



# The Relationship between Transformational Leadership Characteristic, Organizational Commitment, and Job Performance of the Employees of Four State-Owned Banks in Pontianak, West Kalimantan

Ilzar Daud<sup>1\*</sup>, Sopian Bujang<sup>2</sup> and Nur Afifah<sup>3</sup>

<sup>1,3</sup> Management Study Program, Economic Faculty, University of Tanjungpura,  
78124, Pontianak, Indonesia

<sup>2</sup> Department of Human Resources Development, Faculty of Cognitive Sciences and Human Development,  
Universiti Malaysia Sarawak (UNIMAS), 94300 Kota Samarahan, Sarawak, Malaysia

---

## ABSTRACT

**Objective** – The main objectives of this study is to examine the relationship between transformational leadership characteristic, organizational commitment and job performance of the four State-Owned Banks employees in Pontianak, West Kalimantan.

**Methodology/Technique** – The Data used in evaluating the model were gathered from the four State-Owned Banks in Pontianak, West Kalimantan. 345 permanent employees of those four State-Owned Banks participated in the survey. The Structural Equation Modeling (SEM), using LISREL 8.8 Software will be employed to examine the relationship among the constructs in the study.

**Findings** – The findings of the study concluded that transformational leadership characteristic insignificant relationship on job performance, transformational leadership characteristic positive significant relationship on organizational commitment, organizational commitment positive significant relationship on job performance, and Organizational commitment mediates the relationship between transformational leadership characteristic and job performance of employees of the four State-Owned Banks in Pontianak, West Kalimantan.

**Novelty** – Variables used in this study partially been done but research regarding all variables of employees of the four State-Owned Bank in Pontianak, West Kalimantan, Indonesia felt there was still no.

**Type of Paper:** Empirical

**Keywords:** Transformational Leadership Characteristic: idealized influence, inspirational motivation, intellectual stimulation, individual consideration, Organizational Commitment, Job Performance.

**JEL Classification:** M1, J21, J24.

---

---

\* Paper Info: Received: September 19, 2015

Accepted: October 23, 2015

\* Corresponding author:

E-mail: [ilzar\\_daud@yahoo.com](mailto:ilzar_daud@yahoo.com)

Affiliation: Economic Faculty, University of Tanjungpura, Indonesia.

## **1. Introduction**

Many researches focused on testing rational leadership, exchange-oriented or transactional relationships between leaders and subordinates there is link in transactional relationship, leaders which are promising to reward subordinate who perform well, and threatening and disciplining bad subordinates but performance, whether the promised reward or avoiding the punishment that motivates subordinates to perform, depending on whether the leader able to control the rewards and punishments. Therefore, a leader must identify subordinates desire, and then exchange them as a reward for effort and performance level of the corresponding (Bycio et al., 1995).

Currently, most of the relationships between leaders and subordinates have changed, has shifted its focus to transformational approach, an approach intended to influence subordinates not only through the use of a logical reason but also through the use of emotions (Bass, 1997). Transformational leadership is believed to affect enlarge the work of transactional behavior because its leaders believe subordinates feel so motivated to work more than expected by the organization (Podsakoff, MacKenzie and Bommer, 1996). The key to effective leadership will depend on the behavior of leaders who fit with the situation. The success of transformational leader behavior can be measured through the point of view of acceptance and confidence in subordinates' satisfaction.

The study refers to the issues on the situation is in Indonesia among the bank in Pontianak, West Kalimantan, Indonesia. Abdullah, (2006) stated that this is due to the banking industry is still the most important and central role in the economy of Indonesia. History shows that Indonesia's economy moving in line with the banking industry. Due to this, the bank employees need support and commitment from the managers in order to be more committed with their job.

The main objectives of this study is to examine the relationship between transformational leadership characteristic (i.e., idealized influence, inspirational motivation, intellectual stimulation, and individual consideration), organizational commitment and job performance of the four State-Owned Banks employees in Pontianak, West Kalimantan.

