

The Role of Team Empowerment in Mediating The Effect of Transformational Leadership toward Employee Performance

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Abstract--- This research was conducted to find out and build the concept of transformational leadership on employee performance, both directly and through team empowerment. Researchers involved 252 respondents who were civil servants in the Office of Education and Sports in Gorontalo Province- Indonesia. The questionnaire was the data collection instruments. The data itself is processed by the Path method with SPSS analysis. Based on the results of the analysis, the researchers have found that the indirect effect of transformational leadership on employee performance is more significant than that of direct influencers. The findings of this study also found that team empowerment can mediate the effect of leadership on employee performance.

Keywords---Transformational Leadership, Team Empowerment, Employee Performance

Introduction

One dimension that plays a vital role in the dynamics of organizational life is the dimension of human resources. Human resource (HR) plays critical roles in an organization since the HR itself is an organizational entity (Ulrich and Lake, 1990). Furthermore, the development of the strategic role of human resources goes according to the dynamics of human life. The organization itself is required to formulate strategic policies in order to improve the capacity and quality of existing human resources in the organization (Nasiti, 2003).

According to Kirkman and Rossen (2000), a powerless team is a team that is able to share experiences in the form of potential, meaningfulness and autonomy. Employees who are adequately empowered will have a positive perception of their leaders so that the conditions created in the work environment are conducive to creating dynamic relationships between leaders and employees. The effect caused by the relationship is the more optimal performance by employees.

Many theoretical studies and research findings related to transformational leadership and performance include research conducted by Yuan and Lee (2011) who explored construct models connecting leadership types, organizational culture, employee performance and leadership performance, organizational culture and have a relationship to employee performance. Another study conducted by Carter et al. (2012), regarding the role of transformational leadership in improving the quality of relationships, and employee performance during organizational changes, transformational leadership is able to influence relationship quality, OCB and employee performance significantly.

Previous research related to the current research has been conducted. However, the transformational leadership topic was not related to employee performance that can be conducted with mediating variables. Walumbwa and Hartnell (2011), transformational leadership is indirectly related to employee performance through the mediating influence of relational identification and self-efficacy. Meanwhile, according to Zhu et al. (2013) that transformational leadership has an indirect effect on employee performance through effective trust. The use of mediation variables by Walumbwa and Hartnell (2011), Zhu et al. (2013), provides the results that transformational leadership is able to influence employee performance through mediation variables, namely rational identification, self-efficacy and trust. Based on this research, it can be developed research that links leadership with employee performance using different mediations. In this study, the mediating variable used is team empowering.

Psychological team empowerment reflects the collective belief of team members that they have the authority to control their proximal work environment and are responsible for the functioning of the team (Tuuli et al., 2012). A supportive culture that values employees and their contribution facilitate empowerment (Erkutlu, 2012). The shared values, beliefs and norms held by members of the organization are known as organizational culture. Creative problem solving is supported by organizational culture, the substantial value of sharing information and evaluating ideas that are fair and constructive (Yukl and Becker, 2006). Joint leadership provides control over team members and members the opportunity to manage their demands actively (Erkutlu, 2012). Leaders in an organization can energize the people they manage, causing them to approach tasks actively and enthusiastically because they have a high level of trust in the ability of subordinates to succeed (Lam and O'Higgins, 2012).

Team empowerment is based on the opinion of Spreitzer (1995). He stated that subordinates more easily achieve excellent performance if the supervisor/leader gives flexibility to the subordinates in carrying out their duties. In other words, a member or subordinate who is empowered by giving an understanding of how meaningful he is, understanding his competence, understanding his impact, and understanding that he is able to determine his own decisions is the key to the success of subordinates in carrying out tasks. Transformational leadership has the ability to move subordinates to work according to their abilities (Gibson et al. 1997). Such as research conducted by Kark, Shamir, and Chen (2003) and research conducted by Chen et al. (2007) found that transformational leadership has a positive relationship with empowerment. Other research support states that if team empowerment is done well within the organization, employees will work as much as possible in accordance with their abilities. This is proven by the research conducted by Maynard Gilson et al. (2012); Maynard Mathieu et al. (2012); Seibert Wang and Courtright (2011) who showed a positive relationship between team empowerment and performance.

