The Effect of Transformational Leadership and Work Motivation on Innovative Behavior

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ABSTRACT

This research aims to determine the direct and indirect effects of transformational leadership work motivation on innovative behavior. The research approach is a quantitative method with path analysis. The population of this research is the medical representative from 3 pharmaceutical companies, taken proportionally in the Greater Jakarta Area of each company, namely: PT. X 40 people, PT. Y 40 people and PT. Z 30 people, with an affordable population of 110 people. The sampling technique was Simple Random Sampling through Krejcie and Morgan Tables, so that a representative sample of 86 respondents was obtained. Data collection was carried out through a Likert model structured questionnaire of the independent and dependent variables. Conclusions, as follows; first, there is a direct effect of Transformational Leadership on Work Motivation, which means that transformational leadership styles can increase work motivation; second, there is a direct effect of Transformational Leadership on Innovative Behavior, which means that transformational leadership styles can enhance innovative behavior; third, there is a direct influence of Work Motivation on Innovative Behavior, which means work motivation can enhance innovative behavior; fourth, there is an indirect effect of Transformational Leadership on Innovative Behavior through Work Motivation, which means that transformational leadership styles can indirectly enhance innovative behavior through work motivation. The implication are: if a leader adopts a transformational leadership style, it will be followed by an increase in employee work motivation and innovative behavior, if work motivation increases, it will be followed by an increase in employees’ innovative work behavior, but the role of work motivation as an intervening variable between transformational leadership variables and innovative behavior is debilitating.

Keywords: transformational leadership, work motivation, innovative behavior.

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INTRODUCTION

Imran, Saeed, Anis-ul-Haq and Fatima (2010) suggested, in their research that to be able to compete in this era of technological growth, every company needs innovations that provide to new ideas. In line with the opinion of Robbins (1996), said that new ideas or innovations themselves are defined as all thoughts, behaviors, or something new because quality is different from existing forms and innovation is a new idea that applied to initiate or improve a product, process or service. This is reinforced by West (1989) which states that innovation does not only include technological changes such as products, but also includes new production processes, the introduction of sophisticated manufacturing technology, or the introduction of new computer support services in an organization. Innovation can also be found in administrative changes, such as organizational policy, introduction of work team systems, human resource strategies (Devita, 2003).

Innovative behavior is an innovation that is carried out individually. According to Scott and Bruce (1998), individual innovation begins with a decline in ideas, namely the production and use of new ideas in several domains. The next stage of the innovation process is the promotion of ideas towards potential incorporation. Once an individual generates an idea, the individual is engaged in social activities finding friends, supporters, and sponsors or building a coalition of supporters who provide important power to realize ideas. The final task in the innovation process relates to the realization of ideas by producing a prototype or innovation model that can be felt and its peak is applied in the work role, group or organization as a whole.

Especially in daily work processes, innovation also occurs in terms of behavior. Conceptually, Pedraza et. Al (2011) explain innovative behavior is the attitude about new changes or processes of production improvement, both in manufacturing and service companies, in order to make profits in the internal structure of organizations in business networks, or as a result of core business. Furthermore West and Farr in Kleysen and Street describe the meaning of innovative behavior is an individual action directed to produce, introduce or apply new findings that benefit at every level of the organization. New findings such as the development of ideas for new products or technologies, changing administrative procedures aimed at improving working relationships or applying new ideas or technologies to work processes aimed at significantly increasing efficiency and effectiveness. Next Janssen explained the concept of innovative behavior is the deliberate creation, introduction and application of new ideas in a group or organizational work role in order to benefit the group or organizational performance role.

