

# TRANSFORMATIONAL LEADERSHIP, HRM COMPETENCE, INFORMATION TECHNOLOGY, AND THE PERFORMANCE OF PUBLIC SERVICE EMPLOYEE

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**ABSTRACT:** This study aims to analyze the effect of Transformational Leadership, human resource management competency, and Information Technology on employee performance, and information technology mediates the relationship between Transformational Leadership, human resource management competency on the employee performance. The study used data obtained from the purposive sampling of the employee in the south Sulawesi provincial education office (N=88). The result of this study showed that transformational leadership, HRM competence, and information technology, both direct and indirect have a significant effect on the performance of the South Sulawesi Provincial Education Office.

**Keywords**: Leadership, HRM Competence, Information Technology, and Employee Performance

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#### INTRODUCTION

Transformational leadership could be described as a style of leadership that promotes the collective interest of employees, helping them to reach mutual goals (García-Morales et al., 2012). Transformational leaders possess charisma, provide intellectual stimulation, and inspire their employees, improve communication, belief, and the sharing of knowledge (Senge, 1990; Bass and Avolio, 2000). Therefore, this leadership style is expected to promote higher performance than other leadership styles, such as transactional or laissez-faire methods (Bass and Avolio, 2000).

However, this relationship between transformational leadership and organizational performance is even more critical in current environments, where companies should be innovative to achieve competitive advantages that enable them to increase their results (Aragón-Correa et al., 2007; Donate and Sánchez de Pablo, 2015). In this case, managers should be able to encourage their employees to be involved in acquiring new knowledge (Andriopoulos and Lewis, 2010).

This study addresses the current gap of HRM competence and technology preparation, as to the best of the author's knowledge is still inadequate. Various technological innovations must be adapted to meet the increasing public demand. This advancement would lead to the organizational resource revolution in the context of the South Sulawesi Provincial Education Office and other government agency. This condition provided a framework for our study analysis.

#### THEORETICAL REVIEW

Information technology and telecommunications are the most dominant sectors in the globalized world. Today's organizational leaders should also master the technique in carrying out and supporting leadership tasks; thus, requiring competence and skills as the main requirements in using it (Lohmüller & Petrikhin, 2018). In government, the creation of work systems or work procedures with e-government systems has become a necessity. E-government refers to the use of information technology by the government, such as using an intranet, possessing the ability to connect the needs of residents, businesses, and other activities. It can be a business transaction process between the public and the government through an automated system and internet network, more commonly known as the worldwide web. In essence, e-government is the use of information technology that can improve relations between the government and other parties. The purpose of this information technology then produces new forms of links such as G2C (Government to Citizen), G2B (Government to Business), and G2G (Government to Government).

Additionally, Leadership implies continuously motivating and encouraging your people and acting as a reference model for behavior and performance, demonstrating the ability to adapt the course of the organization concerning an external environment that changes continuously (Menguc et al., 2007). That is, leaders have to take their organizations into the future by implementing strategies that lead them toward more favorable outcomes (Raman & Thannimalai, 2019).

Concretely, among the different types of leadership that exist, transformational leadership strives to align the values and goals of employees with those of the organization by influencing or altering their values, beliefs, and attitudes through internalization or identification (Menguc et al., 2007). This condition occurs because transformational leaders facilitate a clear division of responsibilities and competences, to face external changes and improve performance (García-Morales, Lloréns-Montes, and Verdú-Jover, 2008; García-Morales, Matías-Reche, and Hurtado-Torres, 2008). Hoon Song et al. (2012) concluded that transformational leadership, including influence, motivation, intellectual stimulus, and individualized consideration, is necessary for the attainment of optimum performance, in which the creation and development of knowledge act in a positive way.

That is, transformational leaders are characterized by a series of features, such as ambition, motivation, honesty, integrity, business knowledge, self-confidence, cognitive abilities, and charisma, which influence behavior in an organization (Calvo-Mora et al., 2014). Thereby, this leadership style may stimulate organizational results, thanks to the commitment of these leaders to learn, adapt to the environment and initiate changes in the organization, by creating synergies (García-Morales, Lloréns-Montes, and Verdú-Jover, 2008; García-Morales, Matías-Reche and Hurtado-Torres, 2008).

