THE CONTRIBUTION OF TRANSFORMATIONAL LEADERSHIP AND TRANSACTIONAL LEADERSHIP TO ORGANIZATIONAL COMMITMENT TO EMPLOYEES BANK "X" IN MAKASSAR CITY

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ABSTRACT

This study aims to determine the extent of the contribution of transformational leadership and transactional leadership to organizational commitment to bank "X" employees in Makassar City, the participants in this study were employees who worked at bank "X" in Makassar City, totaling 213 participants (98 males, 115 females), with the sampling technique of simple random sampling. This study uses quantitative methods and uses two data collection instruments, namely the MLQ (Multifactor Leadership Questionnaire) scale for transformational leadership and transactional leadership, while the OCQ (Organizational Commitment Questionnaire) scale for organizational commitment. The data analysis technique used in this study used multiple linear regression analysis with the SPSS 20.0 program. The results of this study indicate a positive and significant contribution to transformational leadership and a negative and significant contribution to transactional leadership on organizational commitment to bank "X" employees in Makassar City, with a value of sig. 0.02 < 0.05 and the value of R square is 0.30.

Keywords: Transformational Leadership, Transactional Leadership, Organizational Commitment.

PRELIMINARY

Today, in the field of organizations and companies, various aspects of excellence are needed in order to achieve a goal desired by each organization or company. For this reason, it is very necessary to have a strong internal potential and strength to face various obstacles, obstacles, and the changes that exist. This is because organizations that are progressing and developing at any time are expected to be able to overcome various problems with appropriate and appropriate solutions to existing situations and conditions.

Human resource management is a means to improve the quality of individuals with efforts to improve human resources, improve the performance and results of an organization, so that the organization or company can realize disciplined and high-performance employees and increase commitment to the organization and the company to the employees themselves. . Klinsontorn (2005) explains that organizational commitment is an important factor in the organization, because organizational commitment can positively affect work-related behaviors, such as high performance, employee loyalty, and low turnover.

There are several important factors that can affect organizational commitment to employees, one of which is leadership (Faustyana, 2014). Leadership is one of the things that is considered the most important because in an organization or company the character of a leader and the style or type applied in his leadership has a considerable influence on the running of the organization and the continuity of the organization itself (Faustyana, 2014). In this global

situation, it is hoped that the company or organization has the desire to survive so that the organization or company can continue to stand.

A leader is someone who can lead to better employee motivation, participation and job satisfaction (Gibson et al., 2012). If a leader wants a high motivation and work participation from employees, then it takes an ability to understand all situations and conditions of the organization, which in turn determines to use a style or type of leadership that suits the situation (Gibson et al., 2012). In addition, a leader needs to have certain characteristics that can distinguish him from others so that these characteristics will have an influence on his behavior as a leader (Kreiner and Kinicki, 2004).

Alwi (2001) suggests that employee commitment often arises from leaders who provide a clear vision with a high desire to communicate a clear list of activities and goals to their employees. A good leader can influence his employees so that they can have great optimism, self-confidence, and commitment to the goals and mission of the organization or company. Therefore, the ways or behavior of leaders in directing their employees will affect the employee's organizational commitment (Yukl, 1994).

Based on the results of the explanation that has been stated above, it can be assumed that although transformational and transactional leadership are different styles of leadership, these two leadership styles have a relationship where transformational leadership is a leadership style that communicates the vision and goals of the organization or company clearly so that it can have an impact which is great for his subordinates, able to motivate his subordinates and stimulate creativity to work better for the achievement of an organizational or company goal. Meanwhile, transactional leadership can be interpreted as the behavior of leaders who tend to provide direction to their subordinates and focus on details, explain the expected behavior and provide rewards or punishments for the results of the performance of their subordinates.

For this reason, researchers feel that employees need commitment to the company. It is conceivable if in a company employees have low organizational commitment, it can have a negative impact that can harm the company or the employees themselves. For this reason, researchers feel that to support organizational commitment to employees, a leader is needed who can build good cooperation with subordinates in order to avoid problems that can have an impact on various parties, both employees, leaders, or the company.