Transformational leadership theory is very important in the field of leadership and many studies show that there is a positive relationship between transformational leadership and other dependent variables such as satisfaction, commitment, motivation and employee performance (eg Kane & Tremble, 2000; Lowe et al., 1996). Leadership is the process of influencing and supporting others to work enthusiastically in achieving goals. This is an important factor that helps a person or group identify their goals and then motivate and help achieve their stated goals. This proves that leadership influences motivation. Stephen P. Robbins and Timothy A. Judge said that a leader has the ability to motivate his subordinates, "leadership as the ability to influence a group toward the achievement of goals. a leader can influence to motivate the employee (Robbins & Judge, 2015). Leadership as the ability to influence a group towards achieving goals, a leader can influence to motivate employees. Fred Luthans and Jonathan P. Doh (2012) say that leadership can affect one's motivation. Transformational leaders are visionary agents with a sense of mission who are able to motivate their followers to accept new goals and new ways of doing things.

Motivation in organizations is something that can increase the spirit of work behavior. This is in line with the views of Hasibuan (2008: 18) which states that motivation is an expertise in directing employees and organizations to want to work successfully, so that employees' desires are achieved while achieving organizational goals. Linarah (2012) define, work motivation is a tendency to act caused by the work factor itself.

Robbins (2012) suggests that transformational leaders can motivate employees to work above expectations and sacrifice their personal interests for the benefit of the organization.
Therefore, work motivation and transformational leadership factors need to be considered by companies or organizations so that employee performance can continue to improve.

Transformational leadership is one of the supporters of the emergence of innovation (Gumusluoglu & Ilsev, 2009). And if the employee's innovation can benefit the organization and its surroundings, it is the leader who helps his employees to apply the innovation. So that between transformational leaders and employees who behave in an innovative manner will benefit one another.

This study will concern on the pharmaceutical firms at the profit of a number of pharmaceutical issuers was depressed in the first quarter of 2019. One of them was due to the sale of ethical segments that provided thick margins only slightly increased. PT Phapros Tbk. recorded the largest profit decline of 59.23% on an annual basis, followed by PT Kimia Farma Tbk. by 44.54%, PT Merck Tbk. by 42.34%, and PT Tempo Scan Pacific Tbk. by 0.12%. (Bisnis.com, quoted on 21 August 2019).

Table 1. Decreased First Quarter Earnings of 2019 pharmaceutical companies in Indonesia

<table>
<thead>
<tr>
<th>No.</th>
<th>Indonesian Pharmaceutical Company</th>
<th>Profit Decrease (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>PT. Phapros Tbk.</td>
<td>59.23</td>
</tr>
<tr>
<td>2</td>
<td>PT. Kimia Farma Tbk.</td>
<td>44.54</td>
</tr>
<tr>
<td>3</td>
<td>PT. Merck Tbk.</td>
<td>42.34</td>
</tr>
<tr>
<td>4</td>
<td>PT. Tempo Scan Pacific Tbk.</td>
<td>0.12</td>
</tr>
</tbody>
</table>

Source: Bisnis.com, quoted on 21 August 2019

This research aims to empirically examine the direct and indirect effects of transformational leadership and work motivation on the innovative behavior of medical representative. An increase in innovative behavior of medical representative is strongly suspected to improve performance in increasing sales and profits.

**METHODOLOGY**

This research used causality paradigm to prove the relationship of cause and effect among several variables. This research uses an associative quantitative research approach using survey with questionnaire methods to collect data and using the path analysis model. The questionnaire designed as a closed questionnaire. The measurement scale used a five-point Likert scale (one = strongly disagree, five = strongly agree). Before being used as an instrument to obtain research data, the questionnaire was tested in advance to obtain a valid that was done with Pearson Corelation and passed. While the reliability test carried out by using Cronbach’s Alpha, the result is reliable. This research was designed to prove the effect of transformational leadership towards innovative behavior variable that works motivation as a mediator variable.

The population of this research is medical representative of 3 pharmaceutical companies, namely PT. X TBk, PT. Y and PT. Z. The target population is taken proportionally from the medical representative in the Greater Jakarta area of each company, namely: PT. X TBk. 40 people, PT. Y 40 people and PT. Z 30 people, with an affordable population of 110 medical representative. The technique used to take samples in this research is the probability method that is simple random sampling. With the reason that the sample used is homogeneous which is then proportional to each group. In order that the representative sample size of the researchers used the Krejcie and Morgan tables, a representative sample was obtained from 86 members.