The success achieved by the Provincial government is inseparable from the participation of Civil Servant employees as a source of activity in government organizations. Improving and improving the quality of public services is a goal of bureaucratic reform, but also one of the demands in increasing human resources as expected. This is reflected in the number of public complaints related to the public services received by them such as the attitude of officers who are not responsive to the community, lack of clarity about the period of completion, complicated procedures and lack of information about service standards and so on. This was reinforced by the findings of the Ombudsmen related to public services in North Gorontalo regency that received a red report card, this condition was due to employee performance that was not yet optimal. This inequality is influenced by several factors including leadership and team empowerment

Literature Review and Hypotheses

Leadership

Leadership is an indispensable factor in an organization because leadership is the main activity through which organizational goals can be achieved. Transformational leadership refers to the approach used by leaders to motivate subordinates/employees to be able to identify the goals and interests of the organization and to do something that is beyond expectations. Transformational leadership has an essential role in making changes that are very necessary for effective management. Kim (2014) says that transformational leaders have the ability to change organizations through their vision and can empower employees to take responsibility for achieving that vision. Research results show that transformational leadership can improve employee performance (Yizhong, 2018; Camps and Rodrigues, 2010). Carter et al. (2012) conducted a study of the role of transformational leadership in improving relationship quality, and employee performance during organizational changes, transformational leadership is able to influence relationship quality, OCB and employee performance significantly. Buil et al. 2018 explain that transformational leadership influences employee performance. Kossek et al. 2017, shows that employees feel more supportive supervision when implementing transformational leadership. Thus the above argument forms the basis of the first research hypothesis of this study which can be stated as follows:

H1: the more effective transformational leadership, the more employee performance increases

In addition, having a relationship with employee performance and transformational leadership is related to team empowerment. Leadership has the power to move subordinates to be willing to do according to their abilities (Gibson et al. 1997). Kark, Shamir, and Chen (2003) showed a relationship between transformational leadership and empowerment. Chen et al. (2007), shows that there is a positive relationship between leadership and empowerment. Casimir and Batram (2007) stated that transformational leadership inspires subordinates to achieve something high by showing how important their work is (Manafe & Setyorini, 2019). Spreitzer (1995); Spreitzer et al. (1997); Kirkman and Rossen (1999), research shows the relationship between empowerment and positive performance outcomes. Thus the above argument forms the basis of the second research hypothesis of this study which can be stated as follows:

H2: The more effective transformational leadership, the better the team is empowered.

Empowerment

Empowerment is a concept that connects the strengths and abilities of individuals (employees) which are the proactive behaviour of individuals towards social change. Psychological team empowerment describes the trust of a team member collectively where they have the authority to control their work environment and are responsible for the tasks and functions assigned to them (Tuuli et al. 2012). Empowered teams have the responsibility to organize and control and monitor themselves, assign work to subordinates, make decisions regarding tasks and work, and improve customer teams and quality-related problems (Wellins et al. 1990). Many benefits that can be taken from team empowerment include improving the quality of employee work, customer satisfaction, the process of improving workplace safety and employee performance itself (Fanggidae, 2019; Maynard Gilson et al., 2012; Maynard Mathieu et al., 2012; Seibert Wang and Courtright, 2011). Spreitzer (1995); Spreitzer et al. (1997); Kirkman and Rossen (1999), research shows the relationship between empowerment and positive performance outcomes. Thus the above argument forms the basis of the third research hypothesis of this study which can be stated as follows:

H3: The better the team is empowered, the more employee performance increases

Method

The population in this study amounted to 678 Civil Servants in seven (7) Department of Education and Culture in Gorontalo Province- Indonesia, while the sample was selected by proportional area random sampling technique based on the agency. The sample in this study amounted to 252 respondents.

