Transformational Leadership, Trust, and Motivation
(Study of Government’s Human Resource Agencies in Indonesia)

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Abstract—This study aims to investigate the Transformational Leadership Behavior (TLB) theory to explain and predict the trust and motivation of employee who worked at Human Resource Development Board Province (HRDBP) in Indonesia. This study uses purposive sampling and the survey method to generate sampling which consist of 300 respondents from some of main cities in Indonesia namely: Ambon, Palu, DKI Jakarta, and Medan. The data are analyze using Variance Based SEM (SEM-PLS). The result shows that TLB has a positive and significant effect on employee’s trust which in turn impact their motivation. TLB could explain and predict 54% employee trust, and employee motivation could be explained 37% by trust. Data collected in this study are limited to the context of employee who works in government organization like HRDBP. Thus, further research may involve other government organization. Results of this study may serve as a guideline for other government organization in other cities or places of Indonesia to increase their leader behavior which will impact trust, and motivation of employees.

Keywords: transformational leadership, trust, motivation, Variance Based SEM

I. INTRODUCTION

After more than 20 years of accumulated research evidence, there is little doubt that Transformational Leadership Behavior (TLB) is related to a wide variety of positive individual and organizational outcomes. Based on our literature review, TLB has been empirically linked to increased employee satisfaction as argued by Podsakoff et al [1], organizational commitment [2], satisfaction with supervision [1], extra effort [3], turnover intention [2], organizational citizenship [4], and employee performance [5]. Moreover, the effects of TLB also increase across management levels [6,7], work environments [8,9], and national cultures [10,11].

All this time, the study of TLB always focuses on the antecedent and the effect of the behavior itself [7], especially its effect on organizational outcome. There were still limited research which focused on the way of the TLB to gain such organizational outcome [9]. While researchers have learned a great deal about the effects of TLB, relatively little is know about its process to gain such outcome. Bass [12] stated that TLB, like most forms of leader behavior, is traditionally viewed as an independent variable exerting influence downstream. Cascio [13] and Katzenbach et al [14] stated that based on increasing attention to the successful change of management in the last decade, organizations are accepting TLB as an important component of leading such change [15-17].

In government organization, like Human Resources Development Board Province (HRDBP), TLB has an important role to increase organizational outcome. Based on our preliminary study with online interview, to the 50 employees from HRDBP which located in Ambon, Palu, Jakarta, and Medan, most of them (40% respondents) stated that they disappointed with the leader in their organization. Moreover, because of the leader behavior, it decreased their trust and their motivation to make a such performance. According to our preliminary study, it is hard to imagine a such situation especially in government organization, with more risk and vulnerability than that between leader and follower, each of which can be vulnerable to lying, subterfuge, or even outright fraud if the other person does not follow through with consistent actions based on stated promises. Automatically, it shape the follower distrust to their leader which impact on their motivation.

As argued by Bligh [18], trust is a dynamic, it depicts the interpersonal link between people, with unique implications for the workplace in organization. Moreover, Dirks and Ferrin [19] stated that trust as an expectation or belief that one can rely on another person’s actions and words and that the person has good intentions to carry out their promises. For this reason, it becomes critical in relationships between leaders and followers especially in government organization like HRDBP, who by definition have different roles and different levels of status and power. Based on our literature review, most study of leadership ignored the critical role of trust as the mediating variable through the connection between leader behavior and motivation. In this study, we will explore the importance of trust as a core cognitive and affective process in TLB and motivation relationship. Because trust is a relational concept that occurs between people, in government institution like HRDBP, both leaders and followers play an important role in creating, sustaining, destroying, and rebuilding trusting relationships.
II. RESEARCH PROBLEM

Much of the research on TLB has been focused on developing conceptual models of the effect of its to organizational outcomes, such as satisfaction, commitment and intention to quit [7,9]. Further research on the circumstances that contribute to the meaningful role of trust in transformational leadership, brought to light the impact of TLB on follower trust, and suggest a strong link as a determining factor for the ideal environment that makes job motivation [20]. However, there is little evidence in the literature on the relationship between transformational leadership, trust and job motivation. This study therefore aims to explore this relationship with the aim of providing valuable information on the type of practices that an organization could focus on to foster an environment that enables optimal performance among its employees.

