

## **Effect of Transformational Leadership and Transactional Leadership on Employee Performance of Konawe Education Department at Southeast Sulawesi Province<sup>\*)</sup>**

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**ABSTRACT** : *This study aim is to assess, to analyze and demonstrating empirically effects of Transformational and Transactional Leadership on Employee Performance of Konawe Education Department at Southeast Sulawesi Province. This study is an explanatory approach using associative primary data from questionnaires. Sample size was determined by Slovin formula. Number of samples is 126 respondents from 185 Konawe Bureau staff. Analysis technique used is descriptive statistical analysis using path analysis tool.*

*This study examined four variables namely transformational leadership (X1) and transactional leadership (X2) as independent variables, work motivation (Y1) as an intervening variable, and employee's performance (Y2) as dependent variable. These four variables were tested by partial/direct effect and simultaneous effect between variables. Partial test results are follows (a) effect of transformational leadership on performance is 0.646. (b) Effect of transactional leadership on performance is 0.173, (c) effect of work motivation on performance is 0.698. Simultaneous test result are follows: (a) effect of transformational and transactional leadership on work motivation is equal to 0.484 and (b) effect of transformational leadership, transactional and work motivation on performance value of 0.628. With the results of this test indicate that either partial or simultaneous test the variables have positive and significant effect.*

**KEYWORDS:** *Transformational Leadership, Transactional Leadership, Work Motivation, Employee Performance*

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### **I. INTRODUCTION**

Leadership is a very important factor in an organization because most of success and failure of an organization is determined by leadership. As proposed by James M. Black on *Management: A Guide to Executive Command* (Marno et.al, 2008:187), "Leadership is ability to convince and mobilize others to work together as a team under his leadership to achieve a certain goal. While Indrafachrudhi (2006:2) stated "Leadership is an activity to guide a group in such a way in order to reach goal". Leadership emphasizes a change in most comprehensive and deals with leadership in 21st century namely transformational and transactional leadership. Transformational leadership seeks to transform of visionary become collective vision where subordinates work to realize the vision into reality. In other words, transformational process can be seen through a number of transformational leadership behaviors as: attributed charisma, idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Bass and Avolio, 2003). Transactional leadership is a leadership style that emphasizes to transactions between leaders and subordinates. Bass and Avolio (2003) suggest that characteristics of transactional leadership consist of two aspects, namely contingent reward and exception management. Contingent reward is leaders make agreement about what must subordinate do and promising reward obtained when goal is achieved. While exception management is leader monitor deviations from established standards and take corrective action. Leader with transformational leadership style always gives work motivation with an emphasis on social relationships to employees to achieve good performance. Rival (2004) says that leader always involve employees in decision making, putting subordinates as partners as well as promoting a sense of social that will foster a positive attitude of subordinates. Subordinates/employees under transformational leadership really want to do superiors desires. Subordinates will not reject or ignore the wishes of leader, so this leadership makes lower work absenteeism. Yukl (2007) states that application of transformational leadership style can improve performance because transformational leadership wants to develop knowledge and employees potential. Leader with transformational leadership provides opportunity and confidence to his subordinates to carry out duties in accordance with his mindset to achieve organizational goals. Similarly, transactional leadership style is one leadership style that emphasizes on transaction between leaders and subordinates. Transactional leadership motivates and influencing subordinates by exchanging reward with a particular performance.