1. **Organizational Commitment**
   a. **Definition of Organizational Commitment**
      Organizational commitment is defined as a condition in which an employee sided with a particular organization or company and its goals, as well as a desire to maintain membership in the organization or company (Robbins, 2001). So it can be seen that high job involvement means taking a person's side to his particular job, high organizational commitment means siding with the organization that employs him.
      Commitment itself is reflected in employee support for organizational goals, working sincerely for the organization and the desire to stay or join the organization or company. Commitment will develop slowly and consistently over time which is the result of the relationship between employees, both superiors and subordinates. Organizational commitment will develop after individuals in an organization or company understand not only the work or tasks assigned, but also understand the goals and values of the organization, the expected performance and consequences, as well as the implications for maintaining organizational membership (Luthans, 2005).

b. **Organizational Commitment Attitude**

Gibson (2000) suggests that there are three attitudes contained in organizational commitment, namely: a) Desire to identify organizational goals; b) desire to be involved in organizational tasks; c) feelings of loyalty to the organization.

c. **Dimensions of Organizational Commitment**

Porter, Steers, Mowday, and Boulian (1990) suggest that organizational commitment can be seen from several components, including:

1) **Affective Commitment**

This affective commitment is a form of affection (affection) for an organization or company, showing a strong level of desire to be identified with the organization in particular.

2) **Continuing Commitment**

Continuing commitment is the result of a decision to keep working in the organization because of personal investments (pension benefits, seniority, etc.) as a result of working in an organization or company.

3) **Normative Commitment**

This normative commitment reflects the value of individual loyalty in general as a result of the main socialization in a culture that is emphasized by loyalty to the company, including jobs in the organization or company.

d. **Factors Affecting Organizational Commitment**

Steers and Porter (1987) suggest that there are three factors that can influence employee commitment to the organization, namely:

1) **Personal Factors**

This personal factor is an individual's commitment to the organization that will be influenced by the employee's own personal factors, such as expectations about work, psychological conditions, work choices, and personal characteristics that include values, beliefs and personality.

2) **Organizational Factors**

This organizational factor can be seen for example in work experience, scope of work, supervision and consistency of goals of the organization. This will lead to a sense of responsibility in each individual employee.

3) **Non-organizational Factors**

These non-organizational factors are related to the availability of alternative jobs in an organization or company where employees work.

2. **Transformational Leadership**

a. **Definition of Transformational Leadership**

Transformational leadership is one of the important tools that have influence in an organization or company. Bass, Avolio, and Atwater (1996) suggest that transformational leadership styles are individuals who invite subordinates to work beyond their self-interest for the good of the group, organization, or society, also to increase the expectations and abilities of subordinates, as well as their willingness to take risks for their work. . Transformational leadership is leadership that provides individualized consideration and intellectual stimulation and has charisma (Robbins and Judge, 2007). Northouse (2010) adds that transformational leadership is a process in which individuals engage with other individuals and create relationships that can increase the level of motivation and morality in both leaders and subordinates. Transformational leaders always pay attention to the needs and motives of their subordinates and try to help their subordinates achieve their maximum potential (Northouse, 2010).

b. **Dimensions of Transformational Leadership**

There are several dimensions of transformational leadership that will create an emotional bond between leaders and followers. Avolio, Bass, and Jung (2003) divide the basic principles of transformational leadership into four, namely:

1) **Charisma (Idealized Influence)**

Charisma emphasizes the type of leader who displays trust, confidence, and is admired by his subordinates. Leaders demonstrate high standards of moral and ethical behavior, and use the ability to move individuals and individuals and groups toward the achievement of missions and not individual values.

2) **Inspiring Motivation (Inspirational Motivation)**

Inspiring motivation emphasizes how to motivate and inspire subordinates to the challenges of the work or task given.