The data analysis in this research did by a statistical method. Statistical methods that used are descriptive statistics and inferential statistics. Descriptive statistics are used to describe the tendency of centralized data. Descriptive statistics that used in this research were mean, standard error, median, mode, standard deviation, sample variance, range, minimum, maximum, sum and count. Inferential statistics are used to test hypotheses and significance of research outcome. The statistical technique that used is multiple linear regressions to test, Hypothesis1: There is a positive direct effect Transformational Leadership (X1) on Innovative Behavior (Y); Hypothesis2: There is a positive direct effect Transformational Leadership (X1) on Work
Motivation (X2); Hypothesis3: There is a positive direct effect Work Motivation (X2) on Innovative Behavior (Y); Hypothesis4: There is a positive indirect effect Transformational Leadership (X1) on Innovative Behavior (Y) through Work Motivation (X2).

RESULT AND DISCUSSION

The descriptive statistical analysis is performed to provide an overview of research variables consisting of Innovative Behavior (Y), Transformational Leadership (X1) and Work Motivation (X2). The full statistics description can be seen in Table 2.

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>X1</th>
<th>X2</th>
<th>Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mean</td>
<td>83.20</td>
<td>93.14</td>
<td>86.06</td>
</tr>
<tr>
<td>2</td>
<td>Standard Error</td>
<td>1.202</td>
<td>1.017</td>
<td>1.247</td>
</tr>
<tr>
<td>3</td>
<td>Median</td>
<td>84.50</td>
<td>93.50</td>
<td>88.00</td>
</tr>
<tr>
<td>4</td>
<td>Mode</td>
<td>86.00</td>
<td>92.00</td>
<td>88.00</td>
</tr>
<tr>
<td>5</td>
<td>Standard Deviation</td>
<td>11.14</td>
<td>9.43</td>
<td>11.56</td>
</tr>
<tr>
<td>6</td>
<td>Sample Variance</td>
<td>124.21</td>
<td>88.97</td>
<td>133.63</td>
</tr>
<tr>
<td>7</td>
<td>Range</td>
<td>46</td>
<td>40</td>
<td>46</td>
</tr>
<tr>
<td>8</td>
<td>Minimum</td>
<td>60</td>
<td>74</td>
<td>60</td>
</tr>
<tr>
<td>9</td>
<td>Maximum</td>
<td>106</td>
<td>114</td>
<td>106</td>
</tr>
<tr>
<td>10</td>
<td>Sum</td>
<td>7155</td>
<td>8010</td>
<td>7401</td>
</tr>
<tr>
<td>11</td>
<td>Count</td>
<td>86</td>
<td>86</td>
<td>86</td>
</tr>
</tbody>
</table>

Source: data processed (2019)

The Transformational leadership instrument (X1) used in the research obtained 24 valid statements on a scale of 1-5, so as to obtain a theoretical score between 24 to 120 and an empirical score range of 60 to 106, so that the range of scores is 46 and has an average value of 83.20 median 84.50, mode 86.00, variant 124.21 and standard deviation 11.14.

The Work motivation instrument (X2) used in the research obtained 29 valid statements on a scale of 1-5, so as to obtain a theoretical score between 29 to 145 and an empirical score range of 74 to 114, so that the range of scores is 40 and has an average value of 93.14, median 93.50, mode 92.00, variant 88.97 and standard deviation 9.43.

The Innovative behavior instrument (Y) used in the research obtained 26 valid statements on a scale of 1-5, so as to obtain a theoretical score between 26 to 130 and an empirical score range of 60 to 106 so that the range of scores is 46 and has an average value of 86.06, median 88.00, mode 88.00, variant 133.63 and standard deviation 11.56.

Summary coefficient correlation analysis results shown in Table 3.

