
Transformational Leadership Training: A Key Driver to Improve the Effectiveness and Productivity of CV Ning Sri Stone Crusher

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Abstract: CV Ning Sri is an Indonesian private company whose management activities are entirely under the family managerial. This company is engaged in stone crusher. Some main obstacles are often experienced and even have not been resolved properly by the stone crusher company of CV Ning Sri, namely (a) the weak managerial and leadership system, where the leader places more emphasis on the transactional element to all employees in completing their task; (b) the intensity of employee turnover is too high, which makes it difficult to identify and retain talented employees; (c) the frequent occurrence of non-ethical behavior of employees in the form of tardiness and theft in the workplace. Therefore, based on these various problems, in today's highly competitive free market era, transformational leadership is very important to be realized in order to improve effectiveness and performance among employees and managers, as well as the CV Ning Sri company as a whole. In addition, transformational leadership has been considered essential for creating superior performance and organizational effectiveness.

Keywords: Transformational leadership; Organizational effectiveness; CV Ning Sri.

Jel Classification: D10, D22, D23

INTRODUCTION

Stone crusher is the industry engaged in the processing of stone used in construction sector (Galetakis & Sultana, 2016; Salem, 2021). Crushed stone exploration is an activity that produces inputs that are indispensable for improving the quality life of community because the crushed stone will be directly used in the housing, sanitation, and infrastructure sectors (Monteiro & da Silva, 2018).

Although the stone crusher company has the potential to cause pollution due to various environmental impacts, such as depletion of natural resources, deforestation, destruction of native vegetation, noise, air pollution, and scarcity of fauna (Saha & Padhy, 2011; Salem, 2021; Sivacoumar, Jayabalou, Subrahmanyam, Jothikumar, & Swarnalatha, 2001), it also generates many benefits for long-term development sustainability to obtain an

environmental permit in the implementation of its operational activities (Monteiro & da Silva, 2018).

Based on data from the Ministry of Industry of the Republic of Indonesia (<http://www.kemenperin.go.id>, 2020) that: (1) 11 stone crusher companies are operating in Central Java Province; (2) stone crusher companies have an annual turnover (more than 35 billion rupiahs); (3) stone crusher companies employ more than 1,000 people who are involved in various activities such as mining, crushing and transportation; and (4) stone crusher companies provide a source of livelihood for the uneducated and unskilled rural communities.

Working in a stone crusher company is a grunt, which requires extra and strong manpower. The employees involved in this work no longer think about their skin turning black due to the scorching sun, their hands becoming rough due to heavy lifting, or their faces becoming dull due to the influence of the dirty river water. Employees only think about how to increase income to meet the needs of everyday life.

Uneducated and unskilled employees in a stone crusher company are often easy to observe because they are closely related to wages and work productivity. Uneducated and unskilled employees tend to be more affected by a combination of unstable work and low wages (Lengfeld & Ohlert, 2015). However, in the last 20 years, there has been an increase in income inequality, caused by technological changes, economic globalization, and global financial and economic crisis in 2007/2008. As a result, particularly uneducated and unskilled employees are increasingly faced with erratic wages, non-standard employment contracts, and job insecurity (Gebel & Giesecke, 2009).

As recent research has shown, the impact of heterogeneity in wage inequality is profound and continues to increase (Barth, Bryson, Davis, & Freeman, 2014). Therefore, companies have to protect their employees from their jobs and wage insecurity, namely by providing job training, internal promotions, providing higher wages, more stable jobs, and better career opportunities (Lengfeld & Ohlert, 2015).

CV Ning Sri is a company whose management activities are fully under the family managerial. This company is engaged in stone crusher. This company was founded in 2006, which now has 4 main branches, namely in the districts of Pati, Demak, Semarang, and Batang. However, the study of this paper and dedication only focused on the CV Ning Sri stone crusher which operates in Sentul Village, Batang Regency, Central Java, Indonesia.