A. Objective of the Study

The objective of this study was to empirically explore the relationship between the constructs transformational leadership, trust, and job motivation among employees in the HRDBP in order to determine how organizations can shape their leadership and engagement practices to motivate employees.

B. Literature Review and Hypotheses Development

Bligh [18] in his research stated that the role of trust in transformational leadership has long been recognized as well. Bass’s model of transformational leadership argued that this leadership style is effective in part through its facilitation of follower trust. Some research suggests [19,21] that the relationship between transformational leadership and performance is dependent on both followers’ trust in the leader and value congruence. For example, in a study of Research & Development teams, consulting team members when making decisions, communicating a collective vision, and sharing common values with the leader predicted 67% of employees’ ratings of trust in their leaders [18]. Together, these leadership behaviors signal that the leader is unlikely to break trust, allowing followers to share sensitive information and rely on the leader’s judgments in ambiguous situations. Moreover, trust has been a key concept in some of leadership theory, such as when leader implemented charismatic and transformational leadership style it will build the follower trust [1,22]. Thus, the combination of theory and available empirical evidence suggests that there should be a positive relationship between TLB and trust.

H1: TLB will be positively related to follower trust in HRDBP

According to Dirks and Ferrin [19], trust in leaders is significantly related to a wide range of attitudinal, behavioral, and performance outcomes. For work behaviors and outcomes, trust is related to all forms of organizational citizenship behaviors (OCBs): altruism, civic virtue, conscientiousness, courtesy, and sportsmanship [18]. Trust in leadership behavior also significantly affects employees’ job satisfaction and organizational commitment and is strongly and positively associated with whether or not employees motivated with their job in organization [7,9]. Trust has a significant relationship to job motivation and organizational commitment [11]. Finally, and perhaps not surprisingly, trust is also highly related to motivation with one’s leader and perceptions of the quality of the leader-follower relationship [23]. Moreover, they argued that follower trust in the leader and identification with the collective both play an important role in translating a leader’s self-sacrifice into follower motivation. According to Chiaburu and Marinova [24], follower trust enhances employee motivation and organizational citizenship behaviors.

Thus, based on theory and empirical evidence suggests that there should be a positive relationship between follower trust and job motivation.

H2: Follower trust will be positively related to employee job motivation in HRDBP

Therefore, the theoretical model in this study is as follow Figure 1:

Fig. 1. Theoretical model.

III. METHODS

In the preliminary interviews phase, interviews with 100 respondents as key informant to explore TLB phenomenon in the workplace, were conducted. Exploring on how TLB retaliate with trust and job motivation of civil servant workers are performed subsequently. Afterwards, a questionnaire to be use as a measurement tool of the research based on the preliminary interviews with 100 key informants are build. Next, face validity, social desirability response, and construct validity (convergent and discriminant), are conducted. After an adequate validity result is acquired, measurement of the impact of TLB on job motivation mediated by follower trust will be required.

A. Sampling Design

Population in this study is civil servant employees and unit analysis is HRDBP civil servant employees based in Ambon, Palu, Jakarta, and Medan. Purposive sampling method is applied. Respondents use in this study must fulfill three necessary requirements, as follow: (1) Man or Woman; (2) HRDBP Civil servant employees based in Maluku, Palu, Jakarta, and Medan, (3) Willing to be involved in the study. Hair et al. [25] proposed that minimum magnitude of sample in a study using SEM is five up to ten times indicators use. In this study, 25 indicators are used, therefore minimum sample required is $22 \times 10 = 220$ (two hundred and fifty) respondents. According to Aaker et al [26] the bigger the sample size employed, the more accurate is the result of the study to reduce
sampling error. Therefore, 300 (three hundred) is selected as the sample size in this study.

