

## **Transformational Leadership Influence And Corporate Culture On Performance (BJB Syariah Bank Employees In Sumedang Sub-Branch Office)**

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### **ABSTRACT**

BJB Syariah Bank is ranked sixth out of all Syariah Banks in Indonesia. To get good performance, BJB Syariah Bank KCP Sumedang, requires high quality of human resources, because humans are the most important asset for achieving the goals of the company. Companies must be able to develop their employees to become quality employees and can improve their performance for the development of the company. The research method uses quantitative methods. Furthermore, the data collection techniques obtained from primary data and secondary data, primary data sources were obtained through interviews, observations and questionnaires distributed to 13 respondents who are employees of BJB Syariah Bank Sub-Branch Office of Sumedang. Company culture and employee performance using multiple regression obtained beta coefficients of transformational leadership on performance at 0.637, corporate culture on performance at 0.157. The results of the simultaneous influence of transformational leadership and company culture on employee performance is 0.535, which means that the coefficient of determination is 53.50%, it means that the employees' performance is influenced by transformational leadership factors and company culture by 53.50% and the rest is influenced by other factors. From the description above, it can be concluded that the hypothesis proposed by the writer can be accepted

**Keywords: Transformational Leadership, Corporate Culture and Performance**

**JEL Classification: M14**

### **INTRODUCTION**

Banking in Indonesia is a company that runs its economic principles based on economic democracy and uses the precautionary principle. Banking, namely everything related to banks, including institutions, business activities, as well as ways and processes in carrying out their business activities. Indonesian banking as a collector and distributor of public funds and aims to support the implementation of national development in order to improve the equal distribution of development and its results, economic growth and national stability, towards improving the lives of many people.

Based on the direct observations, the performance at BJB Syariah Bank KCP Sumedang has not been optimal. This thing can be seen from the following indicators: the employees' skills to the job are still low. For example: employees lack of knowledge on the procedures to carry out the work and the existing facilities, marked by the completion of work that takes 5 to 6 days that should be completed in 3 days. There are still employees who violate office rules such as late to work and less maximum results of their work. Therefore, there are indications that there is a decrease in the quality of performance as indicated by the

increase in the absentee level of BJB Syariah Bank KCP Sumedang employees.

## LITERATURE REVIEW

### A. Transformational Leadership

Transformational leadership according to Burn (Wahjono, 2009: 294) is a process where leader and followers together improve and develop each other's morality and motivation. Furthermore, according to John, Robert, and Michael (2006: 97) transformational leadership style is a leadership style that motivates the followers to work towards a goal, not for short-term personal interests, and to achieve the achievement and self-actualization not for the sake of feeling safe.

There are several characteristics of transformational leaders according to Luthan (2006: 63):

1. They identify themselves as agents of change.
2. They push their courage and risk taking.
3. They believe in people.
4. They are based on values.
5. They are a life long learners,
6. They have the ability to handle complexity, ambiguity, and uncertainty.
7. They are also a visionary leader.

The development of transformational leadership factors resulted from research from Bass (1994: 117). He identifies 4 factors that describe transformational leaders, the four are:

1. Charisma  
Charisma is characterized by the strength of vision and appreciation of mission, raises respect, increases optimism, emphasizes the importance of goals, and the leader will make the followers have confidence.
2. Inspirational

Inspirational contained the capacity of a leader to be a role model for his followers. The leader conveys clear goals and sets a good example for his followers.

3. Individual attention

Attention can be in the form of guidance and mentoring to the followers. Leaders pay personal attention to the followers and pay special attention so that the followers can develop their abilities.

4. Intellectual stimulus

Intellectual stimulation is the ability of the leader to eliminate the reluctance of the followers to trigger their ideas, push the followers to be more creative and stimulate the thoughts of followers in solving the problems.

Transformational leadership style can change and motivate the followers by making the followers more aware of the importance of the results of the task, persuading the followers to prioritize the interests of the organization than personal interests, and activate the followers needs higher (Yukl, 2010: 82).

### B. Corporate Culture

According to Kirana (in Nawawi, 2010: 5) states that the corporate culture involves variety of topics, including values embraced, symbol, routine habits in the company, role models or models, self-adaptation and stories that are turned on. Meanwhile, Robert P. Vecchio (in Wibowo 2013: 17) provides a definition of corporate culture as values and norms together that exist in an organization and works for workers who come. This definition advocates that the organizational culture involves our beliefs and feelings together, regularity in behavior and

historical processes for passing on values and norms. Corporate culture as a cognitive framework consisting of attitudes, values, norms of behavior and expectations that are shared by members of the organization. The roots of each organizational culture are a set of characteristics' core that are valued collectively by the organization. Corporate culture is what employees feel and how this perception creates the patterns of beliefs, values, and expectations.