<table>
<thead>
<tr>
<th>Corelation</th>
<th>r_{calc.}</th>
<th>t_{calc.}</th>
<th>t_{table} α=0.05; *df=84</th>
<th>Conclusions</th>
</tr>
</thead>
<tbody>
<tr>
<td>X2 on X1</td>
<td>0.501</td>
<td>5.30</td>
<td>1.99</td>
<td>Significant/Positive Effect</td>
</tr>
<tr>
<td>Y on X1</td>
<td>0.612</td>
<td>7.09</td>
<td>1.99</td>
<td>Significant/Positive Effect</td>
</tr>
<tr>
<td>Y on X2</td>
<td>0.581</td>
<td>6.54</td>
<td>1.99</td>
<td>Significant/Positive Effect</td>
</tr>
</tbody>
</table>

Source: data processed (2019)

Inferential statistical methods are used to test the proposed hypothesis. The method used is regression analysis. Summary regression analysis results shown in Table 4:
Table 4. Path Significance Test Result Summary

<table>
<thead>
<tr>
<th>No.</th>
<th>Direct Effect</th>
<th>Path Coefisien</th>
<th>*df</th>
<th>t_{calc}</th>
<th>t_{label}</th>
<th>( \alpha = 0.05 )</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>( X_1 ) on ( X_2 )</td>
<td>0.355</td>
<td>83</td>
<td>3.514</td>
<td>1.99</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>( X_2 ) on ( Y )</td>
<td>0.278</td>
<td>82</td>
<td>2.992</td>
<td>1.99</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>( X_1 ) on ( Y )</td>
<td>0.351</td>
<td>82</td>
<td>3.820</td>
<td>1.99</td>
<td></td>
</tr>
</tbody>
</table>

Source: data processed (2019)

Note: Significant (t_{calculate} > t_{label} at \( \alpha = 0.05 \)); *df = degrees of freedom

![Figure 1. Path Coefisien Structure](image)

Hipotesis1: There is a positive direct effect Transformational Leadership (\( X_1 \)) on Innovative Behavior (\( Y \)). At path coeisien table, analysis result obtained path coeisien value \( p_{y1} \) 0.351 and \( t_{calculate} \) 3.820, \( t_{label} \) (0.01:82) 1.99, so \( t_{calc} > t_{label} \), rejected \( H_0 \), accepted \( H_1 \) and its can intrepreted that any positive direct effect and significant variabel \( X_1 \) on variabel \( Y \). Thus proved, that Transformational Leadership positive direct effect on Innovatif Behavior.

Hipotesis2: There is a positive direct effect Transformational Leadership (\( X_1 \)) on Work Motivation (\( X_2 \)). At path coeisien table, analysis result obtained path coeisien value \( p_{x2} \) 0.355 and \( t_{calculate} \) 3.514, \( t_{label} \) (0.01:83) 1.99, so \( t_{calc} > t_{label} \), rejected \( H_0 \), accepted \( H_1 \) and its can intrepreted that any positive direct effect and significant variabel \( X_1 \) on variabel \( X_2 \). Thus proved, that Transformational Leadership positive direct effect on Work Motivation.

Hipotesis3: There is a positive direct effect Work Motivation (\( X_2 \)) on Innovative Behavior (\( Y \)). At path coeisien table, analysis result obtained path coeisien value \( p_{y2} \) 0.278 and \( t_{calculate} \) 2.992, \( t_{label} \) (0.01:83) 1.99, so \( t_{calc} > t_{label} \), rejected \( H_0 \), accepted \( H_1 \) and its can intrepreted that any positive direct effect and significant variabel \( X_2 \) on variabel \( Y \). Thus proved, that Work Motivation positive direct effect on Innovatif Behavior.