B. Operational Definition and Measurement

According to Yukl [7] and Northouse [9] transformational leadership is the enormous personal impact it has on followers’ values, aspirations, ways of thinking about work, and interpreting events. Bass and Riggio [11] identified four leadership factors or behaviors that characterize transformational leadership. The first is idealized influence. This factor defines behaviors through which the leader cultivates admiration, respect, and trust in himself among followers. Bass’ second transformational leadership behavior is inspirational motivation, which refers to the actions the leader takes to present a vision, set high standards, and convince individuals that they can achieve beyond expectations. The third transformational leadership behavior is intellectual stimulation, which includes actions by which leaders promote the intellectual development of followers, challenging subordinates to think for themselves and to evaluate problems in innovative ways. The fourth transformational leadership behavior is individualized consideration, which focuses on the relationship between the leader and each follower.

According to Dirks and Ferrin [19], most of research identified two core foundations of leader-follower trust. The first was competence or ability, which involves perceptions that the other party has the knowledge and skills needed to do a job, along with the interpersonal skills and “general wisdom” needed to succeed. The second foundation was character, which was subsequently split into two distinct constructs: benevolence, or the extent to which a trustee is believed to want to do good for the trustor, and integrity, or the degree to which a trustee is believed to follow sound ethical principles.

According to Perry and Wise [27] and Perry [28], motivation that is fueled primarily by the desire to obtain benefit by oneself is different from that fueled by the desire to do good for others, defining the latter as prosocial motivation. In other words, prosocial motivation is similar with the concept of public service motivation. Perry and Wise [27] contends that a public service motivation (PSM) constitutes a type of prosocial motivation that not only prevails in the context of public service delivery but also can help to predict behavior and performance of people involved in providing public services

In this study, the construct of TLB was measured using indicators developed by Bass and Avolio [12,29]. Constructs of trust in HRDBP employee were measured using indicators developed by Dirk and Ferrin [19] and Zacharatos et al [30]. Construct of HRDBP employees’ motivation, public service motivation in this regard, is measured using indicators developed by Perry [28]. The construct measurement scale in this study uses a Likert scale, 1 to 5, 1 = strongly disagree; 2 = disagree; 3 = neutral; 4 = agree; 5 = strongly agree.

C. Data Analysis Technique

Structural Equation Modeling (SEM) by Warp PLS 6 and SPSS software is apply as data analysis technique. Data analysis method in this study apply SEM two step approach, namely: measurement model and structural model proposed by Anderson and Gerbing [31]. Model testing is determine from criteria of Goodness of Fit (GOF) according to Amato et al as cited by Tenenhaus et al [32] for variance-based SEM models.

IV. RESULTS AND DISCUSSION

Table 1 shows that the dominant respondent in this study from gender is female, from marital status is married, from age is between 31-45 years, from the rank is IIIID (echelon 3), from education is master degree, and tenure period is 11-15 years.

Table 2 (results of discriminant and convergence validity) demonstrate constructs of job motivation with a satisfactory convergence validity where the value of AVE (Average Variance Extracted) exceeds 0.5 [25,33,34]. While, AVE value for constructs of TLB and trust which are formative indicators have no value, and this is very common for formative indicators. Moreover, table 2 show that cronbach alpha and composite reliability values of reflective construct (motivation) exceed 0.7, so it can be stated that the reflective constructs in this study are reliable [25,33,34].
In this study, the method of reliability test employ is composite reliability due to its superiority in estimating internal consistency [25,33,34]. For formative constructs, results in Table 2 show that weight indicator value for indicators on each of two constructs (TLB and trust) is significant with p values <0.001 and p <0.05. Additionally, VIF value of these constructs are under 3.3 which is in line with [25]. Thus, all indicators in two formative constructs (TLB and trust) are adequate for the next stage, the structural model measurement stage.

Table 2 shows results of discriminant validity testing for all constructs. Testing results are perform by comparing the AVE root values (values located diagonally in the table) with the correlation value between each construct. If the AVE root value is greater than the correlation value between each construct, then constructs apply in this study have an acceptable discriminant validity [25,33,34].

Table 3 shows results of discriminant validity testing for all constructs. Testing results are perform by comparing the AVE root values (values located diagonally in the table) with the correlation value between each construct. If the AVE root value is greater than the correlation value between each construct, then constructs apply in this study have an acceptable discriminant validity [25,33,34].

Based on results of Table 3, the squared root of AVE for each construct is greater than the value of the correlation between constructs in this study. Thus, constructs apply in this study have an acceptable discriminant validity.