In a transaction the subordinate promised to be given rewards when subordinates able to complete their duties in accordance with agreements. In other words, he encourages subordinates to work. Konawe Education Department is one agency with 185 personnel. It consist of 66 staff/employees, 13 kindergarten supervisors, 63 elementary school supervisor, 28 junior high supervisors, 13 high school superintendent and 2 superintendent SMK. Initial observation of leadership style, job motivation and employees performance at Kendari District Education Office show that leadership style of head unit is very motivated, enthusiastic and self belief to grow subordinates in carrying out task and involving subordinates in problem solving, as well as emphasizing the importance to maintain moral values and work. In another unit, head unit embraces subordinates only if he needs information or has a personal interest. There is also a relationship in a limited two-way communication between superiors and subordinates, but only for special interests to consult to superiors. However, there are also several work units that implementing only unidirectional communication from top to down and requires the tasks completion regardless of work support facilities. The above phenomenon is result of leader behavior. Basically every leader has a different behavior in leading his followers. It is called leadership style. Leadership style is consistent with leadership paradigm. Twenty first century involves transformational and transactional leadership's style. It no longer based on nature, behavior and certain situations but it based on leader ability emphasize a change comprehensively with regard to leadership in a century 21 (Bass, 2005). Leadership style application is determined by leaders themselves. IF leadership style applied is good and can give a good direction to subordinates, then it create confidence and work motivation to employees, thus increasing employee morale which also affects on better employee performance.

Motivation is something essential in transformational and transactional leadership, because lead is motivating, leaders must work together with subordinates/employees to achieve better performance. Similarly, employee performance is very influenced by leadership style. Transformational and transactional leadership affect on performance employee. Haryadi (2003) says that transformational leadership and transactional leadership has a positive effect on performance. This leader able to motivate subordinates/employees. Employees who have a high work motivation usually have a peak performance. Suharto and Cahyono (2005) and Judge (2006) say that motivation is one factor that affects performance, where motivation is a condition that moves someone to achieve a goal or achieve desired results. In this connection, Rival (2004) says stronger work motivation will provide a significant improvement to increase employee's performance in carrying out their work. Starting from effect of transformational and transactional leadership on work motivation and employee's performance, this research is intended to test and analyze empirically effect of transformational leadership and transactional leadership on job motivation and employees performance. Study subjects were civil servants on Department of Education Konawe. Therefore, this research will be done with title: Effects of Transformational and Transactional Leadership on Employee Performance of Konawe Education Department at Southeast Sulawesi.

Based on explanation above the problem of this study are follows:

1. Is transformational leadership affect on employee performance of Konawe Education Department?
2. Is transactional leadership affects on employee performance of Konawe Education Department?
3. Is work motivation affect on employee performance of Konawe Education Department?
4. Is transformational leadership and transactional leadership simultaneously affect on employee motivation of Konawe Education Department?
5. Is transformational leadership and transactional leadership and work motivation simultaneously affect on employee performance of Konawe Education Department?

## **II. REVIEW LITERATURE**

### **2.1 Effect of Transformational Leadership on Performance**

Theory the effect of transformational leadership on performance is proposed by Butler (1999) that a transformational leader encourages subordinates to have vision, mission and organization goals, encouraging and motivating to show maximum performance, stimulates subordinates to act critically and to solve problems in new ways and treat employees individually. As a consequence subordinates will reciprocate by showing maximum work. It is similar with Haryadi et.al. (2003) study conclusion that there is a significant relationship between transformational leadership on employee performance. This study results demonstrate that supervisor also more likely to adopt transformational leadership approach, because leader provides good motivation and good example. Similarly, Suharto (2005) suggests that more frequent transformational leadership behaviors implemented will bring significant positive effect to improve psychological empowerment quality of subordinates. Transformational leader that gives attention to individual will capable to direct vision and mission of organization, providing motivational support, and creating new ways to work effectively. It proved instrumental to subordinate psychological empowerment. Suharto (2005) revealed that transformational leadership styles such as charisma, idealistic influence, inspirational motivation, intellectual

stimulation and individual consideration have a significant effect on employee performance, because by time is sometimes affected by transformational leadership style. Similarly, Koh et al. (1995) showed that there was significant relationship between transformational and transactional leadership with performance