According to Goldman et al. (2013), leadership is even more critical in organizations that pursue learning targets. For example, recent studies have drawn attention to the fact that organizations have focused more on learning how to increase transformational skills and abilities in leaders. For instance, according to Menguc et al. (2007), a transformational leadership style allows organizations to learn through experience, exploration, and communication. In this sense, transformational leaders instill a more profound acceptance of the mission and objectives of an organization, fostering teamwork, and training (García-Morales et al., 2012). In this line, since several scholars have concluded that synergy among HRM practices is a crucial element in achieving competitive advantages in an organization, leaders must promote these practices. Vermeeren et al. (2014) concluded that an energetic and inspiring leadership style positively influences the implementation of HR practices and the number of them that will be used. These practices include comprehensive selection processes, extensive training, incentives, and performance appraisal management.

Moreover, This system of practices, aligned with a managerial transformational leadership style, may boost organizational performance (Lertxundi and Landeta, 2011) through learning and innovation. Transformational leaders try to elicit know-how and knowledge by creating an adequate climate among employees, as well as through intellectual stimulation and personalized attention, generating creativity and stimulating problemsolving decisions (García Morales, Lloréns-Montes and Verdú-Jover, 2008; García-Morales, Matías-Reche, and Hurtado, 2008).

Furthermore, Sutrisno, (2010). stated that the concept of competence has become increasingly popular and has been widely used by large companies for various reasons, namely: Clarifying work standards and expectations to be achieved; Employee selection tool; Maximizing productivity; The basis for developing a remuneration system; Facilitate adaptation to change, and align work behavior with organizational values; Competency Characteristics.

There are five types of competency characteristics, namely:

- a) Motives (motives), something that is consistently thought out and desired, which causes a person's actions
- b) Traits, physical characteristics and consistent responses to situations or information
- c) Self-concept, attitudes, values, or a description of one's self
- d) Knowledge, information possessed by someone in a specific area
- e) Skills (skills), the ability of a person to perform specific physical tasks or mental tasks

According to Zwell (2008: 56-58), several factors can affect one's competence. These factors include beliefs and values, skills, experience, personal characteristics, motivation, emotional issues, intellectual abilities. In addition, according to Simamora (2013), performance is a measure of organizational success in achieving its mission. Or in other words, performance or performance is efficient performance or results. Performance provides a limitation on the concept of performance of public organizations at least closely related to efficiency, effectiveness, fairness, and responsiveness. This performance is an action that can be seen, observed, and possible to achieve the expected things (goals). Performance can also be said to be a combination of ability, effort, and opportunity that can be assessed from the results of his work obtained over a particular time. Therefore, from several definitions of performance mentioned above, it can be understood that performance is work performance or work results both in quality and quantity, achieved by human resources in a time in carrying out their work duties based on the tasks and responsibilities given to them.

Mangkunegara (2013: 120) two factors affect job satisfaction, namely the elements that exist in themselves and work factors. a. Employee factors, namely intelligence (IQ), special skills, age, gender, physical condition, education, work experience, years of service, personality, emotions, ways of thinking, perceptions, and work attitudes. b. Job factors, namely the type of work, organizational structure, rank (class), position, quality of supervision, financial security, job promotion opportunities, social interaction, and work relations.

Wang and Noe (2010) argued that selection and performance appraisal processes trigger an initial awareness of employees. They may lead to explorative

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consecutions. Soltani et al. (2003) concluded that formal performance appraisals should be made frequently, at least once a year, and their results could be subsequently used for training, planning, and career development. Moreover, Afacan Fındıklı et al. (2015) suggested that performance appraisals based on organization or teamwork performance lead to a higher level of exploitation on behalf of employees. Additionally, several authors, such as Felstead et al. (2010) concluded that learning competencies are enhanced when employees take part in planning and reviewing the quality of their work, such as with the implementation of performance appraisal systems.

#### **CONCEPTUAL MODEL AND HYPOTHESIS**



Figure 1. Conceptual Framework

Based on the explanation of the theory and research model, several hypotheses can be drawn:

- H1: Transformation leadership has a positive effect on employee performance
- H2: HRM competence has a positive impact on employee performance
- H3: Information technology has a positive impact on employee performance
- H4: Information technology mediates transformational leadership and HRM competence on employee performance

# METHODOLOGY

#### **Research Approach**

We obtain the data in this study from employees in the Sulawesi Selatan provincial education office. Data is collected through a questionnaire; this research will be carried out for two months, starting in August 2019 until October 2019 through direct distribution to employees. The survey that was returned and analyzable was 88. The data collection method was carried out by purposive sampling. Data were analyzed using SPSS.

