regression models in this study are as follows:

$$Y = a + b_1 X_1 + b_2 X_2 + b_3 X_3 + e \tag{1}$$

#### 4 DISCUSSION

## 4.1 The Effect of Simultaneous Transformational Leadership, Work Environment and Job Satisfaction on Employee Performance of PUP Office and DIY ESDM

Based on the results of the F test, it shows that significantly transformational leadership, work environment and job satisfaction affect employee performance at the PUP and DIY ESDM Office simultaneously, because the calculated F value is greater than the Ftable (3.866 > 2.65). This means that if the transformational leadership is good, the work environment is good and the job satisfaction of the employees is more satisfied, it will improve the performance of employees of the PUP Office and DIY ESDM.

The results of this F test also show that the regression model in this study can be declared fit, because the probability of significance is 0.003, where this value is smaller than 0.05, and the contribution of the independent variables (transformational leadership, work environment and job satisfaction) on the performance of employees it can be said that it fulfills the requirements because of the magnitude above 0.5, which is 0.527. This indicates that this equation model can be applied by the leadership in order to improve the performance of the PUP and DIY ESDM staff employees.

The results of this study are supported by several previous studies which were carried out among others

by (Aulia, 2015), (Mangkunegara and Huddin, 2016), (TARTIB, 2013) (Handayani, 2013). From some of these studies, concluded that transformational leadership, work environment and job satisfaction simultaneously have a significant effect on employee performance.

## 4.2 The Influence of Transformational Leadership on Employee Performance of PUP Office and DIY ESDM

Based on the results of the t test, transformational leadership has a positive and significant effect on the performance of employees of the PUP and DIY ESDM Office. This is evident from t count<sub>i</sub> t table (3.719>1.962) and Sig (0.002 < 0.05). This means that if transformational leadership is carried out well, it will increase the performance of employees of the DIY PUP and ESDM Office offices.

Based on the positive responses of the respondents, where in the respondent's answer from 204 respondents it was known that 58.33% of respondents agreed and 35.78% of respondents stated strongly agree with the statements contained in the questionnaire of transformational leadership variables, and 5.88% expressed doubt. This indicates that the transformational leadership style is appropriately applied to the Office of PUP and DIY ESDM.

The results of this study are supported by several previous studies that have been carried out, among others, by (Yuliandi, )(Cahyono et al., 2014), (So-fyan, 2013)(Setiawan, 2013) where the conclusions from their studies are that transformational leadership has a positive and significant effect on performance employee. For this reason, the transformational leadership style that has been applied to the PUP Office and ESDM DIY Office needs to be maintained and it will be even better if the quality is improved.

## 4.3 Effect of Work Environment on Employee Performance of PUP Office and DIY ESDM Office

Based on the results of the t test, the work environment has a positive and significant effect on the performance of employees of the PUP and DIY ESDM Office. This is evident from t count; t table (2.359> 1.962) and Sig <0.05 (0.007 <0.05). This means that if the work environment supports it, it will improve the performance of the employees of the DIY PUP and ESDM Office offices.

These results indicate that the working environment at the PUP and DIY ESDM Office is ideal. This is reinforced by the results of the analysis of respondents' answers to the statements contained in the work environment variable questionnaire, which states agree at 59.80%, and which states strongly agree at 39.71%. Nevertheless, there were still 0.49% who expressed doubts. This indicates that in relation to the work environment according to the PUP and DIY ESDM staff, there were still some respondents who actually wanted to disagree, but maybe because of shame and so on they finally answered doubtfully.

The results of this analysis stating that the work environment has a positive and significant effect on employee performance is supported by several previous studies, including (Yunanda, 2013) (Sofyan, 2013)(Putra, 2013) (Suryani, 2013), where the results of their research concluded that the work environment has a positive and significant effect on employee performance.

## 4.4 Effect of Job Satisfaction on Employee Performance of PUP Office and DIY ESDM

Based on the results of the t test, job satisfaction has a positive and significant effect on the performance of employees of the PUP and DIY ESDM Office. This is evident from t count> t table (2,072>1,962) and the Sig value <0,05 (0,009<0,05). This means that if the employees are more satisfied, then this will improve the performance of employees of the DIY PUP and ESDM Office offices.

The results of this study are supported by several studies that have previously been carried out by among others (Hakim, 2013), (Sofyan, 2013), (Stiven et al., 2014)(Furi, 2012). Their results show that job satisfaction has a positive and significant effect on employee performance. Thus, the results of this study are the same as the results of previous research studies.

Job satisfaction has a significant effect on the performance of employees of PUP Office and DIY ESDM, so the situation that causes employee job satisfaction needs to be improved, among others: From the dimensions of the work itself, it is necessary to increase the self-confidence of employees in order to work more seriously and Responsible for his work. From the dimensions of promotion, an open promotion system can be accepted by all employees, because with a clear promotion system, employee expectations for a career will be more real, so that it will have an impact on the performance of employees. From the supervision dimension, the inherent supervision that has been carried out, needs to be improved, for example by monitoring the work results of employees, and providing direction and guidance to employees. From the dimensions of woker a good relationship between employees will have an impact on the calm and comfort of employees in work so that it can improve employee performance.

## **5** CONCLUSIONS

Based on the result of this study, it is proven that the transformational leadership, work environment, and job satisfaction have a signifiant effect both partially and simultaneously on the performance of PUP and DIY ESDM staff employees.

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