## **2. Literature Review**

### **2.1 Transformational Leadership Theories**

Bass (1985) further explained that transformational leadership occurs when a leader transforms, or changes, his or her followers in three important ways that together result in followers trusting the leader, performing behaviors that contribute to the achievement of organizational goals, and being motivated to perform at a high level. Bass and Avolio (1993) proposed that the four dimensions that comprise transformation leadership behavior are idealized influence, inspirational motivation, intellectual simulation, and individualized consideration.

### **2.2. Organizational Commitment**

Mowday, Porter and Steers (1982), which stated that organizational commitment is defined in terms of the relative intensity of an employee's involvement in and identification with, a specific organization. Mathieu and Zajac (1990) state that this definition reflects multiple dimensions since it includes the concept of identification and incorporates the desire to remain with the organization and work toward organizational goals.

Three factors of attitudes and behaviors lend salience to the characterization of organizational commitment. They are: acceptance of and a belief in the values and goals of the organization; desire to maintain organizational membership; and a willingness to contribute to the organization.

### **2.3. Job Performance**

Performance is defined as observable things people do (i.e., behaviors) that are relevant for the goals of the organization (Campbell et al., 1990). Performance is a critical concept because the major contribution of an employee's worth to the organization is through work behavior and ultimately performance (Arvey & Murphy, 1998). One can argue that performance will not lose its popularity in the years to come because it is the major contribution to organization made by the employees.

Campbell et al. (1993) stated that performance as a construct has received very little research or theoretical attention. There are two possible reasons for this: 1) performance has always been treated as the dependent variable, where understanding performance itself has not been very exciting since the independent variables generated the most professional and/or scientific interest in the literature, and 2) the definition of performance and designation of its indicators seemed to be out of our hands.

### **2.4. Transformational Leadership Characteristic and Job Performance**

Leader will influence job performance because leader can lead employees toward the achievement of job objectives. Leadership style has a positive influence on job performance (Lee, 2009; Pan, 2006). Transformational leadership will significantly and positively affect job performance (Chi, et al., 2007; Chi, et al., 2008; Pradeep & Prabhu, 2011).

From all the research conducted, it has been discovered that transformational leadership has been associated with the personal outcomes (Barling et al., 1998; Kirkpatrick & Locke, 1996) of the follower, as well as organizational outcomes (Boerner et al., 2007; Zhu et al., 2005; Jorg & Schyns, 2004).

### **2.5. Transformational Leadership Characteristic and Organizational Commitment**

Earlier research studies demonstrated that an individual's work experiences and organizational and personal factors serve as antecedents to organizational commitment (Eby, Freeman, Rush, & Lance, 1999; Meyer & Allen, 1997). Transformational leaders engender their followers' commitment to the organization (Barling, Weber, & Kelloway, 1996; Emery & Barker, 2007), the organizational goals and values (Bass, 1999), and team commitment (Arnold, Barling, & Kelloway, 2001). Extensive research is available which indicates that transformational leadership is positively associated with organizational commitment in a variety of organizational settings and cultures (Bono & Judge, 2003; Dumdum, Lowe, & Avolio, 2002; Walumbwa & Lawler, 2003). Previous research has found that transformational leadership has a large impact on organizational commitment (Nguni, Slegers, & Denessen, 2006; Chen, 2004; Chi et al., 2008; Ramachandran & Krishnan, 2009)

### **2.6. Organizational Commitment and Job Performance**

Brett et al. (1995) examined the relationship between organizational commitment and performance using economic dependency on work as a moderator. They reported that there are stronger relationships between organizational commitment and performance for those with low financial requirements than for those with high requirements. Meyer et al. (1989) examined the relationship between job performance and affective and continuance commitment, and concluded that affective commitment, which refers to identification with, involvement in, and emotional attachment to the organization, is correlated positively and continuance, which refers to commitment based on employees' recognition of the costs associated with leaving the organization, is correlated negatively with all measures of performance. Meyer and Schoorman (1992) also investigated the organizational commitment and job performance relationship. They found that performance is more strongly related to value commitment, on the other hand, (Yiing and Zaman, 2009; Ahmad et al., 2010) found a positive correlation between measures of organizational commitment and job performance.