#### Population and Sample

- 1. The population used in this study were all employees of the Education Office of South Sulawesi Province, totaling 765 people.
- 2. Sampling Technique

The sampling technique in this study was taken using the Slovin method as follows:

n = N / (1+N (e) 2)

n = Number of Samples,

N = Total Population Amount,

e = Tolerance Limits (10%)

Then the number of samples is as follows:

n = 765 / (1 + 765 (10%) 2), n = 765 / (1 + 765 (0.1) 2), n = 765 / (1 + 765 (0.01) 2)n = 765 / (1 + 7.65), n = 765 / 8.65, n = 88.43 rounded up to 88 people.

#### RESULTS

#### 1. Characteristics of Respondents

Respondents in this study were 88 Civil Servants who served in the Office of Education and Culture of South Sulawesi Province. The features of respondents can be explained as follows:

a. Distribution of Respondents by Gender

No	Gender	Amount	%	Age Respondents	of	Amount	%
1	Male	52	59	Up to 10 years		15	17,0
2	Female	36	41	11-20 years		26	30,0
Tota	al	88	100	21-35 years		47	53,0
C							

Table 2. Gender and Years of Service

Source: Data

Table 2 shows that 88 respondents consisted of 52 respondents male or (59%) and as many as 36 respondents female or (41%).

b. Distribution of respondents based on education is displayed to determine the level of knowledge of respondents who are the objects in the questionnaire data retrieval. This education level is undoubtedly a baseline of respondents' data instruments in this study. Respondents based on education can be presented as follows:

No	Level	of	Amount	%	Age	Amount	%
	educatio	on			_		
1	Junior school	high	3	0,03	18-30	16	18
2	Senior School	High	23	26,1	31-40	25	29
3	Bachelo degree	r	36	41	41-50	41	47
4	Strata 2		21	24	51-63	6	0,06
5	Strata 3		5	0,05			
Total		88	100		88	100	

 Tabel. 3 Respondents based on education and age

Source: Data

Table 3 shows that the age composition of respondents aged 18-30 years was 16 respondents or 18%, respondents aged between 31-40 years were 25 respondents or 29.0%, aged 41-50 years were 41 respondents or 47%, respondents with age above 50 years as many as six respondents or 0.06%. The composition of employees in the Sulawesi Provincial Education Office is still dominated by

senior officials with 41 employees or 47% compared to other age groups. Distribution of respondents based on length of work is often also called work experience. Experienced employees tend to have excellent performance, and that does not mean that other employees have poor performance. Respondents who worked 21-35 years were 47 respondents or 53%.

This study consists of three independent variables, namely Information Technology (X1), Transformational Leadership Style (X2), and HR Competence (X3), as well as one dependent variable, namely Employee performance (Y). meanwhile, we check the questionnaire reliability with Cronbach's alpha. All variables had a Cronbach Alpha value higher than the standard value of 0.60, so that the question items in this study could be said to be reliable.

Table 4. Reliability Tests					
Variable	Cronbach	Marks			
	Alpha				
X1. Transformational Leadership	0,769	Reliable			
X2. HRM Competence	0,768	Reliable			
X3. Information Technology	0,730	Reliable			
Y. Employee Performance	0,724	Reliable			
0,	,				

Source: SPSS output

**Regression Analysis** 

Table 5. Result of Regression					
Constructs	t-value	p- value			
Information Technology	7.007	.000			
Transformational Leadership	2.352	.021			
HRM Competence	4.252	.000			
$R = 0.811, R^2 = 0.659$					
F- value = 53.994					
Source: SPSS Output					

#### DISCUSSION

Based on the results of the statistical analysis, it was found that the Information Technology Variable (X1) in the study had a positive and significant effect on the Performance of the Employees of the Education and Culture Office of South Sulawesi Province. The results of the study are in line with the research of Humerah (2017), that information technology influences the performance of KPKNL Makassar employees. The results of this study also support or are in line with the research of Lestari and Zulaikha (2007), who find that the development of information technology currently provides many facilities in various aspects of business activities. Research findings at the Office of Education and Culture of South Sulawesi Province are following the view of Handayani (2007), who found

that technology is used by organizations to provide information for internal and external users in decision making.

Another research result is that computer self-efficacy has a significant positive effect on behavioral intention. Information technology in public services is increasingly becoming a trending topic in realizing satisfying public services for service users. With the help of technology, all activities feel smoother and faster, besides in the framework of the success of an organization, the concept of using Information Technology needs to get the real attention of every leader in realizing employee performance improvement. So it can be concluded that whatever the form, the information technology used by its users, is based on the benefits, usability, convenience, and employee performance expectations. For example, technology, e-panel, which is in the South Sulawesi Education Office, makes it easy for the Head of Department to monitor schools in South Sulawesi.

