

# The Analysis of the Effect of Transformational Leadership Styles and Compensation on Performance with Organizational Commitment as Intervening Variables of Primary School Teachers in Berbah District

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**Abstract** - This study aims to analyze the Performance of Elementary School Teachers in Berbah District. This study uses the variable Transformational Leadership Style and Compensation to analyze the influence of the teacher's performance. In addition, this study also uses organizational commitment as an intervening variable to analyze the effect of the level of teacher commitment on performance. The population in this study were elementary school teachers in Berbah District. The number of teachers based on data from UPT Yandik (Education Foundation Integrated Services Unit) in Berbah District in October 2012 was 242 people. Sampling Techniques with Cluster Random Sampling with a sample of 46 certified teachers and 25 uncertified according to the Slovin formula. The data used in this study are primary data, that is the source of research data obtained directly from the original source. In this case the primary data in the form of the results of filling out the questionnaire by Elementary School Teachers in the District of Berbah. Data analysis was performed using descriptive and inferential methods. Descriptive method is an analysis that describes the teacher's assessment of transformational leadership, compensation provided, organizational commitment and teacher performance. Whereas inferential analysis is done by Path Analysis and Independent Sample T Test with the SPSS 17.0 Program. Inferential Analysis is used to prove hypotheses about the effect of transformational leadership and direct compensation on teacher performance and the indirect effect through organizational commitment, as well as examining differences in performance between certified and non-certified teachers. The results found that the transformational leadership style had a significant positive effect on teacher performance, compensation significantly affected the performance of elementary school teachers in the Berbah District, the transformational leadership style significantly influenced the performance of elementary school teachers in the Berbah District through organizational commitment, compensation significantly affected the performance elementary school teachers in Berbah District through organizational commitment. Furthermore, the results of the study found that there were significant differences in teacher performance between certified teachers and uncertified teachers.

**Keywords** - *Performance, Transformational Leadership Style, Compensation, Organizational Commitment*

## 1. Introduction

Modern leadership models such as transformational leadership play an important role for organizations. Bass (1985) in Sunarsih (2001) [1] defines transformational leadership as a leader who has the power to influence subordinates in certain ways. Subordinates feel trust, admiration, loyalty and respect for their superiors so that subordinates are motivated to do more than what they normally do and expect. Jung and Avolio (1999) in Sunarsih (2001) [1] also stated that transformational leadership involves developing a closer relationship between leaders and followers, not just an agreement but more based on trust and commitment. Transformational leadership in

principle motivates subordinates to do better than what is usually done, in other words can increase the confidence or self-confidence of subordinates which will affect performance improvement. According to Nitisemito (1996) [2] the effect of compensation on employees is very large. High morale, anxiety and employee loyalty are greatly influenced by the amount of compensation. In general, labor strikes that often occur in our country, largely due to wage problems. Elementary school teachers in Berbah also experienced the same thing. How can they possibly work well if compensation is not met. Organizational commitment is considered important for the company because: (1) it influences employee turnover, (2) it relates to performance which assumes that employees who are committed to the company tend

to develop greater efforts at the company (Morrison, 1997) [3]. Luthans (2006) [4] states that the five dimensions that have been identified to represent the most important job characteristics in which employees have an affective and positive response are the job itself, salary, promotion opportunities, supervision and coworkers. The five dimensions are formulated and used to measure job satisfaction. If these things can be fulfilled, organizational commitment will arise properly, so that satisfaction will have an impact on organizational commitment. From interviews and observations in the field, the results show that this commitment is really influenced by compensation and the existing leadership style.