Hipotesis4: There is a positive indirect effect Transformational Leadership (\( X_1 \)) on Innovative Behavior (\( Y \)) through Work Motivation (\( X_2 \)). Path coeisien (mediation) indirect effect Transformational Leadership on Innovative Behavior through Work Motivation: (\( p_{y2} \times p_{x2} \)) 0.099 with Z (Sobel Test) 4.116. Due to the Z value 4.116 greater than 1.96, then can be concluded that indirect effect Transformational Leadership to Innovative Behavior through Work Motivation is positive and significant.

Discussion

Positive direct effect Transformational Leadership on Innovatif Behavior.

The results of the Hypotheses test show that Transformational Leadership have a significant impact on Innovative Behavior, value a correlation coefficient 0.612 and value of the path coefficients 0.351. This giving purpose Transformational Leadership have a positive influence a significant impact on Innovative Behavior.

This research result in tune with Elkins and Keller (2003), a transformational leader with the influence of ideal show optimism and excitement about a new perspective and “roles that are fighting for” increase innovation organization through intellectual stimulation. This high level of intellectual stimulation tended to increase the exploration of thinking and innovative work behavior.
According to Janssen in 2004, no shortage of research on specific the relationship between transformational leadership and innovative work behavior. A reason submitted to support the assumption that transformational leadership positively influence behavior of work innovative. Burns (2000), Bass (1999); Avolio and Bass (2003) show that transformational leadership imbued with the motivation inspirational, the mission collectively, confidence, awareness will the purpose, excite vision and aspirations. Aspects these transformational leadership excite intellectual stimulation, motivation intrinsic, support for innovation and creativity an employee (Eisenbeiss et al. 2008; Elkins and Keller, 2003; Gumusluoglu and Ilsev, 2009; Pieterse et al., 2010; Tipu et al., 2012) that fits perfectly with antecedent stimulate innovative behavior people in between employees.

Positive direct effect Transformational Leadership on Work Motivation

The results of the Hypotheses test show that Transformational Leadership have a significant impact on Work Motivation, value a correlation coefficient 0.501 and value of the path coefficients 0.355. This giving purpose Transformational Leadership have a positive influence a significant impact on Work Behavior.

The results of this study are in line with the opinions of several experts including Cheung and Wong (2011) finding that there is a positive relationship between transformational leadership and employee creativity which results are consistent with the findings of the study of Shin and Zhou (2003). They argue that leaders care about their needs and desires related to social activities which ultimately affect the power of idea generation. Transformational leadership is surrounded by ideal influence, intellectual stimulation, and inspirational motivation (Trottier, Van Wart, & Wang 2008). Transformational leaders associate persuasive visions that stimulate strong feelings, and they work as ethical and respectable heroes (Bass 1999), increasing follower perceptions of ideal goals and inspiring followers to transcend their own interests, collective goals (Shamir, House, & Arthur, 1993). Transformational leadership is associated with positive employee behavior including task performance and various behavioral actions of organizational citizens (Podsakoff et al. 2000). According to Avolio et al. (2004), the influence of leadership is less researched in the domain of public administration. As a result, the next step taken to incorporate motivation into the study of leadership style and this effort has been carried out with a strong analysis of the relationship between leadership style and motivation in the field of public administration and the results show that motivation and leadership reinforce one another in management leadership and organizational work performance.

Positive direct effect Work Motivation on Innovatif Behavior

The results of the Hypotheses test show that Work Motivation have a significant impact on Innovative Behavior, value a correlation coefficient 0.581 and value of the path coefficients 0.278. This giving purpose Work Motivation have a positive influence a significant impact on Innovative Behavior.

The results of this study are in line with S.P. Hasibuan (1994:18) which states that "Direction or motivation is essence, it is a skill in aligning of employees want simultaneous with attainment of organizational objectives". Motivation is an expertise in directing employees and organizations to want to work successfully, so that employees' desires are achieved while achieving organizational goals. Linarah (2012) define: "a motive is a set which predisposed the individual for certain activities for seeking certain goals." Work motivation is the tendency to act caused by the work factor itself.