Table 1. Average Results of Employee Performance Appraisal

Indicators	CV Ning Sri			
	2019		2020	
	Weight	Score (%)	Weight	Score (%)
Discipline	10	8	10	7
Responsible	10	8	10	7.5
Cooperation	10	8	10	7.5
Communication skill	10	8	10	8
Work quality	20	15	20	15

Work quantity	20	16	20	15
Job skill	20	16	20	15
Amount	100	79	100	75

Source: Company Annual Report (2020)

Table 1 shows that the employee performance of CV Ning Sri stone crusher company has decreased over the past 2 years (from 2019 to 2020). CV Ning Sri has decreased in performance from 79% in 2019 to 75% in 2020.

In general, the decline in employee performance is not only caused by a lack of organizational support for employees, both psychological and economic but also due to inappropriate leadership styles in assigning and delegating tasks as well as inflexible company regulations. In addition, there are several main obstacles that are often experienced and even have not been resolved properly by the CV Ning Sri stone crusher company, namely (a) the weak managerial and leadership system, where the leader places more emphasis on the transactional element to all employees in completing their task; (b) the intensity of employee turnover in and out of the company is too high, which makes it difficult to identify and retain talented employees; (c) the frequent occurrence of non-ethical behavior of employees in the form of tardiness and theft in the workplace; (d) irregular and always late payroll system which sometimes causes employees to have debts to other parties to meet their daily needs; (e) there is a flood of stone mining land or location which makes it difficult for the company to obtain stone stock and supply; (f) machine failure which often occurs every month or even week; and (g) difficulties in marketing and unfair price competition among stone crusher companies. Therefore, transformational leadership training is very important to be realized in order to encourage and improve effectiveness and performance among managers and employees, as well as the company CV Ning Sri as a whole. B. M. Bass (1985) asserts that transformational leader influences followers with charismatic personality and morality, uses long-term goals to inspire their motivation, and provides strong human attention.

In recent years, the concept of transformational leadership continues to receive great attention, both from practitioners and academics, which is widely used in the leadership literature (Alrowwad, Abualoush, & Masa'deh, 2020; Keskes, Sallan, Simo, & Fernandez, 2018; Sulistiyani, Udin, & Rahardja, 2018). From all existing studies, transformational leadership is proven to be directly and positively impact individual and organizational performance (Kark, Shamir, & Chen, 2003; Singh & Krishnan, 2008).

Transformational leadership is one of the leadership styles or behaviors, which implies that a leader presents an innovative vision to followers and uses strong communication channels to convey his/her thoughts, and behaves as a role model, and motivates followers to achieve high performance through self-identification and organization (Mio, Riggio, Levin, & Reese, 2005; Sosik, 2005). Transformational leadership encourages followers to achieve higher goals and increase their intrinsic motivation (Dvir, Eden, Avolio, & Shamir, 2002; Li et al., 2020; Morkevičiūtė & Endriulaitienė, 2020; Rodiah & Nahartyo, 2019; Shafi, Zoya, Lei, Song, & Sarker, 2020) to be able to achieve innovative behavior at work (Alheet, Adwan, Areiqat, Zamil, & Saleh, 2021; Amabile, Conti, Coon, Lazenby, &

Herron, 1996; Astuti & Udin, 2020; Nur, Ali, Yusuf, & Chamariyah, 2015; Suhana, Udin, Suharnomo, & Mas'ud, 2019).

Transformational leadership communicates a clear vision for the future, provides meaningful support to individuals and encourages acceptance of group goals through intellectual stimulation and individualized support (Burns, 1978; Bycio, Hackett, & Allen, 1995). B. M. Bass (1985), Bernard M Bass (1999) explain that transformational leadership has four main components, namely idealized influence, individualized consideration, inspirational motivation, and intellectual stimulation.

Idealized influence depicts the enthusiasm of leaders to prioritize group benefits, apply good role models, and maintain high ethical standards. Individualized consideration reflects leadership behavior such as helping, encouraging, supporting, promoting, and training individuals to be the best. Inspirational motivation reflects a leader's behavior in terms of creating an attractive vision, showing high optimism and enthusiasm. Intellectual stimulation portrays the leader's ability to increase followers' consciousness of existing problems and efforts to conquer these problems in a new perspective.

