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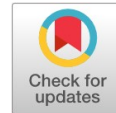


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TRANSFORMATIONAL LEADERSHIP AND ITS IMPACT TO LECTURERS INTELLECTUAL CAPITAL FACTORS IN TELKOM ECONOMICS AND BUSINESS SCHOOL TELKOM UNIVERSITY

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Abstract. Telkom Economics and Business School is an institution with various experience of changes, started from the initial status as an independent institution under the Education Foundation to Telkom University. As a consequence, there has been a transformation process in management as well as in leadership. Due to these changes, the style of leadership in Telkom Economics and Business School can be categorized as a transformational leadership style. This study aimed to determine the effect of Lecturers' intellectual capital. Intellectual capital is the most important thing that the lecturers should own. The sampling technique used in this study is a saturated sampling method with 68 permanent lecturers in Telkom Economics and Business School who already have a service life of more than two years as the respondents. The analytical method used is a simple linear regression. According to the judgment of the faculty, results show that transformational leadership style is in a good category with a score of 63.95%, while the intellectual capital factors perceived by the lecturers are in a good category as well with a score of 67.34%. Meanwhile, the analysis results indicate that the transformational leadership style in Telkom Economics and Business School has a significant influence on the lecturers' intellectual capital factors of 40.3%.

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INTRODUCTION

Lecturer or teaching staff is a key element in the higher education system, particularly at the college level. Lecturers in this case support other components in educational institutions where those covered curriculum, infrastructure, costs, and so on. It also includes support components interaction between lecturers and students as learners. Lecturer plays a very important role in transforming the educational inputs. There will be no change or an increase in the quality of education without any change and improvement of educators quality. Hence, it needs knowledge management and academic knowledge for the improvement of lecturers performance. Knowledge management, intellectual capital and organizational learning in this case become an important new concept in management education. The type shift phenomenon of industrialized societies and community services knowledge society caused intellectual capital placed at strategic position in the context of organization or society performance progress (Mason, Griffin, & Parker, 2014; Tourish, 2014). Educational institutions are a central to scientific development and are expected to contribute to the development and civilization in society. The intellectual capital is needed for the

lecturers in educational institutions. Telkom Economics and the Business School at the beginning is one of the institutions that run under Telkom Education Foundation by the name Telkom Institute of Management. In line with the establishment of Telkom University, Telkom Institute of Management has transformed into Economics and Business School. By facing these changes, it requires leadership that is able to adapt any changes. The success or failure of institution is determined by the leadership. It is because the leader has a responsibility for the failure of job implementation. Otherwise the success of an organization is the person's success that will influence others to move or run vision, and a good coordination or cooperation between the institutions and entire academic community. Based on these descriptions, leadership is an activity to influence followers to achieve organizational goals. Therefore, every leader has a style that varies in leading companies. One of the leadership styles discussed in this study is a transformational leadership style. Transformational leadership is the leader who devotes himself to face any problems of his/her followers and their development needs by encouraging and supporting them

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to achieve the goals (Robbins, 2007; Wang & Howell, 2010). This leadership theory refers to the ability of a leader to give consideration of personal intellectual stimulation and charisma. In other words, transformational leaders in Telkom Economics and Business School is a leader who is expected to pay attention to the concerns and developmental needs of followers, inspire followers to spend extra effort to develop intellectual capital owned. By applying transformational leadership in Telkom Economics and Business School, leaders are expected to have strong influences at the level of identification, motivation and achievement goals to the lecturers in developing intellectual capital owned.

Based on the previous description, the writer is interested in doing the research in Telkom Institute of Management under the title: Transformational Leadership And Its Impact To Lecturers Intellectual Capital Factors In Telkom Economics And Business Schools Telkom University.

Research Problem

Based on the research problem, the research questions are as follows:

1. How is the transformational leadership style based on the perceptions of lecturers in Telkom Economics and Business School?
2. What factors of intellectual capital is owned by lecturers in Telkom Economics and Business School?
3. How is the extent of transformational leadership on intellectual capital factors influence the lecturers in Telkom Economics and Business School?