From the description of some definitions above about corporate culture, it can be concluded that corporate culture is a common perception held by members of the organization, a system of shared meaning. Corporate culture is concerned with how workers feel the characteristics of an organizational culture, not whether like they are or not.

Corporate culture in an organization can be different from those in other organizations. However, corporate culture shows characteristics, traits, or certain feature that show its similarity. The terminology used by experts to show the characteristics of organizational/company culture are very varies. This shows the diversity of characteristics, traits, and elements found in the organization /company's culture. The key characteristics of culture according to Michael Zveel (in Wibowo 2013: 35) are:

- a. Culture is learned.
- b. Norms and customs are common in all cultures.
- c. Most cultures work unconsciously.
- d. The nature and characteristics of culture are controlled through many mechanisms and social processes.
- e. Cultural elements are passed on from one generation to the next generation.

f. Adjusting customs and patterns of acceptable behavior tends to be related to moral virtues and superiority.

g. Like the other habits, cultural behavior is comfortable and commonly known.

The roots of a corporate culture are a set of characteristics' core that are collectively valued by all members of the organization. Cultural characteristics of the organization/company show the characteristics, traits, elements, or elements contained in an organizational/company culture. There are quite a lot of views from experts about the cultural characteristics of a company/organization. Each organization will show its nature and characteristics based on the cultural characteristics of the company/organization have.

### C. Performance

According to Robbins (2008: 97) employee performance is a function from the interaction between ability and motivation. In the study of employee performance management there are things that need important consideration because the individual performance of an employee in an organization is part of the organization's performance, and can determine the performance of the organization that will be influenced by the level of performance of employees as an individual or groups.

There are two main factors affected the individual performance, they are ability (ability), and work motivation (motivation) of the individual. Individual ability depends on the level of knowledge (knowledge) owned, educational background, and skills (skills) mastered. While the basic motivation and the environment that influence the motivation. (Keith Davis in Mangkunegara, 2005: 13).

Wirawan (2009: 80) describes the development of dimensions and indicators of performance instruments, they are:

1. Where the work consists of three indicators, they are:
  - a. Quantity of work result.
  - b. Quality of work result.
  - c. Efficiency in carrying out the tasks.
2. Work behavior consisting of three indicators, they are:
  - a. work discipline
  - b. Initiative
  - c. Accuracy.
3. Personal characteristics consisting of three indicators, namely:

- a. Leadership, honesty, and creativity

The employee work assessment can be seen from the assessment factors as follows:

1. Performance (work quantity)
2. Competence (skills, work quality, teamwork, and responsibility)
3. Behavior (discipline and use of work time)
4. Discipline (arrive on time)

## **METHOD, DATA, AND ANALYSIS**

### **A. Research design**

In this research there are three variables, namely the independent variable consisting of transformational leadership and corporate culture and dependent variable, that is employee performance. This study was conducted to determine the effect of transformational leadership on employee performance, the influence of corporate culture on company performance and the influence of transformational leadership and company culture on employee performance.

The research method used in this research is descriptive analysis method. The definition of descriptive analysis method according to Sugiyono (2008: 112), "Descriptive analysis is a method

that describes the state of the object of research based on existing facts and is ongoing through the process of collecting, compiling and defining the data obtained then to be analyzed with existing theories."

Descriptive method is used to find the facts with the right interpretation and to look for systematic picture and the accurate facts. This research method is basically needed to determine what methods will be used in the research, including data collection methods, analysis method and hypothesis testing.

### **B. Research Locations**

This research take place at BJB Syariah Bank Sub-Branch Office located in Sumedang at Mayor Abdurahman Street Number 99 Sumedang.

### **C. Population and Samples**

The population in this study are employees of BJB Syariah Bank KCP Sumedang, total respondents are 13 people. The sample used in this study is 13 people. The sample method used in this study is the saturation sampling technique or census, which is the technique of determining the sample if all members of the population are used in the sample.

### **D. Type and Data Sources**

Data collected in this study are primary data and secondary data. The primary data is the data obtained directly from respondents that match with the information needs as outlined in the questionnaire. The secondary data is the data obtained indirectly that supports the research process.

