

Organizational Culture with Transformational Leadership Style on Production Supervision at PT Diamondfit Garment Indonesia

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ABSTRACT

The success of an organization is largely determined by the quality of the people who work in it. In developing an organization, a leader is needed who is able to become a driving force in encouraging employees to have high motivation to be able to increase employee performance productivity. With the transformational leadership style, it can inspire and motivate employees to improve their performance optimally so that organizational goals can be achieved as much as possible without any pressure or coercion from the leader. The concept of transformational leadership integrates ideas developed in a character, style and contingency approach. This research was conducted with the aim of knowing the relationship between organizational culture and transformational leadership style in all production supervisors at PT. Diamondfit Garment Indonesia. In this study using quantitative research methods with a sample of 30 employees with production supervisor positions at PT. Diamondfit Garment Indonesia, then data analysis was performed using Pearson Moment Product from SPSS Statistics version 21.0 for Windows. From the research that has been done, it shows the results ($r = 0.461$) and the correlation significantly shows the value of sig. $p=0.005$ ($p<0.05$) with a positive correlation coefficient, it can be concluded that there is a significant positive relationship between organizational culture and transformational leadership style.

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1. Introduction

Organization as a place or container in the process of cooperation carried out by a group of people or individuals to achieve a common goal. The success of an organization is largely determined by the quality of the people who work in it (Nurdin & Rohendi, 2018). In developing an organization, a leader is needed who is able to become a driving force in encouraging employees to have high motivation to be able to increase employee performance productivity. The concept of transformational leadership integrates ideas developed in the approach of character, style and contingency (Siswatiningsih, Raharjo & Prasetya, 2018). Therefore, the existence of a transformational leadership style can inspire and motivate employees to improve their performance optimally so that organizational goals can be achieved as much as possible without any pressure or coercion from the leader.

PT. Diamondfit Garment Indonesia is one of the big companies in Central Java which is engaged in the garment industry. Therefore the authors are interested in conducting research at PT. Diamondfit Garment Indonesia. There are several phenomena that occur related to leadership style which were identified through observations and interviews with several production supervisors which were held on September 20, 2020. From the results of observations and interviews with 10 production supervisors, there were 4 supervisors who applied negative leadership styles towards his subordinates. This can be seen from the supervisor's attitude that pressures employees to have maximum performance results without clear communication and assistance regarding the vision and mission that must be achieved and carried out as a team. Besides that, there are 6 supervisors who are considered to have a positive leadership style as seen from the supervisor in providing support to their members such as giving appreciation to exemplary employees, often sharing about problems faced by employees in this way employees feel appreciated and motivated to have better performance. So that team goals can be achieved optimally. On the basis of these

phenomena, it can be said that there are problems related to the transformational leadership style. Therefore, research on transformational leadership style is important to study.

Research on transformational leadership style is important to do at PT. Diamondfit Garment Indonesia. This is because the role of transformational leadership style is considered the most suitable of the many existing leadership models, this leadership model is able to facilitate the needs of employees and develop their potential as optimally as possible (Senjaya & Anindita, 2020). Transformational leadership style is a leadership model for a leader who tends to motivate subordinates to work better and focuses on behavior to shape the transformation between individuals and organizations (Ardaniyati, Mujib & Luzvinda, 2019). The transformational leadership style also affects the performance of employees which leads to a positive change in direction (Gholamzadeh, Khazaneh & Nabi, 2014). The transformational leadership style from superiors can provide protection and guidance to employees in dealing with new tasks and work environments. A good leader will be able to transmit his spirit and knowledge so that his subordinates can carry out their work well (Muarif, Tewal & Sendow, 2015).

Meanwhile, the transformational leadership style has a positive impact on employees. Transformational leadership is part of organizational change that is believed to be capable and has a major influence on the achievement of organizational performance (Yukl, et al. 2001). Transformational leadership style has a positive impact on improving organizational performance through innovation (Meutia & Andriani, 2019) this is also supported by research (Kaihatu and Rini, 2007) transformational leadership style is seen by most leaders as the type that makes a positive contribution to the company. Transformational leadership style is considered the best in leadership applications based on the definition of transformational leadership style that builds and develops employees in achieving company goals. On the other hand, transformational leadership style has a negative impact on low performance because transformational leadership always demands changes in the organization regardless of the conditions of subordinates and the lack of a reward. (Garini, Bagia & Cipta, 2016).