One of the measurement of teacher performance is teacher certification. One of the government's efforts to improve the quality of education is through teacher certification programs. In this program, a teacher can reach professional degrees when he passes the certification. The number of uncertified teachers in Berbah District is 85 people (35%) out of a total of 242 teachers. The low number of certified certification shows the phenomenon of the low performance of teachers in elementary schools in Berbah District (Source: [http://tendiksleman.blogspot.com/DATA\\_PTKREVISI\\_I\\_OKTOBER\\_2012.xls](http://tendiksleman.blogspot.com/DATA_PTKREVISI_I_OKTOBER_2012.xls)). Based on this certification also needs to be analyzed whether there are true differences between certified teachers and those who have not. Based on this, the authors try to raise the theme: Analysis of the Effects of Transformational Leadership Styles and Compensation on Performance with Organizational Commitment as Intervening Variables of Primary School Teachers in Berbah District.

## 2. Literature Review and Hypotheses

### 2.1 Theory Review

#### 2.1.1 Transformational Leadership Style

Indicators of transformational leadership style namely; (1) vision and mission, instill pride, gain respect and trust; (2) communicating high expectations, using symbols to focus on business; describe important intentions simply (3) encourage intelligence, rationality and careful problem solving; (4) giving personal attention, serving personally, training and advising. (Stephen P. Robbins, 2009) [5].

#### 2.1.2 Compensation

According to Gomez-Mejia, et al., (1995); Schuler and Jackson (1999); and Luthans (1998) in Ninuk Muljani

(2002) [6], total compensation can be classified in three main components, namely: First, basic compensation, namely compensation in the amount and fixed payment period, such as wages and salaries. Second, variable compensation is compensation which amount varies and / or the time of payment is uncertain. This variable compensation is designed as a tribute to employees who excel. Variable compensation includes incentive payments to individuals and groups, gain sharing, bonuses, profit sharing, employee stock-ownership plans and stock-option plans. Third, the final component of total compensation is benefit or often also called indirect compensation. Included in this component are (1) general protection, such as social security, unemployment and disability; (2) personal protection in the form of pensions, savings, additional severance and insurance; (3) payments when not working such as when attending training, work leave, sickness, holidays, and private events; (4) life cycle benefits in the form of legal assistance, parental care, child care, health programs, and counseling.

This study examines the indicators mentioned above that are relevant to the factual condition of the teacher.

#### 2.1.3 Organizational Commitment

If employee commitment is high, the employee's performance can also increase so that the company's performance will react positively (increase). Luthans (2006) [7] defines organizational commitment as an attitude that shows the "loyalty" of employees and is an ongoing process of how an organization member expresses their attention to the success and goodness of the organization. Furthermore Luthans (2006), specifically the "loyalty attitude" of this employee is indicated by three things, namely (1) a person's strong desire to remain a member of his organization, (2) a willingness to exert effort for his organization, and (3) confidence and acceptance on the values and goals of the organization.

#### 2.1.4 Teacher Performance

Teacher performance indicators based on the Ministry of National Education's Performance Assessment Instrument, (Jakarta, Dirjen Dikdasmen: 2005):

Assessment aspects from the Ministry of National Education

- 1). Academic field:
  - a). Personal development
  - b). Learning elements
  - c). Learning resource element

- 2). Non Academic Aspects:
- a). discipline;
  - b). work post;
  - c). cooperation;
  - d) initiative;
  - e). responsibility;
  - f). honesty;
  - g) work performance

2.2 Prior Research

1. The Effect of Leadership Style on Job Satisfaction and Performance with Organizational Commitment as an Intervening Variable (Study at PT. Yudhistira Ghalia Indonesia Area Yogyakarta). Written by Muhammad Fauzan Baihaqi (C2A003074), Faculty of Economics, Diponegoro University, Semarang in 2010.
2. Compensation as a Motivator to Improve Employee Performance. Written by Ninuk Muljani, Lecturer in the Faculty of Economics, Widya Mandala Catholic University in Surabaya. In the Journal of Management & Entrepreneurship Vol. 4, No. 2, September 2002: 108 - 122.
3. Analysis of the Effect of Job Satisfaction, Compensational Justice on Employee Performance with Organizational Commitment as an Intervening variable (Case Study at PT. Rodeo Semarang). Written by: Utami Dian Yustiani, SE NIM. C4A003084, Master of Management Study Program Diponegoro University Semarang 2005.
4. Management of Teacher Performance Evaluation in Sabilillah Islamic Elementary School Full Day School Sidoarjo. Written by Mufarrihah, Nunung. 2008. Postgraduate Program State Islamic University (UIN) Malang Islamic Education Management Study Program.

