CHAPTER 4
RESEARCH METHODOLOGY

4.1 THE METHOD FOR COLLECTING DATA

This research is using a survey method to collect the data. The respondents fill in questionnaires and then return it directly to the researcher. Riduwan (2002) argued that the questionnaire at least has two functions. First, it can describe the characteristic of individual or group respondents. Secondly, it can be used to measure the variables.

4.2 LOCATION AND TIME OF RESEARCH

Data collection in STAR MOTOR Company started from November 2007 until January 2008 at the head quarter and its four branches throughout South Jakarta.

4.3 THE RESPONDENTS

The target respondents in this research should have qualification as permanent employees in STAR MOTOR to make sure that the permanent respondent's are the one that has already passed the probation period in the company and clearly accepted as part of the company. The second qualification is the respondents should have minimum educational level of senior high school, in order for them to understand each statement in the questionnaire.

There are 50 names of permanent employees who have graduated from senior high school or above. They spread out from many divisions as shown in table 4.1:

Table 4.1 Employees per Division

Division	Total Employees	Permanent employees with minimum education of Senior High School	Total sample for research
Body Repair	35	16	16
Car Service	48	19	19
Spare parts	20	7	7
Administration	7	3	3
Customer Service	10	5	5
Total	120	50	50

Source: Primary Data 2008

The owner provided the meeting room at the branch of STAR MOTOR for the employees to do the questionnaire. Fifty employees are then divided into two batches. The first group filled up the questionnaire on November 9, while the second group on November 16, 2008.

4.4 QUESTIONNAIRE'S FRAMEWORK

The Multifactor Leadership Questionnaire (MLQ Form-5X) designed by Bass (1985) was used in this study. The questionnaire had forty three items. Thirty six of the items measure the leadership style. While seven of the items measure outcomes. The Multifactor Leadership Questionnaire had been successful in obtaining data relating to determining transformational and transactional leadership perception. The survey has been used widely and accepted as statistically accurate.

4.4.1 Questionnaire Design

The questionnaire design that is used in the research is as below:

- Introduction

  At this part, the researcher explains the purpose of the research and requests the respondent to give the information by answering all the questions in the questionnaire.

- Questionnaire

  The respondent should answer 43 items based on the real experience they have during the work period. The statements represent some variables that are going to be measured, such as idealized influence attributed, idealized influence behavior, inspirational motivation, intellectual stimulation, individual consideration, contingent reward, management by exception active and passive, laissez-faire, extra effort and effectiveness.

  The questionnaire consists of eight negative statements. The negative statements are needed to minimize the tendency of respondents to give similar answers on each question without considering the real situation in the company. The negative statements would also warn the respondents to be consistent in answering the questions.

  Eight negative statements are statements number 3, 5, 7, 12, 17, 20, 28 and 33 as shown in Appendix 1.

Table 4.2 Questionnaire Proportion

Descriptions	Statement Number	Total Question	Proportion (%)
Idealized Influence-Attributed (IA)	10, 18, 21, 25	4	9%
Idealized Influence-Behavior (IB)	6, 14, 23, 34	4	9%
Inspirational Motivation (IM)	9, 13, 26, 36	4	9%
Intellectual Stimulation (IS)	2, 8, 30, 32	4	9%
Individual Consideration (IC)	15, 19, 29, 31	4	9%
Contingent Reward (CR)	1, 11, 16, 35	4	9%
Management by Exception-Active (MA)	4, 22, 24, 27	4	9%
Management by Exception-Passive (MP)	3, 12, 17, 20	4	9%
Laissez-Faire (LF)	5, 7, 28, 33	4	9%
Extra Effort (EE)	38, 40, 42	3	7%
Effectiveness (EF)	37, 39, 41, 43	4	9%
Total		43	100%

- The Closing

  At the end of the questionnaire, the researcher requests the respondents to give information, such as their sex, age, educational background and working experience in the company.