### **E. Hypothesis**

The hypotheses in this study are:

- transformational leadership give positive effect on performance

- corporate culture give positive effect on performance
- transformational leadership and corporate culture have a positive effect on performance

## F. Research Instruments' Test

### Validity test

This validity test is used to test the instruments used in this research and show the validity of an instrument. This test research uses the Product-Moment correlation formula as follow:  
Information :

$$r_{xy} = \frac{n \sum XY - (\sum X)(\sum Y)}{\sqrt{\{n \sum X^2 - (\sum X)^2\} \{n \sum Y^2 - (\sum Y)^2\}}}$$

$r_{xy} = r_{\text{calculate}}$

$n$  = number of samples

$X$  = Score on the- $i$  item

$Y$  = Number of scores obtained by each respondent

Criteria are valid if the correlation value is greater or equal to 0.30. The validity of item will be proven if the result of  $r_{\text{hitung}}$  is greater than  $r_{\text{table}}$ . If the result of  $r_{\text{hitung}}$  is smaller than  $r_{\text{table}}$  than the significant level, then the questionnaire items are invalid. On the contrary, if the significance level of  $r_{\text{hitung}}$  is greater than  $r_{\text{table}}$ , then, the questionnaire is valid.

### Reliability Test

After conducting the validity test of the statement used in the research, next, is performing the reliability test. A measurement tool is said to have high reliability or trustworthiness, if the measuring instrument is steady (stable) so it is reliable (dependability) and can be used to predict (predictability). If the correlation coefficient is

positive and significant, then the instrument has been declared as reliable. Thus, the measurement tool will give similar or the same results if it used repeatedly.

Reliability refers to the existence of internal consistency and the stability of a certain measurement scale values. From the preliminary test of 13 respondents, the reliability test using the technique seems that each measurement instrument is reliable according to the recommendations that the questionnaire is said to be reliable if it has a reliable value above 0.6. To produce a reliable measurements, the authors use the SPSS application.

## G. Data Analysis

### Descriptive Analysis

This descriptive analysis is used to find a general description on the variable of transformational leadership ( $X_1$ ), corporate culture ( $X_2$ ) and performance ( $Y$ ). To answer this, the classification of respondents' answers was carried out using the following formula:

$$RS = \frac{(m - n)}{b}$$

Information:

$RS$  = score range

$m$  = highest score

$n$  = lowest score

$b$  = number of classes

To find out which categories the results of the responses to the research indicators with categorical scores are divided into five categories, they are Very High, High, Fairly High, Low and Very Low.

### Multiple Regression Analysis

This study analyze three variables, they are transformational leadership,

corporate culture, and performance then multiple regression analysis technique is used. The form of the regression equation Y over X is:

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + e$$

Where:

Y = performance

X<sub>1</sub> = transformational leadership

X<sub>2</sub> = company culture

B<sub>1</sub> B<sub>2</sub> = Regression Coefficient

e = Error (confounding error), other variables not examined

## RESULTS AND DISCUSSION

### The Effect of Transformational Leadership on Performance

Transformational leadership style variable and company culture played as an independent variable (exogenous variable) and employee performance as a dependent variable (endogenous variable). Based on the processing results using SPSS 20 software, obtained path coefficients of transformational leadership styles and corporate culture on employee performance as follows.

**Regression Estimation Results Table**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
	(Constant)	9.669	18.848		.513	.619
1	VAR00001	.693	.511	.637	1.858	.000
	VAR00002	.193	.578	.157	1.835	.000

a. Dependent Variable: VAR00003

*Source: Data Processing Result*

Based on the table above it can be concluded that the influence of transformational leadership style (X<sub>1</sub>) on employee performance (Y) is obtained  $(0.637)^2 = 0.4057 = 40.57\%$  with a significance at 0.000. The leader of the BJB Syariah Bank KCP Sumedang has adopted the transformational leadership style, this can be seen from giving the employees' trust to their leader, always inspiring the employees to accept corporate values that are applied at the BJB Syariah Bank KCP Sumedang office, inviting the employees to develop the company's vision together. In the aspect of employees consideration as an individual, the leader also willing to listen to various kinds of complaints from the employees and provide the appropriate solutions to be done in solving the problems, the leaders also pay special attention to the employees

who have the need to be considered in terms of work. In addition, the leaders often provide support to employees so that employees are always enthusiastic when they are working.

Another aspect of transformational leadership is the inspirational motivation given by the leaders to the employees, which is by motivating the employees of BJB Syariah Bank KCP Sumedang to always be passionate in working, guiding employees to achieve company goals and objectives that must be achieved as well as directing the employees to develop their potential. In providing intellectual stimulation, the leader stimulates the employees to create new innovations to solve a problem so that the ideas they have can be developed its maximum limit.

