Effect of Transformational Leadership Style, Information Technology, Organization Culture and Leader Innovation on Leader Performance (Study in Jayapura City Government)

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ABSTRACT: Leader performance was challenges leader related to transformational leadership style, information technology, leader innovation, and organizational culture. Therefore, this study aims to examine effect of transformational leadership style, information technology, and organizational culture on leader innovation and leader performance. Method used was descriptive quantitative. Study location was Local Apparatus Working Unit (LAWU) in Jayapura City. Samples used were 323 respondents. Research result can be explained as follows: 1. transformational leadership style has a significant effect on leader innovation; 2. Information technology has significant effect on leader innovation; 3. Organizational culture has a significant effect on leader innovation; 4. transformational leadership style has a significant effect on leader performance; 5. information technology has significant effect on leader performance; 6. organizational culture has significant effect on leader performance; and 7. Leader innovation has significant effect on leader performance.

KEYWORDS: Transformational Leadership Style, Information Technology, Organizational Culture, Leader Innovation, Leader Performance, Jayapura

I. INTRODUCTION

Within transparent and accountable government, leader role was critical to achieve performance of government organizations through institutional arrangement. It was a bureaucracy component that focused on functions and duties of principal tenet of public service that work together and interact with customers oriented for society service interests. Main objective of regional autonomy and decentralization was to create good governance, namely that marked by leader performance, transformational leadership style, information technology, organizational culture, and leader innovation. Demands to create good governance has become public desire since the passing reform of bureaucratic, public administration and law. This was very positive in transparency process for current government to build community engagement in planning and budgeting, as well as the implementation and monitoring of government administration and public services. Leader performance was challenges leader related to transformational leadership style, information technology, leader innovation, and organizational culture in relation with Government Regulation No. 41 of 2007 (PP 41/2007) on organization of local government in Jayapura City. Dimensional standardization changes were very strict by considering the quantity for effective local governance. Standardization can neutralize: (1) inconsistence of local institutions nomenclature with central agencies that resulting difficulty in budgeting process and lead to inefficiency in local government administration, (2) organizational structure of local government in Indonesia tends larger thereby potentially absorbing local budget allocation) for apparatus expenditure, and (3) standardization in regulation was defined as a manifestation of central government interests for recentralization of institutional arrangement not for local governments effectiveness.

Preliminary field observations for leader performance in relation with transformational leadership style, information technology, leader innovation, and organizational culture show a progress. This progress comprise competence, networking, management support, organizational support, charismatic leadership style, individual leadership style, intellectual leadership style, subjectively, services, competitive, norms, discipline, stability, attitude, aggressiveness, structure, quality, participation, responsibility, and loyalty. It still not explained clear, because there has been no research on effect of transformational leadership style, information technology, leader innovation, and organizational culture on leader performance within the Jayapura City. This study was focused on leader performance in relation with transformational leadership style, information technology, leader innovation, and organizational culture within government Jayapura. Lonty (2003) argued that the concept of a leader's performance in government or governance without government, where the performance of leaders in government bureaucratic agencies formed as small as possible, and simply be a catalyst duties (steering) in conjunction with a transformational leadership style, information technology, leader innovation, and organizational culture.
Effect Of Transformational Leadership Style, Information Technology, Communication, Knowledge, Morals, and Cooperation

Transformational leadership style show positive effect on leader innovation. Logically, goals can contribute to level-based achievement. Atwater DC (2004) found that transformational leadership style affect on leader innovation. This was proven in process to affect employees in order they understand and agree to become effective in facilitating the achievement of a common goal attempt. Zomorrodian (2004) proved that the transformational leadership style was important for design innovation by comparing the positive benefits of a collective concept to accomplish the task. Langford (2003) found that transformational leadership style has positive effect on leader innovation that has the power to build a positive personal power. Savas (2005) suggested that transformational leadership style was positively associated with leader innovations. They will always give the model and instructions to employees about the work behavior of leadership in accordance with rules and contribute to organization.

Information technology has a positive relationship with leader innovation. It was proved logically to describe the leader competence in organization. MacKenzie and Wajcman (2001) found that the information technology can contribute positive benefit for leader innovation to get accurate information to communicate rightly. Ursula (2007) suggested that the position of information technology has a positive relation to leader innovations. It can provide information to answer the challenge and competition of knowledge in globalization era, as well as to realize good governance in public sector. It really need needed a leader who truly competent and have a competitive advantage. Wise (2001) explains that positive effect of information technology on leader innovation in government system can encourage consensus and high quality solution relative to each priority. In understanding organizational leaders, we need to coordinate work vertically, horizontally, diagonally, territorial functional, informative, consultative, and coordinative. Chsholm (2004) suggested that information technology has positive effect on leader innovation. Existence of local government leaders was very important as a logical consequence of efforts of public service.