Measurement of transformational leadership was applied by referring to Bass and Avolio, (1994) opinion, include 1) Influence, ideal; 2) Inspirational Motivation; 3) Intellectual Stimulation, and 4) Individual Awareness. The measurement of Team Empowerment uses Kirkman and Rossen (2000) with indicators: 1) Potential; 2) Meaningfulness; 3) Autonomy; and 4) Influence. Measurement of employee performance using Mondy et al. (1995): 1) Quality; 2) Quantity; 3) Timeliness; 4) Cost-effectiveness; and 5) interpersonal relationships. Analysis of the data used in this study uses path analysis with SPSS 20.

Result

Test for Assumption of Normality

Normality testing is done in two ways, namely using the P-P Plot Normal chart and the Kolmogorov-Smirnov test. Following are the results of testing the normality assumptions in structure one and structure 2 of the path model

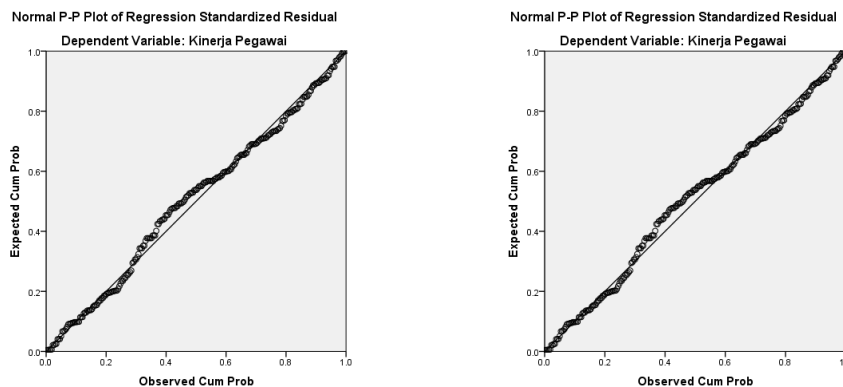


Figure 1.
Normality Test Results with Plot P-P Graph on Structure 1 and Structure 2

The normality test results using the Normal P-P plot against structure one and structure two obtained points of data distribution coincide with a diagonal line so that it can be stated that the normality assumption test using the standard P-P plot against structure one and structure 2 of the path model is fulfilled.

Tabel 1.
Normality Test Results with the Kolmogorov-Smirnov Test
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual 1	Unstandardized Residual 2
N		252	252
Normal Parameters ^{a,b}	Mean	.0000000	.0000000
	Std. Deviation	4.49768495	5.26991871
Most Extreme Differences	Absolute	.042	.059
	Positive	.042	.037
	Negative	-.032	-.059
Kolmogorov-Smirnov Z		.672	.935
Asymp. Sig. (2-tailed)		.757	.346

a. Test distribution is Normal.

b. Calculated from data.

The results of normality testing using the Kolmogorov-Smirnov test for structure one and structure 2 obtained the significance value of the two-path model structures is more than 0.05, so it can be stated that testing the assumption of normality using the Kolmogorov-Smirnov test on structure one and structure 2 of the path model is fulfilled. By using the normality test results with the Normal P-P plot graph and the Kolmogorov-Smirnov test, it can be concluded that the assumption of normality is met.

Heteroscedasticity Assumption Test

Heteroscedasticity testing is done in two ways, namely using the Scatter Plot chart and the Glejser test. Following are the results of testing the heteroscedasticity assumption on structure one and structure 2 of the path model.

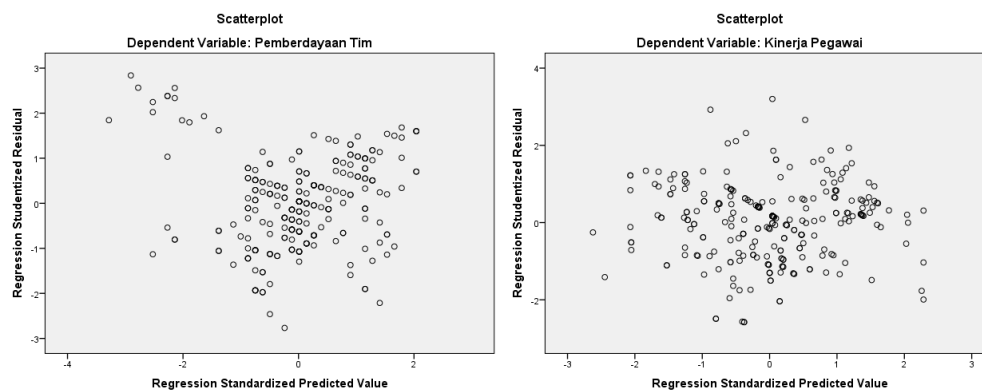


Figure 2.