2.3 Conceptual Framework

Based on previous research and existing theories, it can be seen that compensation and transformational leadership styles affect employee performance with organizational commitment as an intervening variable. The relationship between the independent variables (Transformational Leadership Style, Compensation and Organizational Commitment) with the dependent variable (Teacher Performance) can be presented in the picture as follows:

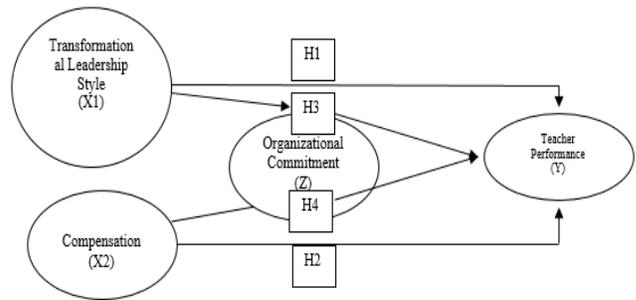


Figure 1. Conceptual Framework

2.4 Research Hypothesis

The author tries to formulate a hypothesis that will be tested for truth, whether the results of the study will accept or reject the hypothesis, as follows:

- H1: Transformational Leadership Style positively and significantly influences Teacher Performance.
- H2: Compensation has a positive and significant effect on Teacher Performance.
- H3: Transformational leadership style positively and significantly influences teacher performance with organizational commitment as an intervening variable.
- H4: Compensation has a positive and significant effect on Teacher Performance with Organizational Commitment as an Intervening Variable.
- H5: There is a difference in performance between the certified teacher and the non-certified teacher

3. Research Methods

3.1 Population

The population is Elementary School Teachers in Berbah District. The number of teachers is based on data from UPT Yandik (Education Foundation Integrated Services Unit) Berbah District. The number of teachers for October 2012 was 242 people with details:

Table 1. Total number of teachers

No	Type	Total
1	Certified teacher	157
2	The teacher is not certified	85
<b>Total</b>		<b>242</b>

Source:  
[http://tendiksleman.blogspot.com/DATA\\_PTKREVISI\\_I\\_OKTOBER 2012.xls](http://tendiksleman.blogspot.com/DATA_PTKREVISI_I_OKTOBER 2012.xls)

### 3.2 Samples and Sampling Techniques

To get a representative sample, researchers use a formula to find more accurate data. In this case the author uses the Slovin formula cited by Prasetyo (2008: 137-138), namely:

$$n \geq \frac{N}{1+Ne^2}$$

Thus, the total sample of 71 people from 242 teachers.

### 3.3 Types and Sources of Data

1. Questionnaire
2. Interview / Live Interview
3. Documentation

### 3.4 Data Collection Techniques

This study was designed by examining the relationship between the influence of the dependent variable with the independent variable and then the conclusions of its influence are drawn and suggestions are given to improve performance based on the results of this study.

Data collection using survey methods through the distribution of questionnaires to respondents.

### 3.5 Research Variables (Definitions and Indicators)

Independent variable: (Transformational Leadership Style and Compensation).

Intervening Variables: Organizational Commitment.

Dependent variable; The performance.

### 3.6 Testing of Research Instruments

#### 3.6.1 Validity Testing

The value of r count for all items measuring questions for transformational leadership style variables has a value greater than r critical (table) = 0.2334. In addition, the probability value (sig) of all items is below the significance level of 0.05 (p < 0.05, so that all instrument items can be used for further analysis.

The value of r count for all items measuring the compensation variable has a value greater than critical r (table) = 0.2334. In addition, the probability value (sig) of all items is below the significance level of 0.05 (p < 0.05, so that all instrument items are valid and can be used for further analysis.