THEORETICAL FOUNDATION AND HYPOTHESIS

Transformational Leadership Style

Transformational leaders are leaders who are able to pay attention to the concerns and needs to the development of followers self, excitement, arouse, and inspire followers to remove extra effort to achieve group goals. Transformational leadership involves the development of closer relationship between leaders and subordinate. Through transformational leadership, leaders helped to motivate the employers to think the most important interest for the company rather than their own interests to fulfill the mission and vision of organization or group. By developing confidence and self-esteem, leaders are expected to have strong influence on the level of identification, motivation and achievement of its goals.

According to Suharto (2006), transformational leadership is defined as a relationship between leaders and the subordinate that the proximity is very close to pose emotionally with others, and the subordinate feel respect, trust the leader, and more motivated to work. Transformational leadership in principle is

to motivate subordinates to do better than what they can do. In other words, the goal is to increase the subordinates trust or confidence that will affect performance improvements. There are four kinds of transformational leadership behaviour components:

a. Idealized Influence/charisma

Transformational leaders give examples and act as a positive role model in behavior, attitude, performance or commitment to subordinates which reflected in moral and high standards ethical.

b. Intellectual stimulation

Transformational leaders strive to create a climate conducive to the development of innovation and creativity. Leaders encourage the involvement and empowerment of employees in the process of formulation of the problem and solutions finding.

c. Individualized consideration / attention individualization

A leader gives special attention to the needs of each individual to excel and grow in a way acting as a trainer (coach) or advisor (mentor). Leaders also appreciate and accept individual differences in terms of needs and interests.

d. Inspirational Motivation / motivational inspirational

Transformational leaders motivate and inspire subordinates with high expectations and communicate clear challenge work, use symbols to focus efforts, and expresses important purposes in simple ways, that can arise team spirit, enthusiasm and optimism among colleagues.

Based on the description explains that transformational leadership is more oriented to charismatic, attention and inspiration between leadership and subordinates based on leaders and subordinate relationships.

Definition of Intellectual Capital

Intellectual capital is the tools needed to manage opportunities and threats in life. Many experts say that intellectual capital has very large role in increasing the value of an activity. Intellectual capital is capital that is not associated with the naked eye and knowledge of human experience and the technology used. Here are some expert opinions about intellectual capital (Kurniati, 2010 p. 15):

a. Intellectual capital is the product of the interaction between competence and commitment (Ulrich, 1998).

b. Intellectual capital is a combination of competence, commitment, and job handling (Burr & Girrardi, 2002).

c. Intellectual capital is an asset that is not visible, which is a combination of people, processes, and customers that provide a competitive advantage for the enterprise (Brookingg & Motta, 1996).

d. Intellectual capital are the three pillars of the virtual capital in organization, namely

- (1) human capital, which includes human knowledge and experience brought to the workplace;
- (2) structural capital means the transformation of human capital into company's or organization's well-being, for example developing data base that lets people connect and learn from each other to create synergy because the availability of knowledge sharing and collaboration between individuals within the organization, and
- (3) customer capital, which means good relationship with the customer and has a data base to bring production of the enterprise (Horibe, 1999).

e. According to Saint-Onge (Stewart, 1997), intellectual capital is divided into three, namely:

1. Human Capital

Human Capital is the source of innovation and improvement. It is also a very useful knowledge, skills and competencies that will produce exceptional performance.

2. Structural Capital

Structural Capital is the embodiment, empowerment, human capital and infrastructure support. Structural Capital provides environment that encourages individuals to create and exploit knowledge, such as a physical system that is used to send and store intellectual material.

