

Influence Transformational Leadership Style and Motivation to Work on the Job Satisfaction in Group SMEs Products from Casava District Bantul

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Keywords: UKM, Transformational Leadership Style, Work Motivation, and Job Satisfaction Employee.

Abstract: This study aims to analyze the influence of transformational leadership style and work motivation on employee job satisfaction (the study of the managers of UKM in Bantul). The research method is a census with a population of 157. Methods of data collection through questionnaires. The analysis used is descriptive analysis and Multiple Linear Regression analysis using SPSS version 21. The variables in this study are a transformational leadership style, work motivation, and employee job satisfaction. The results showed that: (1). The Transformational Leadership Style and Work Motivation together had a significant positive effect on employee job satisfaction in SMEs. (2). The Transformational Leadership Style partially has a significant positive effect on employee job satisfaction in SMEs. (3). Work motivation partially has a significant positive effect on employee job satisfaction in SMEs.

1 INTRODUCTION

The problem of SMEs has a very important role in the speed of the community's economy. These SMEs are also very helpful to the country or government in terms of creating new jobs. SMEs also have a high degree of flexibility when compared to businesses with larger capacities. The success of a company in achieving its goals is largely determined by the human resource factors involved in its operational activities. To be achieved following expectations, companies must be able to increase job satisfaction. According to Handoko (2014), job satisfaction is a pleasant or unpleasant emotional state of employees towards their work. Meanwhile, according to Malayu SP Hasibuan (2007), employees who prefer to enjoy their satisfaction at work will prioritize their work more than payback even though remuneration is important. High job satisfaction greatly affects positive and dynamic working conditions so that it can provide tangible benefits, not only for the company but for the employees themselves. Besides, one of the companies' roles in increasing job satisfaction is to pay attention to leadership and motivation in the workplace of employees. Leadership broadly includes the process of influencing in setting organizational goals,

motivating followers' behavior to achieve goals, influencing to improve the group and its culture (Veithzal, 2004). An effective leader must be responsive to change, able to analyze the strengths and weaknesses of his human resources to maximize organizational performance, and solve problems appropriately. For that, the company needs a leader who is reformist and able to be a motor of change (transformation) of the company. Transformational leadership is defined as leadership that includes efforts to change the organization, which is believed this style will lead to superior performance in the organization when facing the demands of renewal and change (Handoko, 2001). According to Yukl (2005), with transformational leadership, subordinates have trust, admiration, loyalty, and respect for leaders, and they are motivated to do more than expected from them. Motivation is a process that explains the strength, direction, and perseverance of a person to achieve organizational goals related to work (Robbins, 2014). Mangkunegara (2011) states that motivation is formed from the attitude of employees in dealing with work situations in the company.

From the interviews, in the last few years, the productivity of workers began to slow down. Symptoms or responses that arise from the decline in productivity lead to job satisfaction; namely, some

workers often arrive late, avoid their work responsibilities, and compare the ratio of results with their input to the ratio of results with the input of others. Besides, in the processing process, that still relies on sunlight, and its production is very dependent on the season. Bad weather like rain also results in stunted activities so that workers experience a decrease in job satisfaction, which is marked by a decrease in wages/payments received, and this triggers the level of employee satisfaction in doing work.

Work motivation related to actualization needs, namely, the need to show one's ability, expertise, and potential, is still lacking in attention. Can be seen lack of innovations in the manufacture of raw materials that should be processed more diverse

In the running, an organization can not be separated from the figure of a leader. The ideal leader is a leader who not only gives orders and direction but is shown in action and can be a role model for the member. Leadership related to Intellectual Stimulation Refers to the way leaders to strive to create a climate that is conducive to the development of innovation and creativity of every employee is still not optimal. The leader in this UKM does not encourage its members to come up with new ideas and creative solutions to the problems they face. This can lead to less than optimal job satisfaction.

2 LITERATURE REVIEW

2.1 Transformational Leadership

Leadership in principle motivates subordinates to do better than what can be done; in other words, it can increase subordinates' confidence or self-confidence that will affect performance improvement.

According to Suharto (2006), transformational leadership is defined as the relationship between leaders and subordinates who are very close, giving rise to very other closeness, and subordinates feel respect and trust in their leaders and are motivated to work more than they are.

Transformational leadership involves developing closer relationships between leaders and subordinates. With transformational leadership, leaders help subordinates to see interests that are more important than their interests for the mission and vision of the organization or group. By developing the confidence, effectiveness of work, and self-esteem of subordinates, it is expected that leaders have a strong influence on the level of identification, motivation, and achievement of followers' goals.

The transformational leadership style in this study uses benchmarks from the indicators of Bass and Avolio (1994), four indicators as follows:

- a. Charisma (Idealized Influence)
This refers to leaders who provide examples and tend to act as role models, positive behavior, attitudes, achievements, and commitment to its members.
- b. Inspirational Motivation
Relating to the role of leaders who constantly motivate their members by communicating high expectations and clear work challenges.
- c. Intellectual Stimulation
This refers to the way leaders try to create a climate that is conducive to the development of innovation and creativity. Leaders encourage their members to come up with new ideas and creative solutions to the problems they face.
- d. Individualized Consideration
This refers to the way leaders give special attention to the needs of each member to excel and develop by acting as a coach or mentor for their members.