## **2.2. Transactional Leadership affect on performance**

Transactional leadership affect on employee performance. This is consistent with Burns in Bass (2005) that exchange relationship in transactional leadership, where subordinate are expected to offer a performance to leader, in this case the form of transaction, employer offers an abstract reward (trust, commitment and respect), and real rewards. It can be interpreted as fee or remuneration. Transaction process between leaders and subordinates directed to produce a satisfactory performance. It consistent with theory of Bass and Avolio (2003) which says that transactional leadership style affect on employee performance. Transactional leadership styles can affect positively or negatively on performance. It depends on employee assessment. Positive effect can occur when employees assess transactional leadership positively and a negative effect can occur if employee considers that transactional leadership styles can not be trusted because they do not keep their promises, dishonest or not transparent. Study effect of transactional leadership on performance is conducted by Haryadi (2003), Andarika (2004), and Ahn et.al (2005) which explains that transactional leadership style has positive and significant effect on employee performance.

## **2.3 Effect of Motivation on Performance**

Theories related to effect of motivation on performance is expectancy theory of Victor H.Vroom (Luthans, 2006: 286) who explains that employee will be motivated to strive well believe that if the good work will bring good judgment as well their performance, where it will be followed by an award from organization, both materially as a bonus, raise, or promotion, or immaterially as praise and recognition. Furthermore, this award will satisfy the individual goals of employees as expected. This consistent with theory of Mc. Clelland that known as Mc. Clelland's Achievement Motivation Theory (Sihotang, 2007:251) that a person work is motivated by motives, expectancy, incentive. Therefore, motivation has positive and significant effect on performance. Similarly, Rival (2004) showed that stronger motivation makes higher employee performance. This means that employee motivation increase will provide a significant improvement to increase employee's performance in carrying out their work. Thus, motivation affect positively on performance. It consistent with Mangkunagara (2005: 69) that performance is a function of motivation and ability to complete a job someone with concern to education, skills, and experience in their respective field of work.

## **2.4. Effect of Transformational Leadership and Transactional leadership on Employees work motivation**

Grand theory of transformational leadership from Bass (2005) stated that transformational leadership style is a leadership model that aims to encourage extra effort of followers to achieve the expected performance. Transformational leadership is leaders motivate subordinates to do something and achieve a certain performance more than what was originally expected. It also consistent with Conger (1991) which asserts that transformational leadership is able to transform ordinary people to do extraordinary things; legitimacy of personal power involves a special relationship between them based on trust, respect, and recognition of competence. Therefore, in addition to have role as visionary, motivator, coach, and mentor, transformational leadership also become wise man and authoritative. Similarly, Keller (2003) says that transformational leadership is a process to increase leader and employee motivational to improve employee awareness by encouraging idealism, moral values, liberation, justice, peace, balance, and not based on emotional, fear, and jealous. This is consistent with opinion of Bass and Avolio (2003) that a leader has ability to change work environment, work motivation, and work patterns, and work values perceived subordinates so that they are better able to optimize performance with organizational goals. It means a process of transformational leadership occurs when relationship leader with subordinates build awareness of work value importance, expanding and increasing the need beyond personal interest and to encourage changes towards a common interest, including organization interests. It also consistent with Burns (in Wahjosumidjo, 2006: 27) that model of transformational leadership emphasizes leader to motivate subordinates to perform their responsibilities, more than they expect. Transformational leader must be able to define, communicate and articulate organization's vision, and subordinates must accept and acknowledge the leaders credibility.

Transactional leadership effects on work motivation is defined as a model of leadership that guide or motivate subordinates towards goals set by clarifying role and task demands. Transactional leadership is described by Burns (1978) as motivating followers, primarily through changes based on contingent reward. Principally, transactional leadership is an attempt to motivate subordinates by exchanging benefits to work with subordinates, and indicate that transactional leaders emphasize to exchange and short-term economic value.

This is consistent with opinion of Thomas (2003) who said that transactional leadership styles affect on motivation, because transactional leadership style motivate subordinates by stimulating their own interest. Leadership behavior is focused on task outcome and good workers relationship in exchange for desirable rewards. Transactional leadership style encourages leaders to adjust their behavior and to understand subordinates expectations.