### The Effect of Corporate Culture on Performance

The influence of corporate culture (X2) on employees performance (Y) is obtained at  $(0.157)^2 = 0.0246 = 2.46\%$  with a significance at 0.000. The corporate culture developed at BJB Syariah Bank KCP Sumedang is MASLAHAH (Militant, Amanah, Solution, Service, Harmony and Holistic). With the existing cultural values, so the employees are always full of dedication, tireless, giving their best ability to support and realize the company's vision and mission. The BJB Syariah Bank employees also always obey the law, responsibility to the task, loyal to commitment, determination in keeping promises and have integrity. To achieve the company's vision and mission, the employees are able to provide the way out and solutions to problems and be able to adapt to changes, obstacles, and challenges in any condition. In terms of service to customers, the corporate culture developed by BJB Syariah Bank KCP Sumedang is to have an attractive and pleasant attitude towards the customers, guests, colleagues or partners in providing the best service according to or exceeding customer

expectations so that they feel satisfied. In this case, the ethics of an employee is really important in the company culture that occurs at BJB Syariah Bank KCP Sumedang. For a harmonious relationship between employees in a company then what happens is harmony, kinship and employees ties are very closely guarded. The strength of the company is in the togetherness of employees who are intertwined to improve team work, always think positively in dealing with problems and find the solutions, respect each other and respect others by putting common interests ahead of personal interests and the company takes fair treatment of employees to achieve superior performance.

### Influence of Transformational Leadership Styles and Corporate Culture on Performance

The determination coefficient (Square Multiple Correlation) is the coefficient used to determine the contribution amount of independent variables toward the change in the dependent variable. Below is the results of the determination coefficient using the SPSS 20 application.

**Determination Coefficient Table**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.783 <sup>a</sup>	.613	.535	4.75213
a. Predictors: (Constant), VAR00002, VAR00001				

In the table above, the obtained influence value of X1 and X2 on Y is 0.535 or 53.50% which shows the level of relationship between the independent variable regarding the tied variable that is 0.535 means that there is a moderate relationship. It can be seen that in together that transformational leadership style variables and corporate culture give the contribution (influence)

at 53.50% to the performance of employees of BJB Syariah Bank Sumedang Sub-Branch Office. The remaining 46.50% is the influence of other factors beyond the two variables being studied.

Transformational leadership and corporate culture are closely related to the BJB Syariah Bank KCP Sumedang. This can be seen from the company's

cultural values applied in accordance with the instructions of the leader addressed to the employees such as various prohibitions that may not be done by the employees. For example, cheating in working that can harm other employees, disobey the guidelines and provisions set by the company, doing business during working hours for personal gain, work without SOPs (Operating Standards and Procedures), have no concern for work, and hiding the information with doing the recording incorrectly. All of these are one of the corporate culture that should not be done in the company, and all of that must get supervision from the leader because the leaders who are highly committed will always pay attention to their employees at work.

Transformational leadership has a high influence on employee performance, while the corporate culture has a very low influence on employee performance. If we combined these two variables, it will have a moderate effect on the employees performance. This is due to the new corporate culture regulations that implemented in 2016. The regulations that are applied are very strict, it can be seen from the company's tagline that is "Bersih Cemerlang" (Clean and Clear). With that company's tagline, the priority is cleanliness in the working room such as not allowed to store food on the work table, the entire room must be clean, no dirty or stained ones, seat chairs for customers or employee work chairs may not be torn and others.

For supervision of this corporate culture, a change agent team was formed by the head of KCP and submitted to the head office. The task of this change agent is to report the corporate culture that occurs in each sub-branch office. In terms of corporate culture regarding the employee's

discipline, new rules are applied, that is attendance. If you come later than the office hours that have been set at 07.30, even if only one minute late then the salary will be deducted.

Another thing that causes transformational leadership and corporate culture has a moderate effect on performance is regarding the rewards that the employees get. The employees of BJB Syariah Bank KCP sumedang always work optimally, this can be seen from the profits it got always exceeding the set standards and BJB Syariah Bank KCP Sumedang is the bank that gets the first rank with the largest profit among other BJB Syariah Banks in West Java. But from the company's side or the head office, do not provide any reward about it, so that the employees feel their optimal work is less appreciated by the Head Office. This is what causes the influence of these two variables are in the medium category on the employees performance.

## CONCLUSION

- Transformational leadership that occurs at BJB Syariah Bank Sumedang Sub-Branch Office is in the high category and transformational leadership has a high influence on the performance of BJB Syariah Bank Sumedang KCP employees.
- The corporate culture that occurs in the BJB Syariah Bank Sumedang Sub-Branch Office is in the high category and the corporate culture has a very low influence on the performance of BJB Syariah Bank KCP Sumedang employees.
- Employee performance that occurred at the BJB Syariah Bank Sumedang Sub-Branch Office was in the high category. Transformational leadership and



corporate culture have a low influence on the performance of BJB Syariah Bank KCP Sumedang employees.

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