B. Structural Model Testing

Structural model testing in this study is perform with Structural Equation Modeling (SEM) to test the validity of the research model along with hypotheses proposed with the help of Warp PLS 6 software. The test results are as follows:
does not experience causality problems. In other words, the relationship between variables hypothesized along with the resulting coefficient value is acceptable. Thus, overall, this research model has an appropriate GoF.

The Result of structural parameter estimation using variance-based SEM, with the help of Warp PLS 6, support Hypothesis 1 (H1) which states that TLB has a positive effect on the follower trust in HRDBP. This result is consistent with Podsakoff et al. [1]. They argued that Transformational leaders would build trust in their followers. In line with them, Hogan et al. [36] also suggested that follower’s perceptions toward leaders attributes which promote trust may be important for leader effectiveness. Moreover Schriesheim et al. [37] exerted that trust is an element of leader–member exchange theory and the consideration dimension of leader behavior. Transformational leadership is fundamentally based on trust, which fosters a more candid and direct process when dealing with difficult problems. A credible leader must first give credits with potential followers before they will consent to being led in a new direction. As a result, leaders who are more transparent and positive are more likely to have followers who trust them and rate them as effective leaders.

Furthermore, Hypothesis 2 states that the employee trust of HR Development Board in Indonesia has a positive effect on their motivation is supported. In line with research which conducted by Brown et al. [38], they argued that follower’s trust to the leader would motivate them to get job performance. Previously, Brown et al. [39] stated that employee behaviour may influence organization level performance given that many employees have some degree of discretion with respect to how hard they work, who explore the relationship between worker commitment and workplace performance. It may be the case that employee trust in the workplace influences the behaviour of employees, which in turn affects job motivation [19]. In particular, the extent to which employees trust that their leader will treat them honestly and fairly may influence the extent to which employees engage in opportunistic behaviour or otherwise. Thus, the degree of trust that employees have in their leader may impact upon organizational performance.

V. CONCLUSION

The role of transformational leadership in government organizations such as HRDBP is very important. This because of transformational leadership is a type of leadership which is able to motivate employees in improving their performance. Thus, organizational goals can be achieved. Obviously, this is inseparable from the formation of employees’ trust toward leaders which in turn they are motivated to work better. Using the logic described by Dirks and Ferrin [19] regarding the leader’s character, individuals are likely to feel safer and more positive about the leader making these decisions when they believe the leader is trustworthy.

Situation and condition in HRDBP in line with the research which conducted by Mayer et al. [40]. They proposed a model that when followers believe their leaders have integrity, capability or benevolence, they will be more comfortable engaging in behaviors that put them at risk (e.g., sharing sensitive information). Moreover, Mayer and Gavin [41] suggested that when employees believe their leader cannot be trusted (e.g., because the leader is perceived not to have integrity) they will divert energy toward covering their backs, which detracts from their work performance.

This always happens in government organizations such as HRDBP. The leader’s role is crucial in shaping the beliefs of his followers. When followers trust has been formed properly, the leaders of the organization will be able to shape their motivation. Thus, follower will provide services to the community with the maximum effort. As Frazier et al. [42] argued that trust in a direct leader leads to increased motivation to focus on work tasks. In this regard, HRDBP organizational trust allows employees to focus and add value to the organization by their motivation to gain job performance.

VI. MANAGERIAL IMPLICATION

HRDBP in Indonesia must give close attention to factors that establish leader behavior due to their ability in effecting trust which will impact follower’s motivation. Furthermore, with the existence of trust and motivation of employees, the reputation of the agency/institution who organized education and training program will improve. TLB is strategically crucial due to its ability in establishing trust and motivation of organization employees which will impact their achievement job performance process. Thus, HRDBP in Indonesia will foster an excellent image of the leader in eyes of other regional government organizations which will be contented to follow their stream to build employees trust and motivation. Trust also plays an important role when the leader says no. previously, in one study, followers who felt their leader was transformational reported a higher degree of trust and more favorable reactions to managerial explanations when the answer was not one that the followers wanted to hear [18]. This research provides evidence that investing time and energy in developing one’s leadership style and trusting relationships pays the most dividends during more difficult times or when as the leader you have to be the bearer of bad news.

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