Bass & Avolio (1993) define transformational leadership style as the behavior shown by a leader by motivating subordinates to be able to identify the goals and vision of the organization. Meanwhile, (Robbins & Judge, 2013) argues that transformational leadership style is the ability of leaders to inspire followers to go beyond their self-interest for the good of the organization and can have a tremendous effect on their followers. In other words, transformational leadership style is a behavior or effort made by a leader in providing motivation and encouragement to his subordinates in a positive direction in accordance with the goals and vision and mission of the organization.

Xenikou & Simosi (2006) mentions four leadership factors, namely, vision articulation, provision of individual support, and high performance expectations, and organizational culture/organizational climate. Of the four factors mentioned above, there is one factor that influences leadership style, namely organizational culture. Organizational culture can influence the way people behave and should be a benchmark in every organizational development program and policy taken (Rina et al, 2014). The selection of the right leaders and their leadership style accompanied by the organizational culture they create are responsible for the success of the organization's business (Mitrovic, Simovic & Raicevic, 2019). Organizational Culture is important to examine at PT. Diamondfit Garment Indonesia is because organizational culture is a characteristic of a company and becomes a guide for behavior by all members of the organization. The importance of culture lies in setting the framework for a number of variables in the organization, including performance standards, attitudes (efficiency and/or effectiveness) and behavioral norms (Maamari, 2018). Organizational culture creates and shapes managerial competencies based on values and norms to improve organizational performance (Ozgenel, 2020). A strong culture is characterized by the values of the organization that are well embraced and widely shared (Meutia & Andriani, 2017).

Fey & Denison (2003) define that organizational culture is the values, beliefs, and principles that underlie an organization's management system. Robbins (2002) states that organizational culture is a pattern of shared values, beliefs, and assumptions that are considered the right way of thinking and acting in an organization. In other words, organizational culture is a set of beliefs, values and norms held by a group of people that form the basis for the rules for thinking, behaving and taking actions within the organization.

Gholamzadeh, Khazaneh & Nabi (2014) found that organizational culture has a positive effect on transformational leadership style. Where organizational culture has key characteristics that are upheld by employees in carrying out their duties and work, it is necessary to have direction from a leader, therefore transformational leadership is considered to have an influence on motivating, encouraging, and controlling employees in improving performance efficiently and effectively so that they can make a profitable contribution. for the company. But besides that, research conducted by (Riski, Rosalina & Muzayannah, 2017) that organizational culture has an insignificant effect on transformational leadership

style. This is because the culture that is instilled does not support the leader in motivating employees to have good performance so that the impact on the contribution made to the company is not optimal. Thus, the higher the organizational culture, the higher the transformational leadership style applied, and vice versa, the lower the organizational culture, the lower the transformational leadership style applied. Therefore, this study aims to determine the relationship between organizational culture and the leadership style applied by the production supervisor at PT. Diamondfit Garment Indonesia.

2. Methods

This study uses quantitative research. This research uses quantitative research methods that aim to determine the relationship between one independent variable and one dependent variable. The independent variable used in this study is organizational culture, while the dependent variable is transformational leadership style. The sampling technique used in this study is a saturated sampling technique, where all members of the population are sampled. Respondents who use all production supervisors at PT. Diamondfit Garment Indonesia with 30 respondents consisting of men and women. Then data collection was carried out by distributing questionnaires to respondents and respondents were asked to choose one of four answer options, namely Very Appropriate (SS), Appropriate (S), Not Appropriate (TS) and Very Incompatible (STS). The scale used to measure organizational culture developed by Fey & Denison (2003) amounted to 36 items, after testing, 14 items were dropped and 22 items were valid with a corrected item total correlation between 0.310 to 0.773. The result of the Scale reliability test using Cronbach's alpha was 0.856. Then the scale used to measure transformational leadership style is the multifactor mlq scale developed by Bass & Avolio (1993) with 20 items. After the trial, 5 items were dropped and 15 items were valid with a corrected item total correlation between 0.385 to 0.851. The results of the Scale reliability test using Cronbach's alpha was 0.814. From the data that has been obtained and then processed using the Product Moment data processing technique from Person to determine the close relationship between the two variables, data analysis was carried out using SPSS Statistics version 21.0 for windows.