2.2 Work Motivation

Work motivation in this study uses the benchmarks of the Abraham Maslow indicator with the following indicators:

- a. Physiological Needs (Physiological)
Needs Physiological needs are the most basic hierarchy of human needs that are needed to be able to live, such as eating, drinking, housing, oxygen, sleep, and so on.
- b. Needs of Security (Safety-need)
When the physiological needs relatively satisfied, it appears the second requirement, namely the need for security. The need for security includes security for protection from workplace accidents, guarantees for the continuity of work, and guarantees for old age when they are no longer working.
- c. Social needs (Social-need)
If the physiological needs and a sense of security have been satisfied at a minimum, then there will be social needs, namely the need for friendship, affiliation, and funds for closer interaction with others. The organization will be related to the need for a compact working group, good supervision, joint recreation, and so on.
- d. Choice needs (Esteem-need)
These needs include the desire needs to be respected, valued over individual achievement, recognition of a person's capabilities and expertise as well as the effectiveness of one's work.

e. Self-actualization needs

Self-actualization is Maslow's hierarchy of needs of the highest. Self-actualization is related to the process of developing the true potential of a person. The need to show one's abilities, expertise, and potential. The need for self-actualization tends to increase in potential because people actualize their behavior. Someone who is dominated by the need for self-actualization likes tasks that challenge his abilities and expertise.

2.3 Job Satisfaction

2.3.1 Understanding Satisfaction

According to Sutrisno (2010), satisfaction is an employee's attitude towards work related to work situations, cooperation between employees, rewards received at work, and matters relating to physical and psychological. Job satisfaction refers to an individual's general attitude towards his job. Someone with a high level of job satisfaction shows a positive attitude towards work, someone who is dissatisfied with his job shows a negative attitude towards the job (Robbins, 2007). According to Handoko (2014), job satisfaction is a pleasant or unpleasant emotional state with which employees view their work.

Of the several definitions of job satisfaction above, it can be said that job satisfaction is the attitudes and feelings felt by each related to the activities carried out with the results obtained, either in the form of material or non-material.

Job satisfaction in this study uses the benchmarks of indicators Smith, Kendall, and Hulin (in Luthans, 2006) with the following indicators:

- a. Work itself (work itself); each job requires a certain skill by their respective fields. Difficult weather or not a job and someone's feeling that their expertise is needed in doing the job, will increase or reduce job satisfaction.
- b. Supervisor (supervisor), a good boss means willing to respect the work of his subordinates. For subordinates, the boss can be considered a father/mother/ friend figure and, at the same time, his boss.
- c. Workers (workers), is a factor related to the relationship between employees and their superiors and with other employees, both the same or different types of work.
- d. Promotion (promotion) is a factor related to the presence or absence of opportunities to gain career advancement during work.

- e. Salary/wages (pay), is a factor fulfilling the needs of the life of employees who are considered appropriate or not.

3 RESEARCH METHOD

In this research, the object of research is SMEs in Bantul Regency, Special Region of Yogyakarta. The population for this research is 157 SMEs. The method in this study is to use the method Census. The type of data used in this study is primary data. Data collection is done by distributing questionnaires.

Variables in this study are:

1. (*Independent*) *Independent* variables in this study consisted of:
 - a. Transformational Leadership Style (X_1)
 - b. Work Motivation (X_2)

2. The variable (dependent) dependent

The variable in this study consists of:

- a. Job satisfaction (Y)
- b. Transformational Leadership Style (X_1)

Transformational Leadership is defined as the relationship between leaders and subordinates who are very close to cause emotion and closeness that is close very different, and subordinates feel respect and trust in their leaders and are motivated to work more than they are. According to Bass and Avolio (1994), indicators of the Transformational Leadership Style are: Idealized Influence ($X_{1.1}$), Inspirational motivation ($X_{1.2}$), Intellectual Stimulation ($X_{1.3}$), Individualized Consideration ($X_{1.4}$)

- c. Work Motivation (X_2)

Indicators of work motivation in this study take from Abraham Maslow which consists of Physiological-need ($X_{2.1}$), Safety-need ($X_{2.2}$), Social-need ($X_{2.3}$), Esteem-need ($X_{2.4}$), Self-actualization need ($X_{2.5}$)

3. Dependent Variable

Job satisfaction indicators of Smith, Kendall, and Hulin (in Luthans, 2006) as follows: work itself, supervision, Workers, pay.