Organizational culture has positive effect on leader innovation to drive behavior and optimizing sustainable organizational survival. Krietner and Kinichi (2005) found that organizational culture has positive effect on leader innovation to facilitate communication roles and responsibilities for all individuals. Employees know what was expected of them, how their performance management and what form of awards available. Cowling and James (2003) found organizational culture was positively related to leader innovation. It was evidenced by: (1) accept the risk, how far employees have ability to take risk, (2) attention to detail, how far employees were expected to exhibit precision , (3) results orientation, how far management focuses on results rather than on techniques and processes used, (4) orientation, how far management decisions take into account the effect on each individual within organization, (5) team orientation, how far work activities work organized in teams rather than individuals, and (6) stability, how far organization emphasizes the feeling of a shared understanding in order members have good attitude. Sorensen RJ, (2003) suggested that organizational culture has positive effect on leader innovation based on bureaucratic position to perform community service efficiently, including: (1) competitive climate in bureaucratic workings model, (2) performance measures, (3) incentives, (4) personal bureaucratic administration, and (5) active leadership. Walsh (2006) explains relationship of transformational leadership style on leader’s performance as a basis for interaction design in appropriate organizational structure, including: planning, organization, personnel, guidance, and supervision. John (2006) suggested that organizational culture has positive effect on leader performance to benefit human resource development, include employee satisfaction, method and system of work, income, complaints, communication, knowledge, morals, and cooperation. Based on above description it can be seen that transformational leadership style, information technology and organizational culture have close relation with innovation leader and leader performance. Therefore, this study aims was to examine effect of transformational leadership style, information technology and organizational culture on leader innovation and leader performance.

II. THEORETICAL REVIEW

Transformational Leadership Style: transformational leadership style was emphasized on right leadership to make changes (Yulk, 2002). Bass (2002) defines transformational leadership by include organizational change efforts (as opposed to leadership which was designed to maintain the status quo). Conception of transformational leadership style was to seek transformation values held by subordinates to support the vision, mission, strategic plans and objectives of organization (Stone, 2004). Transformation of expected value of a good relationship between organization members can be built to create trust between members of organization. Furthermore, Gill (2010) interprets transformational leadership operationally as follows: "The process of Influencing major changes in attitudes and Assumptions of organization members and building commitment for organization's mission or objectives".

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Stone, 2004) defines characteristics of transformational leadership style were as follows:

[1] Charismatic Leadership Style
Charismatic leadership style was a behavior to understand vision and mission of organization, have pride, faith assurance, and respect for each decision that has been taken. In other words, a charismatic leader becomes a role model who was admired and respected, and followed by his subordinates.

[2] Individual Leadership Style
Individual leadership was a leader character with ability, proficiency, and harmony that able to understand individual differences of subordinates. In other words, individual leader was able to understand and appreciate the subordinates based on subordinates need and pay attention to desire of subordinates achievement and development.

[3] Intellectural Leadership Style
Intellectual leadership style was a leader character in attraction, design task, and work recommendations to encourage subordinates to solve problems carefully and rationally. In other words, intellectual’s leadership able to stimulate subordinate to always creative, effective, and efficient.

Bass (2002) stated that leaders apply transformational leadership style with following three ways: (1) encouraging employees to become more aware the importance of operations results, (2) encouraging employees to put interests of group, and (3) increase the higher employee need such as self-esteem and self-actualization. Understanding the importance of operations results should be applied to employees. In other words, process orientation was to receive priority rather than the result. Group interests were positioned above private interests to create good relations and conducive work environment. It was a major concern in application of this leadership style. Furthermore, leader considers subordinates needs not only the material, but also able to encourage employees to have higher needs in accordance with their capacity. A leader who wants to effectively implement a transformational leadership style should able to do following things: (1) understanding the vision and mission of organization, (2) understanding and analysis of strategic environment (SWOT), (3) formulating organization's strategic plan, (4) internalizing the vision, mission, strategic environment, and strategic plan to all members of organization, (5) controlling strategic plan through proper management oversight, (6) needs of employees, (7) capacity of employees, (8) work distribution in accordance with employees capacity and (9) to appreciate the work of employees. Transformational leadership style was a leadership style that was used by a manager if he wants the group to wide a limit beyond the status quo or achieves a set of completely new organizational goals (OLeary, 2001).