## **2.5. Effect of Transformational Leadership and Transactional Leadership and Work motivation on Employee Performance.**

Transformational leadership style, transactional leadership style and work motivation directly affects on employee performance. This consistent with Bass theory (Yukl, 1998) that transformational leadership is a leadership style that can arouse or motivate employees, so they can thrive and achieve at a high level of performance, more than what they thought before. Similarly, David (2002) says that one of key factors that affecting employee performance is work motivation. Employees with high work motivation and transformational leadership style affect to improve employee performance. Therefore, work motivation positively and significantly may mediate the relationship between transformational leadership styles on employee performance. On other hand, basically transactional leaders emphasize that a leader needs to determine what needs to be done by subordinates to achieve organizational goals. In addition, transactional leaders tend to focus on completion of organizational tasks. To motivate subordinates carry out their responsibilities, transactional leaders rely heavily on a rewards system and punishment to his subordinates. Reward and punishment is a motivation to subordinates. Motivation is as a result of encouragement to fulfill needs (Luthans, 2006:270). Employee performance is influenced by motivation or vice versa. Performance is result of work accomplished during a given period that requires ability through effort, skill and motivation fulfillment through a leadership style from leader. This is in line with opinion of Robbins (2008: 218) who says that employee's performance is a function of interaction between ability and motivation, if not adequate, performance will be negatively affected. Intelligence and skills also should be considered in addition to motivational abilities. In terms of employee performance, Bernardin and Rusel (Ruky, 2004:340) suggests five primary criteria that can be used to measure performance, namely: 1. Work quality, 2. Work quantity, 3. Timeliness, 4. Work independence and 5. Individual relationships

### **III. METHODS**

This study uses associative explanative research to determine relationship between two or more variables to research causal relationship between variables. This research location is Education Konawe Department at Southeast Sulawesi Province. These study populations were all civil servants in Konawe District Education Office with totaling 185 people. It scattered on secretariat, fields, and Functional. Number of samples in this study was determined using Slovin formula (Uma Sekaran, 2006) with a precision level of 5%. Therefore, number of population in this study was 126 civil servants which are spread over a number of work units within Konawe education Department. Number of samples in each of work units is calculated proportionally

This study variables is grouped into 3 (three) variables

a. Independent variable), namely:

1. Transformational leadership (X1) variable, with indicator: Attributed charisma, idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration, that adapted from theory of Bass and Avolio (2003)
  2. Transactional leadership) (X2) variable, with indicator: contingent reward, management by active exception and management by passive exception (Adapted theory Bass and Avolio (2003).
- b Intervening variable, namely Motivation (Y1) variable, with indicator: motive, expectancy and incentive adapted from theory of Mc. Clelland (Sihotang, 2007)
- c Dependent variable, namely performance (Y2) variables, with indicator: quality of work, quantity of work, timeliness of work, job autonomy, individual relationships. Adapted from Bernardin and Russel theory (Ruky, 2002)

The instruments used to collect data are Likert scale questionnaire that tested before to determine the validity and reliability of instrument. Data was collected using a questionnaire and study documentation. Analysis technique used is descriptive statistical analysis using path analysis tools with the aim to determine effect of transformational leadership and transactional leadership and work motivation on employee performance of Konawe Education Department at Southeast Sulawesi, both partially and simultaneously, that processed by Statistical Package For Social Sciences (SPSS) for Windows version 18.0