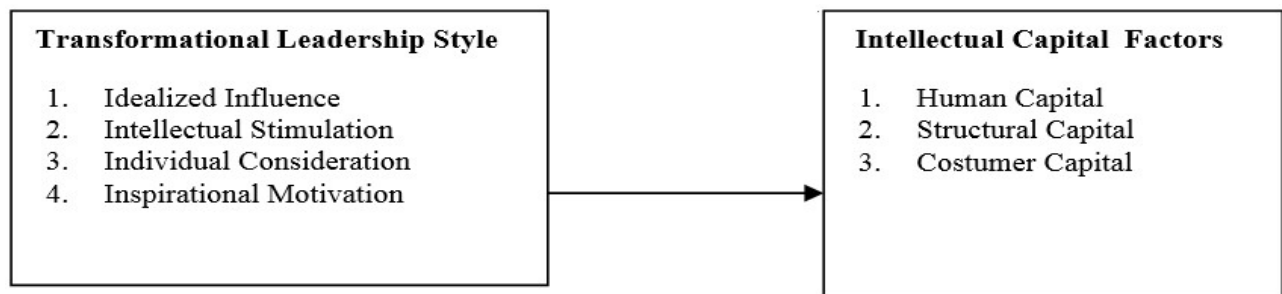
3. Customer Capital

Customer or stakeholder capital is the ability to build a harmonious working relationship that is owned by the lecturer with their stakeholder, both at campus and outside of campus. Lecturer interaction is divided into two:

- a. Committed lecturer interaction within the campus is as follow:
 - 1) The interaction between lecturer to the students as customers.
 - 2) The interaction between lecturers as colleagues.
- b. Lecturers interaction outside campus is as follow:
 - 1) Networking
 - 2) Interaction with the community as stakeholders outside the campus.

RESEARCH FRAMEWORK

FIGURE 1
Theoretical Framework



Hypothesis Formulation

This study aims to exmine the effect of transformational leadership style on the factors of intellectual capital. The hypothesis is formulated as follows:

Hypothesis: There is significant relationship between transformational leadership of intellectual capital factors to Telkom Institute of Management lecturers.

RESEARCH METHOD

Research Type

This study used causal research type. According to Oei (2011, p. 27), it is a research aimed to prove causal relationship or affected relationships to variables studied. Furthermore, Sugijama (2008, p. 40) states that the main objective of causal research is to reveal a cause-and-effect between the variables.

For further study, analysis was performed using quantitative analysis methods. According to Oei (2011, p. 91) quantitative is a method of quantitative research to examine specific population and sample, data collection using research instruments, quantitative data analysis / statistics, with the aim to test the hypothesis.

Operations Variable

Research variable is an attribute or trait or value of people, objects or events that have certain variation defined by the researchers to be learned and concluded. (Sugiyono, 2011, p. 2) In this study, there are two variables: 1. Independent variable is variable that affects or causes changes or the emergence of the dependent variable. (Sugiyono, 2011, p. 4).The independent variable in this study is a transformational leadership style as X1.

2. The dependent variable is a variable that is affected or which becomes due, because of the independent variables (Sugiyono, 2011, p. 4). The dependent variables used in this study are the factors of intellectual capital.

Population and Sample

Population

According to Sugiyono (2011, p. 61) the population is a region generalization consists of object/subject that has certain quantity and characteristics defined by the researchers to be studied and concluded. In line with the opinion of Oei (2005, p. 115) the population defines as a whole number of members under the study. In this study, the population is lecturers that have been serving for more than 3 years. In order to do this research, the total respondents are 40 lecturers of Telkom Economics and Business School.

Samples

The sample used in this study is non probability sampling technique. According to Sugiyono (2011, p. 66), non probability sampling is a sampling technique that does not provide equal opportunities for each element or selected members of the

population to be chosen as sample. The writer used purposive technique. As it is mentioned before, the object of the study (population) in this study are all lecturers who have been serving for more than three years in Telkom Economics and Business School.

DATA ANALYSIS TECHNIQUE

Hypothesis Testing

To test the hypothesis, t-test is used with an error rate of test result on two variables at 0.05 (5%), and using $dk = n-2$ using the formula described by Sugiyono (2011, p. 187):

$$t = \frac{r\sqrt{n-2}}{\sqrt{1-r^2}}$$

With the following provisions: If $t\text{-count} > t\text{-table}$ then H_0 is rejected if $t\text{-count} < t\text{-table}$ then H_0 is accepted

Pearson Correlation Test

In probability theory and statistics, correlation is also called correlation coefficient. It is a value that indicates the strength and direction of a linear relationship between two random variables (random variables). The table below describes the strength of Pearson correlation value:

TABLE 1
The strength of Pearson correlation

Value	Meaning
0,00 0,19	Very low / very weak
0,20 0,39	Low / weak
0,40 0,59	Medium
0,60 0,79	High / strong
0,80 1,00	Very high / very strong