The results found that transformational leadership had a positive and significant effect on the performance of the employees of the Department of Education and Culture of South Sulawesi Province. The results of this study are in line with the research of Mano, Benhur Tomi, (2014), who examined the Effect of Transformational Leadership Style, Information Technology, Organizational Culture, and Leader Innovation on Leader Performance (Study in the City Government of Jayapura City).

Another research that is in line with this research is Sinollah (2014), and this reinforces the findings of Hay's study (2004) that a transformational leader will try to motivate, arouse the enthusiasm and interest of subordinates, while also trying to convince the goals and mission of the organization. Transformational leaders will also try to see, pay attention, recognize individual abilities that are useful for the organization. Transformational leaders try to convince subordinates that to jointly create high work productivity, hard work, commitment, and high work capacity. So this finding justifies the spirit of leadership in the South Sulawesi Provincial Education and Culture Office, which has transformational characteristics and preconditions.

Based on the results of the study, it was found that HR Competence had a positive and significant effect on the Performance of the Employees of the Education and Culture Office of South Sulawesi Province. The coefficient value of the Competency variable in this study is 33.0, which means that with this result, the HR competency variable has the highest amount of the coefficient after Information Technology. Thus it can be said information technology can be implemented by employees if supported by employee HR Competencies.

The use of technology must come with a basic knowledge of computers, employee skills, and employee motivation. With these results, the results of this study are in line with Mc. Clelland's opinion in Sedarmayanti (2011: 126) about competence. From the descriptive analysis, it was found that the mean value of competence was 4.0 and had outstanding criteria. The central aspect of using technology is the HR competency of the employee or the user. His ability much influences an employee to complete a job at work. Therefore, for the job to be completed well, it must be done by someone who has competence in the field of work in question.

Based on the results of the study that tested the Competence effect on the performance obtained from the significance value is smaller than the standard error rate of 0.05 so that competence affects the performance of Sulawesi Sulawesi Provincial Education and Culture Office Staffs through information technology proven (H4 accepted). On another occasion, this research supports the TAM theory. The adoption of TAM theory is a theoretical construct in tracing the influence of the use of information technology in the South Sulawesi Provincial Education Office on improving employee performance. TAM is the result of further development of Theory of Reasoned Action (TRA), which was first developed by Fishbein and Ajzen (1980), which explains that the user's reaction and perception of an information system or technology, will determine the attitudes and behavior of users. According to Davis in Ramdhani (2007) explains the behavior of individuals to use IT (Information Technology) starting from the perception of the benefits (usefulness) and perceptions about the ease of using IT (ease of use). These two elements, when associated with TRA, are part of belief.

The results showed that leadership has a significant effect on employee performance through Information Technology so that H5 is accepted. This research is also in line with research by Amroso DL & Gardner, C (2004). Sarosa, A (2004) who found that the more frequent transformational leadership type behaviors applied would bring a significant positive impact on improving the quality of psychological empowerment of their subordinates. The role of transformational leaders who give attention to individuals, be able to lead to the organization's vision and mission, provide motivational support, and create new ways of working have proven to be useful roles in the psychological empowerment of subordinates. In line with this research are Davis (1989) in his research Perceived usefulness research, perceived ease of use, and user acceptance of information technology. Davis examines the determinants of the use of IT by users with perceived usefulness and perceived ease of use variables. Perceived value and perceived ease of use, have a positive effect on IT users. Udiati (2000) stated in the results of his analysis that transformational leadership styles such as charisma, idealist influence, inspirational motivation, intellectual stimulation, and consideration on individuals have a significant impact on employee performance, because at work also sometimes affected by transformational leadership styles that exist in a company.

The results showed that leadership affects employee performance through information technology, with an error rate below 5%, it can be said that H5 is accepted. Usability perception is defined by Davis based on the definition of useful, that is, capable of being used advantageously, or can be used for beneficial purposes. Individuals believe the perception of usefulness can provide benefits if individuals use IT. Information technology is part of information technology systems, and information technology refers to the technology used in conveying and processing information. Information technology has brought about a very fundamental change for both private and public organizations. Therefore, the information technology system becomes an essential thing in determining the competitiveness and ability of organizations to improve performance in the future. The results of this study also support the research of Yshun Wang, Yu-Min Wang et al. (2003) Determinants of user acceptance of Internet banking: an empirical study. The results showed that computer self-efficacy had a significant positive effect on perceived usefulness and perceived ease of use, and complexity had a significant adverse impact on perceived credibility.

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