Work motivation produces influence at different stages of innovative behavior; Intrinsic motivation has significant positive interpretations and estimates of personal creativity and organizational innovation (M. Amabile 1997). Most studies show that extrinsic motivation such as getting recognition and rewarding money will produce negative influences and extrinsic motivational factors such as lack of freedom, not can gain support from supervisors and fear being evaluated, these factors will carry negative estimates for creativity (M. Amabile, KG et. Al. 1994). However, extrinsic motivation may not produce a negative influence on personnel that leads to creative activities. (M. Amabile 1996). Some researchers consider extrinsic
motivation to produce a negative influence on creativity; on the other hand, extrinsic predictability of motivation on innovative behavior can be a positive or a negative influence.

**Positive indirect effect Transformational Leadership (X₁) on Innovative Behavior (Y) through Work Motivation (X₂)**

Hypothesis testing results indicate that Transformational Leadership indirectly influences Innovative Behavior through Work Motivation, the coefficient of indirect effect is 0.099. This gives meaning that Transformational Leadership has a significant positive effect indirectly on Innovative Behavior.

The results of this study are in line with the opinions of several experts including optimal employee performance that is expected by every company. Whether or not employee performance can be influenced by various factors, including work motivation and leader factors. A person's work motivation can arise from within the individual and from the surrounding environment. Companies must be able to increase employee motivation both through financial and non-financial motivation. A leader must be able to bring up the work motivation of his subordinates so that employees can work well. Leaders with transformational leadership style will provide motivation and inspiration to their subordinates so that employees will work optimally.

Robbins (2015) suggests that transformational leaders can motivate employees to work above expectations and sacrifice their personal interests for the benefit of the organization. Therefore, work motivation and transformational leadership factors need to be considered by companies or organizations so that employee performance can continue to improve.

Siagian (2008: 6), Motivation is a driving force that results in a member of an organization willing and willing to exert capabilities in the form of expertise or skills of staff and time to carry out various activities for which they are responsible and fulfill their obligations, in order to achieve the goals and objectives of the organization predetermined. Work motivation factors must be known by leaders because it is important for the success of an organization. Said to be important for organizational success because work motivation can affect the work done, productivity and employee work potential. Optimal work motivation must be supported by appreciation from the leadership of the organization.

Transformational leadership is one of the supporters of the emergence of innovation (Gumusluoglu & Ilsev, 2009). And if the employee's innovation can benefit the organization and its surroundings, it is the leader who helps his employees to apply the innovation. So that transformational leaders and employees who behave innovatively will benefit from one another.

CONCLUSION

Based on statistical calculations and hypothesis testing as well as discussion obtained findings, as follows: 1) There is a direct effect of transformational leadership on innovative behavior. This shows that charismatic leaders who inspire work motivation and can stimulate intellectuals and consider the individualization of their subordinates will greatly influence the behavior of sales people in innovating. That is, transformational leadership can enhance innovative behavior. 2) There is a direct effect of transformational leadership on work motivation. Charismatic leaders inspire motivation, stimulate intellectuals and consider the individualization of their subordinates. This shows that the transformational leadership style will have a lot of influence and can drive the sales force work motivation. That is, transformational leaders can increase work motivation. 3) There is a direct influence of work motivation on innovative behavior. This shows that the responsibility for the job, the opportunity to get a promotion, awarding, giving incentives, providing employee work facilities and working relationships between individuals is a driving force that causes salespeople to do something, this action can be interpreted as hard work in order to excel and increase expertise. That is, work motivation can increase innovative behavior. 4) There is an influence of transformational leadership on innovative behavior through work motivation. Charismatic leaders inspire motivation, stimulate intellectuals and consider the individualization of their subordinates. This shows that the transformational leadership style will have a lot of influence and can drive the
sales force work motivation. Likewise, responsibility for work, opportunities for promotion, awarding, providing incentives, providing employee work facilities and working relationships between individuals are a driving force that causes salespeople to do something. this action can be interpreted as hard work to make more achievements and increase expertise. That is, transformational leadership can enhance innovative behavior through work motivation.

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