Correlation $\rho_{X,Y}$ between random variables X and Y with expected values μ_X and μ_Y and standard deviations α_X and α_Y is defined as:

$$\rho_{X,Y} = \frac{cov(X,Y)}{\alpha_X \alpha_Y} = \frac{E((X-\mu_X)(Y-\mu_Y))}{\alpha_X \alpha_Y}$$

Because $\mu_X = E(X)$, $\alpha_X^2 = E(X^2) - E^2(X)$ and similarly for Y, it can also be written:

$$\rho_{X,Y} = \frac{E(XY) - E(X)E(Y)}{\sqrt{E(X^2) - E^2(X)} \sqrt{E(Y^2) - E^2(Y)}}$$

Simple Linear Regression Analysis

Researchers used simple regression analysis with a view to determine whether there is an influence of transformational leadership style (X) to lecturer intellectual capital (Y). There are several formulas to calculate a and b:

$$a = \frac{\sum y - b \cdot \sum x}{n} \quad b = \frac{n \cdot \sum xy - \sum x \cdot \sum y}{n \sum x^2 - (\sum x)^2}$$

1. Make the regression equation

The regression equation will be used to draw a regression line. Regression equation is as follows:

$Y = a + bx$ with: Y = the variable to be predicted a = constant, the price of y when $x = 0$, could be worth $a+$ or $-b$ = coefficient of variable x, could be worth $a+$ or

2. Draw line regression equation

3. Do the significance test

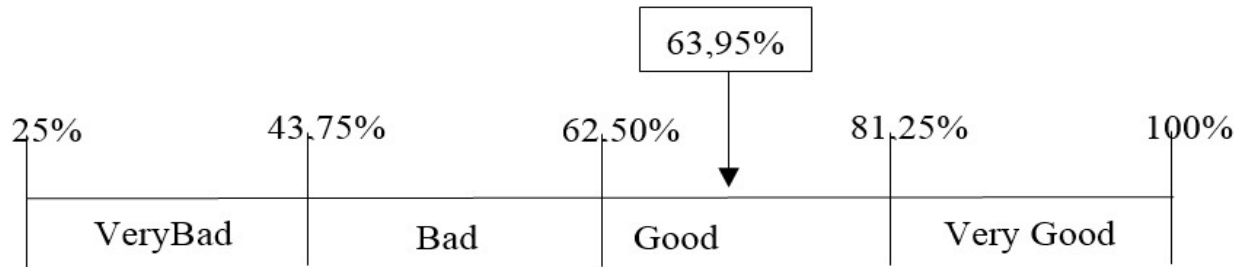
4. Conclusion

a. If $F\text{-count} > F\text{ table}$, then H_0 is rejected (the relationship of X and Y is significant) b. If $F\text{-count} < F\text{ table}$, then H_1 is rejected (the relationship of X and Y is not significant).

RESULTS AND DISCUSSION ANALYSIS

FIGURE 2

Percentage of Transformational Leadership Style

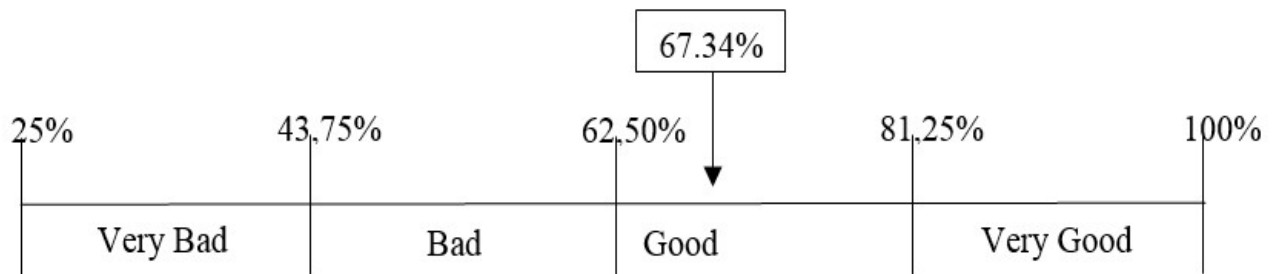


Based on Figure 2, it can be explained that the Transformational Leadership Style in Telkom Economics and Business School based on the perception of permanent lecturers is at good category. If it viewed more detail on the results of lecturer questionnaire result they assume that the institution leader has

been their inspiration and can motivate them. But the attention and stimulation to each individual are still considered less. While the percentage of intellectual capital factors can be seen in the following figure:

FIGURE 3

Percentage of Intellectual Capital Factors



Based on Figure 3, it can be explained that the intellectual capital owned by the lecturer in Telkom Economics and Business School is at good zone. However, the details of intellectual capital development cannot be maximally perceived by the lecturers. It relates to the facilities or opportunities from the institution

that has not been accepted by the lecturer. To see the effect of transformational leadership style (X) toward lecturer intellectual capital (Y), it can be seen that based on the results of model summary calculation of R Square is in the following table.