Information technology: Information technology was technology management field and covers various areas which include but were not limited to things such as processes, computer software, information systems, computer hardware, programming languages, and data construction (Williams and Sawyer, 2007). Information technology performs various functions (information technology, discipline and competence) of database information. Some tasks that may include data management, networking, engineering computer hardware, database and software design, as well as the management and administration of entire systems. Information technology was related to process, tool, manipulation, and management of information (Longley, 2005). Communication technology was all about assistance devices to process and transfer data from one device to another. Therefore, information technology was an integral counterpart that containing the broader sense of any activity related to processing, manipulation, management and transfer of information between media. Blais (2011) stated that information technology development was to create a plan, including: (1) unifying vision and mission to be achieved, (2) establishing an independent technology, (3) identifying agency infrastructure, both hardware, software and system and network already owned, (4) determining hardware and software that will be used or developed, (5) identifying human resources, (6) determining form of mastery training leaders and other staff, (7) making a clear time schedule to achieve program, (8) determining of necessary investments on a regular basis each year, (9) identifies the software development, and (10) Revising plan that tailored to developments.

Organizational Culture: Organizational culture was a believed system and developed values within organization to leads organization members behavior (Wood, 2001). Organizational culture provides an employees behavior framework in their workplace. Depending on type of culture that was created in an organization, it can have a positive or negative effect on employee performance. Organizational culture was an environment where employees were considered as an integral part of growth process of organization to foster employee commitment to organization (Kanter, 2002). Employees Align with organizational goals and objectives. Schein (2002) suggests that organizational culture can be divided into two dimensions:
[1] Dimensions of external environments; there were five essential things, namely: (a) mission and strategy, (b) goals, (c) tools to achieve goals; (d) measurement, and (e) correction.

[2] Dimensions of internal integration; there were six main aspects, namely: (a) the common language, (b) group boundaries for inclusion and exclusion, (c) power and status distribution, (d) development of intimacy norms, friendship, and love, (e) reward and punishment, and (f) explaining and explainable: ideology and religion.

There were ten characteristics of culture of organization, include: (1) observe behavior, language, customs, traditions, (2) groups norms, standards and values; (3) espoused values, published, publicly announced values, (4) formal philosophy, mission, (5) rules of the game: rules to all in organization, (6) climate, climate of group in interaction, (7) embedded skills, (8) habits of thinking, acting, paradigms, shared knowledge for socialization, (9) shared meanings of the group, and (10) metaphors or symbols.

Luthans (2005) explores the six essential characteristics of culture of organization, namely:

Leader innovation: Innovation leader was indicators to measure the degree and how far a person was entitled to an impartial board on organizational goals (Meyer and Allen, 2004). Innovation refers to three dimensions, namely: (1) workers with strong affective commitment, they will continue to do the job responsibility to do more for organization, (2) workers involved in organization because it was based changes in organization, and (3) workers with high normative felt it necessary to maintain organization. Mowday (2001) stated leader innovation that conceptually addressed by employee include: (1) rate of turnover, replacement rate in organization at a certain period, (2) level of absenteeism that addressed by management in organization at certain period, (3) activity to seek employment outside of organization where he works, and (4) willingness feeling to become part of organization.

McGee (2005) stated that decision process stages of leader innovations include several stages as follows:

[1] Knowledge emergence, it was when an individual (or other decision-making units) was directed to understand the existence and advantages/benefits and how an innovation functions.
[2] Persuasion, it was when an individual (or other decision-making units) show good or bad attitude.
[3] Decision, it arises when individual or other decision-making units engaged activities that lead to selection to adopt or reject innovation.
[4] Implementation, it was when an individual or other decision-making unit specifies the use of an innovation.
[5] Confirmation, it was when an individual or other decision-making units were looking for reinforcement against the decision to receive or reject innovations that have been made previously.

Leader Performance: Leader performance was ways to produce something from activities that accomplished by work performance (Dessler, 2006). This concept shows that that an organization’s performance was the main concept about determination of leadership ability, organization task to achieve goals. Leader performance was a complex part in human resource management. Lewis (2003) explains that the principles of leader's performance were follows: (1) participation (equity and transparency), (2) networking, (communication, cooperation, and friendship), (3) management support (motivation, optimization, and guidance), and (4) organizational support (work support and working conditions). Baron and Greenberg (2000) suggest that performance was result that has been produced by individual employee. Another term was measured from the output of human productivity, absence, turnover, citizenship and satisfaction. Performance on individual referred to job performance, work performance and task outcomes. Heenan (2001) found that the key factor of leaders performance, among others: (1) use and abuse of power, (2) activity to lead, (3) consistency and consequences, (4) fostering relationships, (5) public service, (6 ) management and structuring, (8) readiness to face changes, and (9) management process. Aronson (2001) found that leader performance needs to be developed on each employee to perform community service tasks. Leader must be able to guarantee the operation implementation of each sector in public services to improve the quality life of people and community development. Poor leadership not only makes the performance of public services was not effective, but also weaken the mentality and morality of public service officials. Detert and Burris (2007) explained that leadership performance can be viewed from the perspective of outcomes, processes, or behaviors that lead to objectives achievement. Javidan (2000) argue that in context of performance assessment, organization’s main task was to determine leader's performance perspective and to test processes that occur between leaders with subordinates.