4 RESULTS AND DISCUSSION

4.1 Description of Respondents

Primary data that has been successfully collected by researchers is analyzed to determine the characteristics of respondents, including gender,

respondent's age, education, and years of service. Descriptive analysis is shown in Table 4.1:

Table 4.1: Respondent Characteristics

Characteristics	Category	Percentage
Gender	Male	45.6
	Female	54.4
	Total	100.0
Age	19- 28 years	1.8
	29 - 37 years	1.8
	38 - 46 years	22.8
	47 - 55	29.8
	56 – 65	43.9
	Total	100.0
Education	Elementary	35.1
	Junior	35.1
	SchoolHigh School	29.8
	Total	100.0

4.2 Test of Instruments

The results of the validity test show that all questions on these three variables are validly used as research instruments. In testing this reliability, by looking at *Cronbach Alpha*. A research instrument is declared reliable if the value *Cronbach Alpha* > 0.70 (Ghozali, 2013).

Table 4.2 Test Reliability

Variables	Cronbach's Alpha	Description
Transformational Leadership Style(X1)	0.908	Reliable
Motivation(X2)	0.927	Reliable
Job Satisfaction (y)	0.797	Reliable

Reliability test results showed that all the variables have an Alpha coefficient of more than 0, 70. Thus, it can be concluded that all items of the research variables are reliable.

4.3 Data Analysis Techniques

- 1) Descriptive Analysis Descriptive the analysis is used to explain data obtained through the systematic description in the form of words, sentences, schematics, and pictures.
- 2) Quantitative Analysis In this study, the quantitative analysis tool used is the Multiple Linear Regression Analysis.

4.4 Significance Test (Test F)

Together hypothesis testing is carried out with the F test. This test is used to test the first hypothesis. To test this hypothesis use F statistic ($\alpha = 5\%$) in the decision-making criteria as follows:

- 1) When $\text{sig } F \geq 0.05$, then H_0 is accepted, and H_a rejected today means there is no significant positive effect jointly transformational leadership style, motivation on job satisfaction.
- 2) If $\text{sig } F \leq 0.05$, then H_0 is rejected and H_a accepted today means that there is a significant positive influence jointly transformational leadership style, motivation on job satisfaction.

4.5 Partial Test (t-test)

Partially, hypothesis testing is done by t-test. This test is used to test the second hypothesis. According to Ghozali (2012), the statistical test of t shows how far the influence of one explanatory/independent variable individually in explaining the dependent variable. The t-test is done by comparing the significance of arithmetic with t_{table} using the standard provisions of testing 5% or 0.05 then. If the significance value ≥ 0.05 , then H_0 is accepted, and H_a is rejected, which means there is no partial effect between transformational leadership style variables and motivation for job satisfaction. If the significance value < 0.05 , then H_0 rejected and H_a accepted, which means there is a partial effect between the variables of transformational leadership style and motivation to job satisfaction.

4.6 Discussion

- 1) The effect of Transformational Leadership Style and Work Motivation on Employee Satisfaction in SMEs

The results of the Multiple Regression analysis show that there is a significant influence of transformational leadership style and motivation on job satisfaction by 60.3%. While the remaining 29.7% is influenced by other factors or variables not examined in this study, namely compensation, work environment, work discipline, and others in SMEs. To achieve job satisfaction, transformational leadership styles and work motivation are needed for employees. With the transformational leadership style, employees will feel trust, admire, loyal, and respect leaders, and have high commitment and motivation for achievement. Motivation is directed towards achieving the objectives of SMEs. Only with clarity of purpose can all employees involved in the

organization easily understand and implement it. If the fulfillment of employee needs has been met will be able to create job satisfaction. The results of this study are in line with previous studies conducted by Simanjuntak (2017), which states that transformational leadership variables and work motivation have a positive effect on employee job satisfaction.

2) The Effect of Transformational Leadership Style on Employee Satisfaction in SMEs

The results of multiple regression analysis showed that there was a significant influence of transformational leadership on job satisfaction of 36.0%. Thus, the application of a good transformational leadership style in SMEs will be able to increase employee job satisfaction. The results of this study are in line with previous research conducted by Yenny Anggraeni and T. Elisabeth Cintya Santosa (2013), which states that there is a positive and significant influence of transformational leadership style on job satisfaction.

3) The Effect of Work Motivation on Employee Satisfaction in SMEs

The results of multiple regression analysis showed that there was a significant influence of work motivation on job satisfaction of 34.6%. Thus, if the higher motivation that encourages employees to work will further increase job satisfaction. The results of this study are in line with previous research conducted by Titin Hidayati Maghfiroh (2014), which states that there is a positive and significant influence of work motivation on job satisfaction.

5 CONCLUSIONS

- a. Transformational Leadership Style and Work Motivation together have a significant positive effect on employee job satisfaction in SMEs.
- b. Transformational Leadership Style partially has a significant positive effect on employee job satisfaction in SMEs.
- c. Work motivation partially has a significant positive effect on employee job satisfaction in SMEs.

6 RECOMMENDATIONS

It is recommended to SMEs to further increase work motivation through fulfilling self-actualization needs. SMEs are expected to be able to maintain

transformational leadership that can motivate and increases creativity and innovation.

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