3) **Stimulating Knowledge (In Intellectual Stimulation)**

Stimulating this knowledge emphasizes the type of leader who seeks to be able to encourage his subordinates to think about innovation, creativity, new methods or ways.

4) **Considering Individuals (Individual Consideration)**

Considering this individual emphasizes the type of leader who pays attention to the development of the achievement needs of subordinates.

3. **Transactional Leadership**

a. **Definition of Transactional Leadership**

Robbins (2002) suggests that transactional leaders are leaders who are able to guide or motivate their subordinates in a predetermined direction by clarifying roles and demands on each task or job. Bass (1985) suggests that transactional leadership is an explanation that the leader assigns the role of subordinates and motivates them through rewards for good performance and punishment for bad attitudes. Northouse (2010) also suggests that transactional leadership refers to most leadership models that focus on exchanges that occur between leaders and their subordinates.

b. **Transactional Leadership Dimensions**

Bass (1985) suggests that in transactional leadership there are two dimensions in it, namely:

1) *Contingent Reward*

This contingent reward is manifested by the leader's willingness to direct subordinates and provide an understanding of what needs to be done to be able to get rewards and provide punishment for unwanted actions and be able to provide positive feedback and promotions for good performance.

2) *Management by Exception*

Management by exception is divided into two, namely active and passive. In active management by exception, the leader actively monitors the execution of the work tasks of his subordinates so they don't make mistakes, or so that errors and failures can be identified as soon as possible to be corrected. Whereas in passive management by exception, the new leader acts after a failure in the process of achieving goals, or after a problem really arises that has a serious impact on the company or organization. Transactional leaders will provide warnings and sanctions to subordinates if there are errors related to the performance of their subordinates.

3) *Laissez Faire*

The leader gives freedom to his subordinates to carry out their duties without any supervision from him. The quality and results of the work are entirely the

responsibility of their subordinates. The view of a leader that Laissez Faire treats his subordinates as people who can be responsible for all the tasks given.

DISCUSSION

This study aims to determine the contribution of transformational leadership and transactional leadership to organizational commitment of employees of bank "X" in the city of Makassar. Based on the results of hypothesis testing, it is found that transformational leadership and transactional leadership both contribute significantly to organizational commitment. This is based on the significance value of 0.00 obtained for transformational leadership and transactional leadership.

The results of this study are consistent and support by Bass (1985) who argues that transformational leadership and transactional leadership are different things but not mutually exclusive processes. Therefore, it is possible for a leader to apply the two leadership styles to different situations. Prasetyo (2008) suggests that transformational leadership and transactional leadership positively contribute to affective commitment and continuance commitment. The results of research conducted by Selly (2004) stated that perceptions of transformational leadership and transactional leadership together have a relationship with employee organizational commitment to the company. Therefore, it can be concluded that transformational leadership and transactional leadership together can contribute significantly to organizational commitment to employees.

Furthermore, based on the results of the study, it was found that transformational leadership contributed positively and significantly to organizational commitment. Meanwhile, transactional leadership contributes negatively and significantly to organizational commitment. This is evidenced by the results of the analysis conducted by researchers and obtained a standard Beta value of 0.52 with a significance of 0.00 ($p < 0.05$) in model 1, namely the regression equation on transformational leadership to organizational commitment. Furthermore, in the equation test model 2, namely the addition of transactional leadership in testing the regression equation for organizational commitment, the standard Beta value is 0.59 with a significance of 0.02 for transformational leadership and the standard Beta value is -0.16 with a significance of 0.02 for transactional leadership.

This study shows that the higher the transformational leadership, the higher the organizational commitment to employees. On the other hand, the higher the transactional leadership, the lower the organizational commitment to employees. This research is in line with what was stated by Bass (1985) that transformational leaders have the ability to create high commitment.