Heteroscedasticity Test Results with Scatterplot Graph on Structure 1 and Structure 2

The results of heteroscedasticity testing using the Scatter Plot graph against structure one and structure two obtained scattered points of data scattered randomly and did not form a particular pattern so that it can be stated that

testing the assumption of heteroscedasticity using the Scatter Plot graph against structure one and structure 2 of the path model is fulfilled.

Table 2.
Heteroscedasticity Test Results for Structure 1 with Glejser Test

Glejser Test ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.717	1.365		6.386	.000
	Kepemimpinan Transformasional	-.080	.081	-.233	-1.127	.261

a. Dependent Variable: Abs.res1

The results of heteroscedasticity testing using the Glejser test for structure 1 obtained a significance value of more than 0.05, so it can be stated that testing for the assumption of heteroscedasticity using the Glejser test for structure 1 model path is fulfilled.

Table 3.
Heteroscedasticity Test Results for Structure 2 with Glejser Test

Glejser Test ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.623	2.120		2.653	.008
	Transformational Leadership	.016	.028	.039	.588	.557
	Team empowerment	-.064	.046	-.092	-1.390	.166

a. Dependent Variable: Abs.res2

The results of heteroscedasticity testing using the Glejser test for structure 2 obtained a significance value of more than 0.05 so that it can be stated that testing for heteroscedasticity assumptions using the Glejser test for structure 2 of the path model is fulfilled. By using the results of heteroscedasticity testing with Scatter plot graph and Glejser test, it can be concluded that the assumption of heteroscedasticity is fulfilled.

Linear Assumption Test

Linearity testing is done by using and linearity test. Following are the results of testing the linearity assumptions on each path of the model path.

Table 4. Linearity Test Results on the Path Between Transformational Leadership and Team Empowerment
ANOVA Table

				Sum of Squares	df	Mean Square	F	Sig.
Team empowerment* Transformational Leadership	(Combined)			2305.637	34	67.813	4.411	.000
	Between Groups	Linearity		563.951	1	563.951	36.686	.000
		Deviation from Linearity		1741.687	33	52.778	3.433	.000
		Within Groups			3335.835	217	15.373	
	Total			5641.472	251			

Linearity test results on the path between transformational leadership and team empowerment obtained a significance value of linearity test of 0,000 and less than 0.05 ($p < 0.05$) so that there is a linear relationship between transformational leadership and team empowerment.

Table 5. Linearity Test Results on the Path Between Transformational Leadership and Employee Performance
ANOVA Table

				Sum of Squares	df	Mean Square	F	Sig.
Employee Performance Transformational Leadership	Between Groups	(Combined)	Linearity	7429.520	34	218.515	5.680	.000
		Deviation from	Linearity	1481.125	1	1481.125	38.501	.000
				5948.394	33	180.254	4.686	.000
	Within Groups			8348.048	217	38.470		
	Total			15777.567	251			

Linearity test results on the path between transformational leadership and employee performance obtained a significance value of linearity test of 0,000 and less than 0.05 ($p < 0.05$) so that there is a linear relationship between transformational leadership and employee performance.

Table 6. Linearity Test Results for the Path Between Team Empowerment with Employee Performance
ANOVA Table

				Sum of Squares	Df	Mean Square	F	Sig.
Employee Performance Team Empowerment	Between Groups	(Combined)	Linearity	9775.719	22	444.351	16.954	.000
		Deviation from	Linearity	8717.484	1	8717.484	332.615	.000
				1058.236	21	50.392	1.923	.011
	Within Groups			6001.848	229	26.209		
	Total			15777.567	251			

Linearity test results on the path between team empowerment and employee performance obtained a significance value of linearity test of 0,000 and less than 0.05 ($p < 0.05$) so that there is a linear relationship between team empowerment and employee performance.