The value of r calculate all items of questions measuring organizational commitment variables have values greater than critical r (table) = 0.2334. In addition, the probability value (sig) of all items is below the significance level of 0.05 (p < 0.05, so that all instrument items are valid and can be used for further analysis.

The results of the validity test on teacher performance, it is known that there are four items that were declared fall with the value of r count < r table (0.2344), namely item no. 10; 29; 31; and 32. As for other items, the calculated r value has a value greater than critical r (table) = 0.2334. Besides that the probability value (sig) is below the significance level of 0.05 (p < 0.05, so that 57 instrument items are valid and can be used for further analysis. Furthermore, for items that are declared fall, are not included in the subsequent analysis.

#### 3.6.2 Reliability Test Results

The reliability test in this study used the Cronbach's Alpha method with SPSS version 17.0. The criteria used if Cronbach's Alpha is greater than 0.6 then the research instrument can be declared reliable. Based on the rules of thumb, the results of the data reliability test in this study are presented in Table below:

Table 2: Table of Variable Reliability Test Results:

Variabel	Cronbach's Alpha	Critical value	Information
Transformational leadership (X1)	0.819	0,6	Reliable
Compensation (X2)	0.875	0,6	Reliable
Organizational Commitment (Z)	0.738	0,6	Reliable
Performance (Y)	0.960	0,6	Reliable

The reliability test results showed that the variables of transformational leadership style, compensation, organizational commitment and teacher performance had Cronbach's Alpha coefficient > 0.6. Thus all variables can be declared reliable.

### 3.7 Data Analysis Techniques

The relationship of independent variables to the dependent variable using Path Analysis. This path diagram will make it easier for researchers to see the causality relationship to be tested. As for constructing the flowchart is described by the relationship between constructs through arrows. The arrows drawn straightly

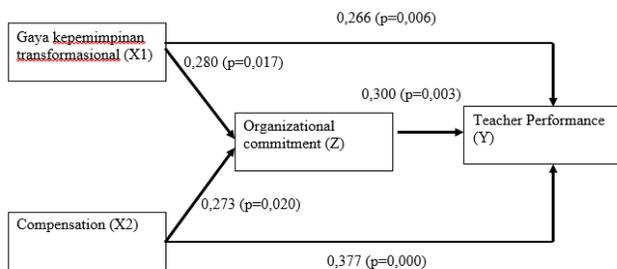
represent the direct causal relationship between one construct and the other construct. While the curved lines between constructs with arrows at each end show the correlation between constructs. This model shows the existence of exogenous and endogenous constructs (Augusty T. Ferdinand, 2000) [8].

#### 4. Research Results and Discussion

After conducting a survey of 71 Elementary School Teachers in Berbah District through the distribution of questionnaires, data analysis was then performed. The analysis was conducted by descriptive and inferential methods. Descriptive method is an analysis that describes the teacher's assessment of transformational leadership, compensation provided, organizational commitment and teacher performance. Whereas inferential analysis is done by Path Analysis and Independent Sample T Test with the SPSS 17.0 Program. Inferential Analysis is used to prove hypotheses about the effect of transformational leadership and direct compensation on teacher performance and the indirect effect through organizational commitment, as well as examining differences in performance between certified and non-certified teachers.

This study distributed 92 questionnaires, and 71 questionnaires returned, so that the rate of return of questionnaires was 77% of the number of questionnaires distributed.

Path analysis is used to explain the direct effect and indirect effect between independent variables on the dependent variable through mediating variables, can be described in the path diagram as follows:



Picture: The results of the path of influence of transformational leadership styles, compensation for Teacher Performance through organizational commitment. The results found a significant difference in teacher performance, between certified teachers and uncertified teachers. The results also found that the performance of teachers who were certified had better

performance than teachers who were not certified. Law Number 14 of 2005 regarding Teachers and Lecturers states that teachers are professional educators with the main task of educating, teaching, guiding, directing, training, evaluating, and evaluating students in early childhood education through formal education, basic education, and education intermediate. Professional teachers must have minimum undergraduate academic qualifications (S-1) or diploma four (D-IV), master competencies (pedagogic, professional, social and personality), have educator certificates, be healthy physically and spiritually, and have the ability to realize educational goals national.