## **IV. RESULTS AND DISCUSSION**

### **4.1. Effect of Transformational Leadership on Employee Performance**

Transformational leader basically makes followers become more sensitive to value and importance of work, activating the needs at a higher level and lead the followers to more concerned with organization. It creates followers trust and respect for leader, as well as motivated to do anything more than expected of him. Transformational leadership effects are achieved by using charisma, inspirational leadership, individual attention, idealism and intellectual stimulation. Effect of transformational leadership on performance according to test results is 0.646 with a positive direction. It means transformational leadership affect on employee performance of Konawe Education Department. Path coefficient is positive, meaning that higher transformational leadership tends to improve employee performance. It can be proved with a probability value of  $0.000 < \alpha = 0.05$ , meaning transformational leadership has significant or noticeable effect on employee performance of Konawe Education Department. It can be concluded that transformational leadership has positive and significant effect on performance. Changes in improvement direction of transformational leadership positively and significantly improve performance of Konawe Education Department. This occurs because transformational leadership application at Konawe Education Department well-regarded by subordinates or employees for five dimensions namely Attributed charisma, idealized influence, inspirational motivation, intellectual stimulation and individualized consideration.

For attributed charisma, leadership at Education Konawe Department, in their duties to achieve expected outcomes of individual performance, has ability to communicate vision and mission of Konawe Education Department to his subordinates. Respondents also said that leadership has ability to generate subordinates trust and foster good relations with subordinates, and always receives motivation from superiors in carrying out task. For idealized influence dimension, leadership within Department of Education Konawe in effort to improve performance of individual employee received a direct communication from subordinates to superiors for always emphasize ethical values and morals in works. Similarly, leadership has strong certainties to success in carrying out duties and functions, to always consider consequences of moral and ethics of every decision made. Similarly, inspirational motivation dimensions indicate that respondent has enthusiasm to carry out this task because leader has the ability to arouse the enthusiasm of subordinates and subordinates are also able to generate trust to task. Leader also has ability to convey important organizational goals to subordinates. For intellectual stimulation dimension, employees work is based on rationality and creativity because leaders have the ability to develop rationality and creativity work of subordinates. Similarly, subordinates and leader cooperate to resolve problems encountered. Similarly, for individualized consideration dimension, leader has ability to foster confidence in subordinates as an intact person, and presence of leader's ability provide individual attention and support to achievement. In addition, leader also shows ability appreciate the difference individual and rewarding. These study findings indicate that there is a positive and significant effect of transformational leadership on employee performance. This supports theory proposed by Butler (1999) that a transformational leader encourages subordinates to have vision, mission and goals of organization, encouraging and motivating to show maximum performance, stimulate subordinates to act critically and solve problems in new ways and treat employees individually. As a consequence subordinates will reciprocate by showing maximum work. It is similar with conclusion of Haryadi et.al. (2003) that there is a significant relationship between transformational leadership and employee performance.

Similarly, this study results are supported by the results of research experts on transformational leadership. Suryanto (in Tampubolon, 2007) outlines follows:

- [1] Walumbwa, et.al. (2004), transformational leadership has a positive effect on commitment, performance and job satisfaction.
- [2] Ozaralli (2003) show prediction that transformational leadership affect on subordinate empowerment. existence of transformational leaders lead team member feels empowerment. The more they experience empowerment, the more effective team.
- [3] Boehnke & Bontis (2003) stated although the application of principles of transformational leadership needs to adapt to various countries, universally transformational leadership style helping employees be more effective leaders lead and produce best performance.
- [4] Langbert & Friedman (2003) stated transformational leaders have ability to motivate subordinates that allows them to maintain achievements and achieve revolutionary change.
- [5] Sparks & Schenk (2001) stated transformational leadership can truly transform followers by encouraging them to see a higher purpose in world of work and encourage the achievement of best possible performance.