Transformational leadership changes individual values, beliefs, confidence, and priorities and drives them to achieve beyond their intentions and expectations (B. M. Bass, 1985; Burns, 1978). Transformational leader encourages, mobilizes, inspires, and provokes individuals to prioritize collective interests over self-interests. Transformational leader stimulates individuals with spirit, confidence, and tenacity to achieve higher expectations. Transformational leader also encourages high trust and grant individuals in the workplace thereby increasing that individual's self-confidence and efficacy (Mao, Chiu, Owens, Brown, & Liao, 2019; Udin, Riyadh, & Dananjoyo, 2020).

MATERIALS AND METHODS

Community service activities in the form of transformational leadership training held at CV Ning Sri on April 17, 2021. This transformational leadership training activity is aimed at managers and employees at CV Ning Sri. However, since it is still the covid-19 pandemic season, only 18 people become the main targets to complete this activity.

The output expected from this transformational leadership training activity is as follows:

- a. Managers and employees are able to understand the concept of transformational leadership in detail.
- b. Managers and employees are able to apply transformational leadership to encourage and improve organizational effectiveness and performance.

The expected outcomes from this transformational leadership training are as follows:

- a. Managers and employees can improve higher performance at the individual, group, and organizational levels.
- b. Transformational leadership training activities could be a broad impact on increasing individual competence in terms of leadership abilities.

RESULTS AND DISCUSSION

This transformational leadership training adopts 4 main components of transformational leadership as introduced by Avolio, Bass, and Jung (1999) namely: *Idealized influence*

indicates that a leader is admired, respected, and trusted by his/her followers. Followers make earnest efforts to identify and emulate their leader. Among the things leader does to earn followers' praise to pay attention to and prioritize followers' needs above their own. Leaders strive to share interesting things with followers and always maintain consistency in terms of ethics, values and life principles. Transformational leaders also demonstrate idealized influence by being charismatic and wise role models who are able to express their values, beliefs, and goals (Avolio et al., 1999; Lee & Chon, 2021).

Inspirational motivation reflects leaders directly and motivates their followers to achieve certain targets by giving challenging tasks to their followers. Leaders also seek to inspire, enthusiasm and optimism for individuals and teams in their workplaces (Hosna, Islam, & Hamid, 2021). Furthermore, the leader encourages followers to imagine and reach an attractive future, which is beneficial for the development of themselves and their organization. In addition, through inspiring motivation, transformational leaders articulate the vision clearly, inspire and convince followers to achieve it, which in turn contributes to the self-development of followers and the organization (Lee & Chon, 2021).

Intellectual stimulation indicates the leader stimulating the critical, innovative, and creative power of his/her followers by questioning assumptions. They are expected to be able to frame and solve various existing problems using new methods and approaches. Leaders also try not to ridicule, laugh at or give sharp criticism for the mistakes of their followers. However, leaders always try to ask for new, creative, and solution ideas from their followers to solve problems that exist in work and organization. Transformational leadership encourages followers to devote all valuable resources to themselves to achieve work success and prosperity in the workplace (Breevaart, Bakker, Hetland, & Hetland, 2014).

Individualized consideration, where leaders pay attention to the various needs of their followers so that they are able to achieve proper career growth and development in the workplace. Therefore, leaders function as good mentors who are ready to train and direct their followers so that they develop to a higher level following their potential. Leaders also provide ample opportunities for followers to learn, grow and develop, by recognizing all individual differences in terms of their needs and wants. Transformational leaders show individualized consideration by knowing and providing support in effectively fulfilling the needs and welfare of their followers (Men, 2014).

CONCLUSION

Transformational leadership, in various types of organizations, has been considered essential to creating effective organizational performance, culture and effectiveness. Transformational leaders are able to inspire their followers to go the extra mile beyond their personal interests while aligning employee values with organizational values. Transformational leaders also articulate higher goals clearly by stimulating their followers to grow, develop and actualize themselves in order to achieve these goals. Furthermore, transformational leaders, through inspirational motivation, intellectual stimulation, idealized influence, and individualized consideration, are able to change the values, beliefs, emotions, and commitment of their followers to focus on achieving the long-term goals of the organization.

Transformational leadership increases employees' self and collective efficacy, self-esteem, and self-consistency to actualize themselves to achieve the overall vision of the organization. Transformational leadership also increases employee expectations towards the highest achievement in the organization. Furthermore, transformational leadership encourages a strong commitment among employees so that they increasingly understand their existence, work, and organization.

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