Coefficient of Determination

The path model is formed by the variables of Transformational Leadership, Team Empowerment, and Employee Performance. The coefficient of determination is done to test the effect of the independent variables on the dependent variable on each structure being tested.

Table 7. Results of the Determination Coefficient on Structure 1 of the Path Model

Model Summary^b				
Model	R	R Square	Adjusted R Square	Std. The error of the Estimate
1	.316 ^a	.100	.096	4.50667

a. Predictors: (Constant), Transformational leadership

The results of the coefficient of determination of structure 1, that is, between transformational leadership and team empowerment, a value of 0.100 means that the effect on team empowerment that can be explained by transformational leadership is 10.0 per cent, while the rest is explained by other factors.

Table 8. Results of the Determination Coefficient on Structure 2 of the Path Model

Model Summary ^b				
Model	R	R Square	Adjusted Square	Std. The error of the Estimate
1	.747 ^a	.558	.555	5.29104

a. Predictors: (Constant), Team Empowerment, Transformational Leadership

b. Dependent Variable: Employee Performance

The results of the coefficient of determination of structure 1, namely between transformational leadership and team empowerment on employee performance, obtained a value of 0.558, meaning that the amount of influence on employee performance that can be explained by transformational leadership and team empowerment is 55.8 per cent. In contrast, the rest is explained by other factors.

Coefficient of Total Determination

Checking the goodness of fit of other models can use the coefficient of total determination (Rm2) which shows the formed path model is able to represent existing data. The results of the calculation of the total determination coefficient (Rm2) are as follows:

$$Rm^2 = 1 - (1 - R_1^2) \times (1 - R_2^2)$$

$$Rm^2 = 1 - (1 - 0,100) \times (1 - 0,558)$$

$$Rm^2 = 1 - 0,398$$

$$Rm^2 = 0,602$$

Based on these calculations, the total determination coefficient value of 0.602 means that the formed path model is able to explain about 60.2% of the variation of research data.

Discussion and Conclusion

Transformational leadership is a style of leadership that inspires followers to engage in commitment and share their vision and goals for the organization; encourage followers to be innovative in solving organizational problems, and supporting followers to have leadership competence through coaching and mentoring (Bass and Riggio 2006). Transformational leadership can be an essential factor affecting employee performance because of the ideal influence of individual consideration of inspirational motivation and intellectual stimulation provided by transformational leaders. A leader can have an ideal influence when his subordinates admire respect and trust them. Inspirational motivation involves the ability of leaders to inspire enthusiasm and optimism to subordinates. Transformational leaders also seek to stimulate the creativity and innovation of subordinates to solve problems and find solutions. Individual consideration refers to the ability of leaders to act as coaches or mentors for subordinates by paying attention to the needs of each individual for achievement and growth in the hope that subordinates can reach their potential.

Furthermore, Chen (2003) showed a relationship between transformational leadership and empowerment. Chen et al. (2007), shows that there is a positive relationship between leadership and empowerment. Casimir and Batram (2007) stated that transformational leadership inspires subordinates to achieve something high by showing how important their work is.

The results of research on the effect of team empowerment on employee performance support research conducted by Maynard Gilson et al. (2012), Mathieu et al. (2012), Wang and Courtright (2011) which states that team empowerment includes improving the quality of employee work, customer satisfaction, the process of improving workplace safety and the performance of employees themselves. Other studies that support this study are Spreitzer (1995); Spreitzer et al. (1997); Kirkman and Rossen (1999) who show the relationship between empowerment and positive performance outcomes.

Limitational and Recommendation

In conducting this research, it is conducted by using cross-section time coverage which means data and information obtained from a particular time or only when the research is conducted. While employee behaviour and the impact of its performance at other times (time series) are not covered in this study. This research was conducted on employees who provide an assessment of themselves, so it is possible to have subjective responses and

judgments, unable to provide an objective picture of transformational leadership, team empowerment, organizational climate and employee performance so that the conclusions of this study cannot be generalized with agencies / another service. This study only uses the mediation of team empowerment and organizational climate in mediating transformational leadership on employee performance. Other researchers can add other variables such as commitment, trust, motivation and other variables or add other moderation variables that are not tested in this study.

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