Leadership development that coupled with an increase in spirituality, in addition to increasing the servant leadership behaviors, will have a direct effect to improve performance (Hangge, 2007). It can also provide new insights about the role of spirituality or paradigm and leader task. Leaders and leadership was seen not just a symbol of social or position, but more important was the role and responsibility in creating a spiritual man, a noble man in organization, noble and honorable behavior.
Leader performance can not be separated from contribution of organizational performance (team performance). Therefore, higher the level of humanitarian concern to members of leadership, delegation of authority, attention to organization's vision, as well as the simplicity of a leader's attitude will have positive effect on team performance. Task and role of leader was not only to achieve organizational goals with physical and socio-psychological in nature, but also has responsible and a role to build self and its members to become a noble human, sublime, and Gentlemen. Limits of leader performance were effect of all a particular job or activity for a certain period of time (Boyett, 2007).

III. RESEARCH HYPOTHESIS

This study examined the direct effect of transformational leadership style, information technology, and organizational culture variables on leader innovation and leader performance. Therefore, this study hypothesis can be presented as follows.

H1. More effective transformational leadership style will increase leader innovation.
H2. Higher information technology will improve leader innovation.
H3. Higher organization's culture will improve leader innovation.
H4. More effective transformational leadership style will increase the leader performance.
H5. Higher information technology will increase leader performance.
H6. Higher organization's culture will improve leader performance.

IV. METHODS

This was a field study that using survey method through questionnaires. Research objects were Local Apparatus Working Unit (LAWU). Study samples were 323 respondents that selected by proportional sampling, 10 employees for group I 131 employees respondents for class II, 164 employees for class III and 18 employees for class IV in Jayapura Government. Samples of a research were affected by analysis tools used (Davis and Cosenza (1993) in Kuncoro, 2003). Analytical tool in this study was Path Analysis. Software used to analyze the data was AMOS version 4.1.

V. RESULTS AND DISCUSSION

Hypotheses test will explain effect of transformational leadership style (X1), information technology (X2), organizational culture (X3) as independent variables on leader innovation (Y1), and leader performance (Y2) as dependent variables. Testing results the effect of independent variables on dependent variable can seen in Figure 1.

![Model Testing Result the Effect of Independent Variables on Dependent Variables](image)

Hypothesis testing was based on probability value (p < 0.05) related to effect of independent variables on dependent variable, and the result will be further analyzed. Test results can be presented in Table 1.
Table 1. Coefficient Value the Relationship Among Variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>Estimate</th>
<th>S.E</th>
<th>C.R</th>
<th>P</th>
<th>Label</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leader Innovation (Y1) ←Transformational Leadership Style (X1)</td>
<td>0.423</td>
<td>0.119</td>
<td>6.274</td>
<td>0.0</td>
<td>Significant*</td>
</tr>
<tr>
<td>Leader Innovation (Y1) ←Information Technology (X2)</td>
<td>0.318</td>
<td>0.135</td>
<td>3.092</td>
<td>0.0</td>
<td>Significant*</td>
</tr>
<tr>
<td>Leader Innovation (Y1) ←Organization Culture (X3)</td>
<td>0.304</td>
<td>0.179</td>
<td>5.038</td>
<td>0.0</td>
<td>Significant*</td>
</tr>
<tr>
<td>Leader Performance (Y2) ←Transformational Leadership Style (X1)</td>
<td>0.401</td>
<td>0.107</td>
<td>3.753</td>
<td>0.0</td>
<td>Significant*</td>
</tr>
<tr>
<td>Leader Performance (Y2) ←Information Technology (X2)</td>
<td>0.347</td>
<td>0.351</td>
<td>3.562</td>
<td>0.0</td>
<td>Significant*</td>
</tr>
<tr>
<td>Leader Performance (Y2) ←Organization Culture (X3)</td>
<td>0.454</td>
<td>0.339</td>
<td>3.391</td>
<td>0.0</td>
<td>Significant*</td>
</tr>
<tr>
<td>Leader Performance (Y2) ←Leader Innovation (Y1)</td>
<td>0.320</td>
<td>0.161</td>
<td>3.324</td>
<td>0.0</td>
<td>Significant*</td>
</tr>
</tbody>
</table>

Source: Primary Data Processed, 2013

Testing the effect of independent variables on dependent variable showed all significant results. Therefore, all testing result supports the study hypothesis. Discussion of test results can be explained below.