3. Findings and Discussion

The research that has been done on all production supervisors at PT. Diamondfit Garment Indonesia, which amounted to 30 respondents with a male percentage of 46.7% (14 people) and a percentage of 53.3% of female respondents (16 people). The age of participants varies from 20-30 years (36.7%) and 30-50 years (63.3%) then for a minimum education level of SMA or equivalent according to the minimum requirements that have been set by the company.

Table 1
Organizational Culture Categorization

Categorization	Interval	Frequency	Percentage
Very high	$X > 108$	16	53,3%
High	$90 < X \leq 107$	14	46,7%
Low	$72 < X \leq 89$	0	0%
Very low	$X \leq 71$	0	0%
Total		30	100%

The results of instrument categorization on the organizational culture scale, it is known that the average value of organizational culture is $M = 90$ and $SD = 18$. It can be seen from table 1 shows that 16 respondents with a percentage of 53.3% at a very high level, 14 respondents with a percentage of 46.7 % at a high level, then for the category at a low level and very low with 0 respondents with a percentage of 0%. From these results it can be concluded that the average subject has a very high organizational culture.

Table 2
Transformational Leadership Style categorization

Categorization	Score	Frequency	Percentage
Very high	$X > 60$	17	56,7%
High	$50 < X \leq 59$	13	43,3%

Low	$40 < X \leq 49$	0	0%
Very low	$X \leq 39$	0	0%
Total		30	100%

The results of instrument categorization on the transformational leadership style scale, it is known that the average value of the transformational leadership style is $M = 50$ and $SD = 10$. It can be seen from table 2 shows 17 respondents with a percentage of 56.7% at a very high level, 13 respondents with a percentage of 43.3% at a high level, then for the category at a low and very low level with 0 respondents with a percentage of 0%. From these results it can be concluded that the average subject has a very high transformational leadership style

Table 3
Hypothesis Test Results

Variable	Perarson Correlation (r)	Sig (p)	Information
Organizational culture with transformasional leadership style,	0,461**	0,005	Hypothesis Accepted

** Correlation is significant at the 0.01 (1-tailed)

The purpose of the study to see the correlation between the two variables, the writer then tested the hypothesis using Pearson's Product Moment technique. This hypothesis test was carried out with the help of SPSS version 21.0 for windows. The strength of the relationship between the two variables is expressed in the correlation coefficient. The largest positive correlation coefficient = 1, the largest negative correlation coefficient = -1, while the one that has no relationship or the smallest is = 0 (Sugiyono, 2010). Based on the results of the correlation test, there is a significant positive relationship between organizational culture and transformational leadership style, with a correlation coefficient of 1 which indicates a positive correlation. In the pearson correlation table and sig. In the table above, it is known that $r = 0.461$, it can be concluded that there is a relationship between organizational culture. The relationship is stated to be positively significant because the value of sig. 0.005 ($p < 0.05$). Where the higher the organizational culture shown by employees, the better the transformational leadership style applied by the supervisor. Conversely, where the lower the organizational culture shown by employees, the worse the transformational leadership style shown by the supervisor is.

The results of the correlation test, there is a significant positive relationship between organizational culture and transformational leadership style, with a correlation coefficient of $r = 0.461$; $p < 0.05$. Thus it can be said that organizational culture has a role that can improve transformational leadership style. This means that the stronger the organizational culture applied by employees, the higher the transformational leadership style applied by the supervisor. Vice versa, the lower the organizational culture, the more transformational leadership styles are applied. Then on the results of the descriptive analysis, the supervisor has a very high level of organizational culture and leadership style in the category.