Transformational leaders are able to motivate employees by increasing the importance and value of tasks in the eyes of employees and support employees to prioritize group interests by raising the level of needs of employees to a higher level such as self-actualization (Bass, 1985). While the transactional leader proposed by Bass and Avolio (1999) emphasizes what employees must do to achieve their own and company's needs and clarify these demands and make employees feel confident to achieve goals by adding the required effort. In addition, transactional leaders influence the values and self-concept of employees so that later employees are able to show high performance goals, satisfaction, and commitment to the company or organization.

Employees who have high organizational commitment will have an influence on achieving the goals of the company or organization. Organizations will find it easier to achieve goals and

objectives if employees have a high commitment to the company or organization. However, in forming commitment to employees at the company or organization, it is necessary to have a leader who acts as a role model in work. Research conducted by Smith et al. (1993) suggests that commitment can be defined as a trust from employees to accept the goals and values in the organization, a desire to advance the organization and have a strong desire to stay and work for the organization.

Transformational leadership and transactional leadership have an important role in employee organizational commitment. This can be seen in the results of the study shown in the results of the multiple linear regression model. In model 1, where transformational leadership is the only predictor of organizational commitment, the R2 value is 0.28 with a significance of 0.00 (p<0.05). Then in model 2 which is the contribution of transformational leadership added to transactional leadership, then the R2 value is 0.30 with a significance of 0.02. So it can be seen that there is an increase of 0.02 in the value of R2 after the researcher adds transactional leadership so that it is known that transformational leadership and transactional leadership contribute 30% to organizational commitment and the rest are variables not examined. This shows that the level of contribution of transformational leadership and transactional leadership to organizational commitment is quite high.

CONCLUSIONS AND RECOMMENDATIONS
Conclusion
Based on the results of the research that has been presented by the researchers, it can be concluded that:

a. Based on the results of hypothesis testing, it can be seen that in hypothesis 1, H01 is accepted and Ha1 is rejected. While in hypothesis 2, H02 is accepted and Ha2 is rejected. H01 statistically can be shown that transformational leadership contributes positively and significantly to employee organizational commitment. While in H02 it is known that transactional leadership contributes negatively and significantly to organizational commitment.

b. Based on the results of multiple linear regression analysis conducted by the researcher, it was found that transformational leadership contributed positively and significantly to organizational commitment, while transactional leadership contributed negatively and significantly to organizational commitment. This shows that the higher the transformational leadership style, the higher the employee's organizational commitment. Conversely, the higher the transactional leadership style, the lower the employee's organizational commitment.

c. The description of the level of transformational leadership and transactional leadership, as well as organizational commitment to bank X employees in Makassar City is divided into five categories, namely very high, high, medium, low and very low. In this study, the description of the level of transformational leadership and transactional leadership and organizational commitment tends to be in the high category with a percentage of 41% on transformational leadership, 41% on transactional leadership, and 42% on organizational commitment.

Recommendations
From the results of the research conducted, the researcher realizes that there are still many limitations and weaknesses in this study. However, this is a very valuable lesson to be used as an evaluation material for both the researchers themselves and future researchers. Based on the research results obtained, the researchers provide suggestions that may be useful, namely as follows:

a. For further research, it is necessary to pay attention to the overall questionnaire design so as to avoid things that cause participant saturation and provide answers that are appropriate and complete.

b. To the leadership of Bank X in Makassar City, the results of this study can be used as positive input for the company. In order to further increase employee organizational commitment, leaders should use transformational leadership styles and try to avoid transactional leadership styles. Because, from the analysis results obtained, it shows that transactional leadership contributes negatively and can reduce organizational commitment to employees.

c. To the employees of Bank X in Makassar City, the results of this study can be used as reference material for employees to continue to increase their commitment to work so that they are able to achieve the goals and expectations of Bank X in Makassar City. Employees who have very high and high organizational commitment are expected to be able to maintain their organizational commitment and share experiences in increasing their organizational commitment with other employees. Meanwhile, employees with moderate, low and very low organizational commitment are expected to develop their abilities through training held by the company, adapting to the company, creating a comfortable work environment such as establishing good relations between employees and leaders.

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