[1] Effect of transformational leadership style on leader innovation.
Relationship between transformational leadership style variable (X1) of leader innovations (Y1) show significant path coefficient of 0.423 with significance level 0.000 > 0.05. Therefore, transformational leadership style (X1) has a significant effect on leader innovation (Y1).

Relationship between information technology variable (X2) on leader innovations (Y1) show significant path coefficient of 0.318 with significance level 0.000 > 0.05. Therefore, information technology (X2) has a significant direct effect on leader innovation (Y1).

Relationship between organizational culture variable (X3) on leader innovation (Y1) shows a significant path coefficient of 0.304 with significance level 0.000 > 0.05. Therefore, organizational culture (X3) has a significant effect on leader innovation (Y1).

Relationship between transformational leadership style variable (X1) on leader performance (Y2) show a significant path coefficient of 0.401 with significance level 0.000 > 0.05. Therefore, transformational leadership style (X1) has a significant direct effect on leader performance (Y2).

Relationship between information technology variable (X2) on leader performance (Y2) shows a significant path coefficient of 0.347 with significance level 0.000 > 0.05. Therefore, information technology (X2) has a significant effect on leader performance (Y2).

Relationship between organizational culture variables (X3) on leader performance (Y2) shows a significant path coefficient of 0.454 with significance level 0.000 > 0.05. Therefore, relationship between organizational culture (X3) has a significant direct effect on leader performance (Y2).

Relationship between leader performance variable (Y2) on leader innovations (Y1) show a significant path coefficient of 0.320 with significance level 0.000 > 0.05. Therefore, leader innovation (Y2) has a significant effect on leader performance (Y2).
VI. CONCLUSIONS AND RECOMMENDATIONS

Conclusion: Based on research purpose, data analysis, hypothesis testing and discussion of research findings and interpretations with reference to some of theories and previous research results, it can draw the following conclusion:

1. Transformational leadership style has a significant effect on leader innovation who always led to changes from time to time. Individual leader has a new innovation and responsibility in decision-making.
2. Information technology has a significant effect on leader innovation to create more creativity as comparative advantage as well as fostering a sense of responsibility.
3. Organizational culture has a significant effect on leader innovation, especially in attitudes and responsibilities development at management of public administration bureaucracy to realize the goal of organizational planning.
4. Transformational leadership style has a significant effect on leader performance of an inspirational leader to develop organizational through good management and responsible decision making.
5. Information technology has an important effect on leader’s performance to strengthen public management with responsibility to serve public professionally.
6. Organizational culture has an important effect on leader performance in attitude and assertiveness in attitude and responsibility in management, especially mechanism that dynamic in making decisions based on organizational issues.
7. Leader innovations have a significant effect on leader performance in development of public bureaucracy with support of management and were responsible to create interpersonal creativity in development of public service tasks.

Suggestion: Based on study conclusion above, authors mentions some suggestions that need to be followed up, especially in field of human resource management studies. In efforts to improve transformational leadership style, information technology, organizational culture, and leader innovations in Jayapura City Government, the recommendation were follows:

1. Efforts to improve transformational leadership style toward leader innovation should consider charismatic leadership in relation to professional organization structure.
2. Efforts to improve information technology toward leader innovations should develop structure of public service with multimedia distribution mechanism to implement the strategy of regional development planning.
3. Efforts to improve organizational culture toward leader innovations should improve employee discipline based on structure to adapt to practice of planning, organizing, directing and controlling and policies to respond to changes.
4. Synchronizing transformational leadership style on leader performance should consider charismatic leader, competence in a specific structure to make decisions.
5. Success of information technology in supporting the leader performance should be enhanced by improving competencies based on systematic professional structure to serve community systematically (public service).
6. Organizational culture needs to be upgraded to improve the leader’s performance to cope with increasing competence disciplines to interact structurally with public bureaucracy.
7. Accumulation of leader innovations should be considered to improve the leader performance in developing positions on structural changes that should be based on competence toward flexibility of decision-making.

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