There are several possibilities that show that organizational culture has a positive relationship with transformational leadership style. The first thing is that employees in their work are always guided by the values, vision, mission and goals of the company that can form a positive culture in the company environment, so that a strong organizational culture by employees can encourage the creation of a good and effective transformational leadership style. This opinion is supported by research conducted by Aydin (2018) on 173 private construction employees in Turkey which shows the results of $r = 0.698$; $p < 0.01$ and sig. p value = 0,000 these results indicate that there is a significant positive relationship in organizational culture and transformational leadership style. A positive relationship was also found between organizational culture on the four transformational dimensions, namely idealized influence, inspirational motivation, intellectual stimulation and individualized consideration.

The next possibility is that most employees think that the organizational culture in the company can be used as a basis by leaders in achieving organizational goals so that it can improve the transformational leadership style at PT. Diamondfit Garment Indonesia. This is supported by research conducted by Gholamzadeh, Khazaneh & Nabi (2014). found that organizational culture has a positive effect on

transformational leadership style. Where organizational culture has key characteristics that are upheld by employees in carrying out their duties and work, it is necessary to have direction from a leader, therefore transformational leadership is considered to have an influence on motivating, encouraging, and controlling employees in improving performance efficiently and effectively so that they can make a profitable contribution for the company. The results of this study have proven that there is an influence between organizational culture and transformational leadership style, which is also supported by Tsait (2018) which states that organizational culture is related to transformational leadership style showing values ($\beta = 0.55, p < .001$) and ($\Delta F = 30.58, p < .001$) which shows a positive and significant correlation.

Sow, Murphy & Osuoha (2017) say that transformational leadership style is a process that changes and transforms people. It deals with emotions, values, ethics, standards, and long-term goals. Xenikou & Simosi (2006) mentions four transformational leadership factors, namely, vision articulation, provision of individual support, and high performance expectations, and organizational culture. Schein (2004) explains how organizational culture and leadership work together to create shared beliefs, assumptions, and shared values that shape organizational behavior. A strong culture is characterized by the values of the organization that are well embraced by employees so that they can influence and contribute to the progress of the company.

Then in this study found the results that organizational culture has a very high category with a percentage of 53.3%. This shows that the organizational culture applied at PT. Diamondfit Garment Indonesia always provides innovation to employees in forming efficient and effective performance in accordance with company goals. Besides, the results of the transformational leadership style are also included in the very high category with a percentage of 56.7%. This is because the supervisor can be a role model who can provide motivation and support to his subordinates in increasing employee performance.

4. Conclusion

Based on the results of research and discussions that have been carried out, it can be concluded that there is a significant positive relationship between organizational culture and transformational leadership style with a correlation coefficient of $r = 0.461$ and a sig. $0.005, p < 0.05$. Then on the results of the descriptive analysis, the supervisor has a very high level of organizational culture and leadership style with a percentage of organizational culture of 53.3% and transformational leadership style of 56.7%. This means that the stronger the organizational culture applied by employees, the higher the transformational leadership style applied by the supervisor.

This it can be said that organizational culture has a role that can improve transformational leadership style. The research that has been carried out, several limitations have been carried out during the research, therefore the researcher provides some suggestions: (1) For companies, The company provides an opportunity for every employee to be able to apply the organizational culture that has been set in the company so that they can imitate the leadership carried out by their superiors. This can be done by means of, for example, sharing or simulation in applying organizational culture. (2) For employees, every employee can use himself to improve his quality by participating in training, sharing, discussions, and simulations with his superiors so as to create a positive organizational culture in the work environment. (3) For further research, this study found a significant influence between organizational culture and transformational leadership style. So if other researchers are interested in conducting similar research, it is hoped that it can be used as a comparison material in discussing the problems expressed in the study. Further researchers are also expected to make a much broader research. By expanding the population space or adding variables that have not been included so that the results obtained can be more varied.

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