#### **4.2. Effect of Transactional Leadership on Employee Performance**

These results prove that transactional leadership style have significant and positive effect on employee performance that shown with value of 0.173 and positive direction. It means transactional leadership has positive effect on employee performance of Konawe Education Department. Positive path coefficient means that higher transactional leadership tends to improve performance. Then it can be proved with a probability value of  $-0.014 < \alpha = 0.05$ . It means transactional leadership has significant effect on employee performance of Konawe Education Department. Transactional leadership has positive and significant effect on performance. Changes in direction of transactional leadership positively and significantly improve employee performance Konawe Education Department. This occurs because good application of transactional leadership at Konawe Education Department for all three dimensions (contingent ward, management by active exception and management by passive exception). For ward contingent dimensions, leaders of Konawe Education Department show fairness and honesty to give reward that adapted to subordinates work. Similarly, leaders reward subordinates based on work and time agreed. Similarly, for dimensions of management by active exception, leaders provide clarity procedures implementation tasks assigned to subordinates, provides oversight to subordinates in order to avoid mistakes in work. For dimension of management by passive exception, leaders hold meetings with subordinates to discuss the problems encountered in work, and to intervene or correcting problems faced by subordinates at work if gets worse or does not comply with labor standards, and coach employees who have failed to work.

These study findings indicate that transactional leadership has a significant and positive effect on employee performance. It is in line thinking of Burns in Bass (2005), that exchange relationship is happened in transactional leadership, which subordinate are expected to show a performance that expected by leader, in this case create transaction, where the boss offers abstract reward (trust, commitment and respect), and real rewards, as reward or remuneration. Transaction process between leaders and subordinates directed to produce a satisfactory performance. Similarly, results of this study support theory of Bass and Avolio (2003) that transactional leadership style affects on employee performance. Effect of transactional leadership styles on performance can be positive or negative. It depend on employee assessment, positive effect can occur when employees assess transactional leadership is good and negative if the employee considers that transactional leaderships styles can not be trusted because they do not keep their promises, dishonest or not transparent.

#### **4.3. Effect of Work Motivation on Employee Performance**

Motivation is a skill to direct employees to organizational goals in order to work to make employees desires and organizational goals can be achieved. One motivation to do a job due to a necessity of life that must be met. These needs may include the need to earn money for economical need, while the non-economic needs can be interpreted as the need to gain an appreciation and desire to more advance. With all these requirements, a person required to be more active in work. It is necessary to achieve motivation to do the work, because it can encourage a person to work and always willing to continue his efforts. Therefore, an employee who has a high work motivation usually has a peak performance. The results of this study indicate that work motivation has a positive and significant effect on employee performance of Konawe Education Department. This is consistent with test results as evidenced by values of 0.698. Positive direction means work motivation has positive effect on employee performance of Konawe Education Department. Positive path coefficient means that higher work motivation tends to improve performance. Probability value is  $0.000 < \alpha = 0.05$ , which means there is a real effect or the significant between work motivation on employee performance of Konawe Education Department. With the results it can be concluded that work motivation has positive and significant effect on performance. Positive changes a work motivation positively and significantly improve employee performance of Konawe Education Department. This happens because the respondent or employee has a good work motivation that includes dimensions motive, Expectancy and incentive

Motive dimension of Konawe Education Department in carrying out the activities is inspire by motives to fulfill needs of food and clothing, existence of protection in event of an accident, realization of security in work and presence of leadership and self-esteem of co-workers to perform the task. Expectancy dimension makes leader to promote subordinates to achieve good positions, provide subordinates opportunities to increase knowledge/skills, and realize cooperation between leaders and subordinates and between co-workers in performing the task. For Incentives dimension, employees at Education Department receive incentives from leadership in terms of acquisition/acceptance of additional fees, gift/bonus for performance and leader appreciation for good performance. This study results that indicate work motivation has a positive and significant effect on performance is consistent with theory described earlier, namely expectancy theory. Employees will be motivated to strive well if believe that good work will bring good judgment as good performance (indicator of performance effort or expectancy), which will then be followed by an award from organization, both in material as bonuses, salary increases, or promotion, or non- material such as praise and recognition (or