#### 5. Conclusions and Suggestions

##### 5.1 Conclusions

The purpose of this study is to analyze and prove the influence of transformational leadership styles and work motivation on teacher performance both directly and indirectly through organizational commitment and find out differences in teacher performance based on teacher certification. The conclusions that can be presented from the results of the analysis and hypothesis testing are as follows:

1. The results of the study found that there was a significant influence between transformational leadership style on the performance of elementary school teachers in the Berbah sub-district (t-test value = 2.818, significance of t-test = 0.006 < 0.05). This indicated that the higher the transformational leadership style, the higher the performance Elementary school teachers in Berbah District will increase.
2. The results of the study found that there was a significant influence between recommendations on the performance of elementary school teachers in the Berbah sub-district (t-test value = 3.994, the significance of t-test = 0,000 < 0.05). Berbah District will increase.
3. The results of the study found that there was a significant indirect effect between transformational leadership style on the performance of elementary school teachers in the Berbah sub-district through organizational commitment with an indirect effect coefficient of 0.084. This shows that the higher the transformational leadership style, the commitment of teacher organization will be better so that the

performance of elementary school teachers in Berbah District will increase.

4. The results of the study found that there was a significant indirect effect between compensation on the performance of elementary school teachers in the Berbah sub-district through organizational commitment with an indirect effect coefficient of 0.082. This shows that the better the provision of compensation, the better the commitment of teacher organization so that the performance of elementary school teachers in the Berbah District will increase.
5. There are significant differences in teacher performance, between certified teachers and teachers who are not certified. These results are indicated by t count of 3.521 and sig of 0.001 < 0.05. The results also found that the performance of teachers who were certified had better performance than teachers who were not certified.

## 5.2 Research Limitations

This study has several limitations that may cause interference with the results of the study:

1. The data of this study were produced from instruments that were based on the perception of respondents' answers and did not conduct interviews. This can lead to differences in respondents' perceptions and understanding of the questions posed by the problem intended by the researcher. So that the conclusions expressed in this study are only based on data collected through the use of written instruments.
2. Measurement of teacher performance in this study is only measured from one side of the measurement, namely the teacher itself. Of course this assessment raises bias in assessing performance, because teachers will tend to give a good assessment of his performance.

## 5.2 Suggestions

Based on the results of the study can be given several suggestions:

1. Transformational leadership style directly influences teacher performance by 0.266, while indirectly through organizational commitment by 0.280. The management

should manage Human Resources can not be separated from factors that can affect teacher performance. One of them is to improve the transformational leadership style, especially in indicator no 7 (appendix to the recapitulation of data), that is, superiors encourage teacher intelligence. Lack of leadership or superiors to motivate teachers to improve the intelligence abilities of teachers, is a factor of low transformational leadership. A good leader not only delegates the duties and authority of the teacher, but also can empower and motivate the teacher, through messages or instructions in each meeting to increase professionalism as a teacher.

2. Compensation has also been proven to affect teacher performance. Compensation directly affects teacher performance by 0.377, while indirectly through organizational commitment by 0.273. For this reason, attention needs to be paid to teacher compensation, especially in indicator no. 1 (attachment to the data recapitulation), which is the salary that meets expectations. Indeed, the amount of salary that is increasing is received by the teacher, comparable to the increasing needs of the teacher too. This causes the amount of compensation is not in line with teacher expectations. For this reason, the government will continue to pay attention to efforts to increase the salaries of elementary school teachers, so that they are evaluated and adjusted to the general conditions or needs of teachers.
3. For further researchers can do the same research by improving research models such as adding data collection methods with interviews, to support research results, and in measuring teacher performance should not only be assessed by the teacher alone but there is also a comparison of the assessment of superiors in this case is headmaster.

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