TABLE 2
Simple Linear Regression Test

Unstandardized Coefficients		Standardized Coefficients	T	Sig.
B	Std. Error	Beta		
.732	.379		1.946	.059
.639	.137	.635	5.070	.000

a. Dependent Variable: Intellectual Capital

Regression model that can be written from these results are:

$$Y = a + bX \quad ; \quad Y = 0.732 + 0.639X$$

The changes in the value of X will be followed by a larger change in the value of Y, which means that changes in the transformational leadership style will be followed by a larger change to 0.639 times to the lecturers intellectual capital factors. From the regression equation, it can be interpreted that if the value of transformational leadership style increased 1, it will increase 0.639.

Pearson Correlation Analysis

There are two variables that will be connected between variable X (transformational leadership style) and variable Y (intellectual capital lecturer factors of Telkom Economics and Business School). It is known the magnitude measurement results relationship between variable X and variable Y by calculations performed using SPSS 17.0 software. The relation between variable through correlation coefficient (*R*) can be seen in the following table:

TABLE 3
Correlation Test

Model	<i>R</i>	<i>R</i> -Square	Adjusted <i>R</i> -Square	Std. Error	Durbin-Watson
1	.638a	.403	.388	.444444	1.596

a. Predictors: (Constant), Transformational Leadership Style
b. Dependent Variable: Intellectual Capital Factors

Based on table 5, it can be seen that the correlation coefficient value is 0.638. If it associated with Table 4, it can be concluded that the variable of transformational leadership style (*X*) has high/strong relation to lecturer intellectual capital factors (*Y*).

Analysis of Determination Coefficient

The table 5 also obtained R Square score (*R*²) or determination coefficient (KD) which indicates how well the regression model formed by independent variable interaction and dependent variable. The correlation coefficient values obtained from this study is 0.403 or 40.3%. It indicates that the transformational leadership style has a positive influence on the lecturer intellectual capital factors at 40.3%, while the rest of 59.7% influenced by other variables which is not analysed in this research.

Hypothesis Test Results

The tcount can be seen at the table of regression coefficient value (Table 4) is equal to 5.070 while the value of *t*-table with $\alpha = 0.05$, and the degree of freedom ($df = n - 2$) is 2,000. So the $tcount > t$ -table, H1 is accepted and H0 is rejected. It means that the transformational leadership has significantly affected the influence factors of intellectual capital Telkom Economics and Business School lecturers' styles significantly.

CONCLUSION

Based on the analysis and data processing, it can be concluded that:

1. Transformational leadership style which based on lecturers

perception is in good category by the score 63.95%. The score is not maximized because most of the lecturers still feel the lack of leadership role for empowering and lecturer inclusion in every activity. The lack of individual consideration is still considered less than maximum.

2. Intellectual capital factors perceived by the lecturers are in good category by the score of 67.34%. The lecturers still feel that the development of capital intellectual factors in Telkom Economics and Business School is not fully optimized. The lecturers feel that their intellectual capital factors can be developed to be more maximal.

3. Transformational leadership styles affect the lecturers of Telkom Economics and Business School intellectual capital factors significantly by the influence of 40.3%. While the rest of data ware being influenced by other unexamined variables.

SUGGESTIONS

a. The institutions should maximize the empowerment and the inclusion of lecturers' faculty in every variety activities regarding to the three responsibilities of higher education.

b. Leaders are expected to pay more attention to each lecturer, especially in terms of achievement and individual performance to the development and empowerment every lecturer. It can be adjusted by lecturer knowledge, skills and attitude.

c. The lecturer should maximize the use of all facilities and infrastructure provided by the institution to develop owned intellectual capital.

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