instrumentally outcome performance indicators). Furthermore, this award will satisfy the individual goals of employees (indicator dignity or valence) because consistent with expectation (Vroom, 1994). This is consistent with theory proposed by McClelland that known as Mc. Clelland's Achievement Motivation Theory (Sihotang, 2007:251) that a person working is motivated by motive element, expectations, and incentive, so that motivation has positive and significant effect on performance. Similarly, in line with the opinion Rival (2004), stronger motivation makes higher employee performance. This means that any increase of employee motivation will provide a significant improvement of employee's performance in carrying out their work. Thus, relationship between motivation and performance is positive. This is similar with Mangkunagara (2001: 69) that performance is a function of motivation and ability to complete a job someone with a premium on education, skills, and experience in their respective field of work.

#### **4.4. Effect of Transformational Leadership and Transactional leadership on Employees work motivation**

Effect of transformational leadership style and transactional leadership on employee motivation within Konawe Education Department in accordance with test results indicate that transformational and transactional leadership style simultaneously have positive and significant effect on employee motivation in Konawe Education Department, Kendari District Education Office, this is evidenced by effect the value of 0.484 with a 95% confidence level. This is due to good applicability of transformational and transactional leadership to motivate employees. Transformational leadership style of Kendari Education Department doing well to transform visionary into a shared vision so that they (subordinates plus leader) working to realize the vision into reality. Similarly, it has ability to match future vision with his subordinates, as well as stimulates subordinates intellectually and in terms of giving attention to differences among subordinates. Similarly, leader of Konawe Education Department use transactional leadership to deal about things done by subordinates and promising rewards when it is achieved. Similarly, leader monitor standards have been set and take corrective action if standards are not achieved. With implementation of transformational and transactional leadership style by leaders of Konawe Education Department, they motivated to work in accordance with duties and functions that by motives, expectations, and incentives. This study finding indicate that transformational and transactional leadership have positive and significant effect on work motivation to support theory of Tucker and Lewis (2004) which says that transformational leadership as leadership patterns that can motivate employees to carry ideals and high values to achieve organization's vision and mission to form a basis for confidence in leadership. Transformational and transactional leadership style provides a frame of reference to organization. Similarly, Bass (in Yukl, 1998) says that transformational leadership is a leadership style that can arouse or motivate employees, so that they can thrive and achieve at a high level of performance, more than what they thought before

These results are also supported by a grand theory of transformational leadership of Bass (2005) who stated that transformational leadership is a leadership model that aims to encourage extra effort of followers to achieve expected performance. Transformational leadership style make leaders motivate subordinates to do something and achieve a certain performance more than what was originally expected. It also in line with opinion of Burns (Wahjosumidjo, 2006: 27) who says that model of transformational leadership emphasizes leader needs to motivate subordinates to perform their responsibilities, more than they expect. Transformational leader must be able to define, communicate and articulate organization's vision, and subordinates must accept and acknowledge the credibility of its leaders. Gibson et al (1997: 5), says that leadership is an attempt to use a style to affects individual and does not use motivating force to achieve goals. Transactional leadership effects on work motivation is as stated by Burns (1978) and Bass (2005) which says that transactional leadership is defined as a model of leadership that guide or motivate subordinates towards goals set by clarifying role and task demands. Transactional leadership is described by Burns (1978) to motivate followers, primarily through changes based on contingent reward. Principally, transactional leadership is an attempt to motivate subordinates by means of exchanging benefits with subordinate performance, and indicate that transactional leaders emphasize exchange and short-term economic value.

This is in line with opinion of Thomas (2003) who said that there was effect of transactional leadership styles on motivation, because the transactional leadership style motivates subordinates by their own interest. Leadership behavior focused on task outcome and workers good relationship in exchange for desirable rewards. Transactional leadership style encourages leaders to adjust their behavior and to understand subordinates expectations. Similarly, in line with the opinion of Brown (2003) that within transactional leadership, leaders and followers acted as bargaining actors in a process that involves exchange of rewards and punishments. The main idea is there is a transactional approach to exchange, what leader wants from followers and in return leader will give what is desired by followers. Thus, transactional leaders motivate subordinates to act in accordance with expectation through the establishment of reward and punishment. Leadership has two dimensions which

include: (a) Active, leaders supervise and look for deviations of various rules and standards, and taking corrective action, (b). Passive, leader intervenes only if standards are not achieved.

#### **4.5. Effect of Transformational Leadership and Transactional Leadership and Work motivation on Employee Performance.**

Effect of transformational leadership and transactional leadership and work motivation on employee performance of Konawe Education Department showed a positive and significant effect. This is consistent with test results effect value of 0.628 with a confidence level of 95%. Transformational leadership and transactional leadership and job motivation have significant and positive direction on employee performance improvement of Konawe Education Department. This happens because leadership of Konawe Education Department properly implement transformational leadership style and transactional leadership, causing employees motivated to work and produce good performance on five dimensions of work quality dimensions, work quantity, work timeliness, employment and independence dimensions of individual relationships. On dimension of work quality, employee of Konawe Education Department is able to achieve work quality in accordance with standards of leadership, and execution of a task or job is consistent with established procedures. For work quantity dimension, employees are able to complete the task according to volume of work in accordance with duties and functions that have been set, thus also able to utilize facilities that very supportive implementation duties in either category. For timeliness dimensions, employee concern to start and completing work assigned by leadership to him. For Independence dimensions, employee has a lot of work experience and has the skills so that any task assigned to him can be solved independently. Similarly, dimensions of individual relationships show that Konawe Education Department, addition to working alone, can also collaborate with colleagues in performing basic tasks and responsibilities.

This study result shows that there is a positive and significant effect of transformational leadership, transactional and work motivation on employee performance. This supports the opinion of Bass and Avolio (2003) that transformational and transactional leadership styles can not be strictly separated and both are not conflicting leadership styles. Transformational and transactional leadership is very important and needed by each organization. Organization requires vision, encouragement, and commitment formed by transformational leaders. But organizations also need show transactional leaders to provide direction to focus on things detail, explaining behavior and reward for the work done. Transformational leadership approach can not replace the concept of transactional leadership. However transformational leadership approach gives an opportunity for leaders to do more in developing and improving work motivation in organizations.

This study result also support theory proposed by Yulk (2007:320) that transformational and transactional leaders make followers become more aware toward importance and value of self for sake of organization. Leaders develop skills and confidence to prepare their followers to get more responsibility within an organization and gives authority. Leaders provide support and encouragement when necessary to maintain enthusiasm and effort before obstacles, difficulties and fatigue happened. It makes followers feel trust and respect toward leader, and they are motivated to do more than previously expected that making their performance better. Therefore transformational and transactional leadership has a close relationship with the follower motivation and performance improvement. This is consistent with research conducted by Koh et al. (1995) that there was a significant relationship between transformational and transactional leadership and job satisfaction. It is in line with research of Tondok and Antarika (2004) that there is a positive and significant effect of transformational and transactional leadership style on job satisfaction of employees. Similarly, results of Yadi Haryadi (2002) show that there is positive and significant effect both partially and simultaneously between transformational leadership and transactional leadership and work commitment on performance.

#### **V. ENCLOSURE**

- [1] Transformational and transactional leadership style of Konawe Education Department leader and work motivation of Konawe Education Department employee have direct and significant positive effect on employee performance of Konawe Education Department. This means that any increase in indicator of transformational leadership style, transformational leadership style and motivation of employees variables can increase employee performance of Konawe Education Department
- [2] Transformational leadership and transactional leadership style simultaneously have positive and significant effect on work motivation. The increase in transactional transformational leadership has positive direction to increase employee motivation of Konawe Education Department.
- [3] Transformational and transactional leadership style and job motivation simultaneously have positive and significant effect on performance. The increase in transactional leadership style and transformational leadership style to positive direction will improve employee performance of Konawe Education Department.



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