4.4.2 Questionnaire Scale

Likert scale is used to identify an agreement or a disagreement of a statement in the Multifactor Leadership Questionnaire (Bass & Avolio, 1997). The scale used five levels as follows:

0 = not at all

1 = once in a while

2 = sometimes

3 = fairly often

4 = frequently, if not always

4.4.3 Execution of the Questionnaire

The questionnaire execution was held on November 9 and 16, 2008. The entire questionnaire was answered 100% because the researcher was there during the time of execution. All respondents got an explanation directly from the researcher about the purpose and procedure in the questionnaire. This procedure was chosen to make it more efficient so whenever the respondents got confused, they can easily ask the researcher. The respondents fill in the questionnaire and return it back to the researcher soon after they finished.

4.5 QUESTIONNAIRE'S VALIDITY AND RELIABILITY

A valid instrument is used to get valid data that could be used to measure the dimensions in the research. It means that our measuring instrument actually measures the property it is supposed to measure.

This validity test should be done to all the statements given in the questionnaire. Validity test in this study also used factor analysis statements. In this research, it is called valid if the corrected item-total correlation is above the r-table (corrected item-total correlation > 0.273).

Reliability shows a stability or consistency in measurement. The instrument is reliable if it can be used regularly to measure the same object and the result shows the same data. Hinton, Brownlow, McMurray, and Cozens (2004) argued that reliability of the data is based on value of Alpha. The score of 0.90 and above shows excellent reliability. An Alpha score between 0.70 and 0.89 is

generally taken to indicate a scale of high reliability. Moreover, the score from 0.50 to 0.69 is accepted as a moderate reliability, while a figure below this shows low reliability.

4.5.1 Validity and Reliability Questionnaire for Transactional Leadership

For contingent reward, the factor analysis all statements are valid because the corrected item-total correlation > 0.273 as seen in table 4.3 below.

Table 4.3 Contingent Reward

Question Number	Corrected Item-Total Correlation (r)
CR 1	0.4620
CR 2	0.3172
CR 3	0.7171
CR 4	0.4091

Furthermore, the Alpha for contingent reward is 0.6854 and it means the statements are reliable. The items of contingent reward questions (CR 1, CR2, CR3, and CR4) are valid and reliable to represent the factor.

For management by exception-active, the result in table 4.4 shows that some of the statements, which are number two until four, are valid because its corrected item-total correlation are higher than 0.273. However, the question number one (MA 1) is not valid because its score < 0.273

Table 4.4 Management by Exception-Active

Question Number	Corrected Item-Total Correlation (r)
MA 1	0.1845
MA 2	0.3937
MA 3	0.2777
MA 4	0.4810

After dropping MA 1 from the list, the statements MA 2, MA 3 and MA 4 have Alpha of 0.5487 and means the questions that represented management by exception-active is moderate reliable.

For management by exception-passive, as shown in table 4.5, the statement number two until four are valid because it has corrected item-total correlation > 0.273. The question (MP 1) has negative score so it was not valid.

Table 4.5 Management by Exception-Passive

Question Number	Corrected Item-Total Correlation (r)
MP 1	-0.1477
MP 2	0.3800
MP 3	0.3336
MP 4	0.5204

After dropping MP 1, the statements MP 2, MP 3 and MP 4 have Alpha of 0.6903 and means the questions that represented management by exception-passive is moderate reliable.

4.5.1.1 Factor Analysis for Transactional Leadership

After doing validity and reliability test, it is better to start with the factor analysis to ensure what variables are appropriate for the next test (Santoso, 2001). Garson (1998) argued factor analysis is used to uncover the latent structure or dimensions of a set of variables. It reduces attribute space from a larger number of variables to a smaller number of factors for any of the following purposes, such as to select a subset of variables from a larger set, based on which original variables have the highest correlations with the principal component factors.

An analysis in Appendix 2 shows the valid statements of transactional leadership, which can be summarized in table 4.6.

Table 4.6 Factor Analysis for Transactional Leadership Style

Question Number	Corrected Item - Total Correlation (r)	Alpha
CR 1	0.4620	0.6854
CR 2	0.3172	
CR 3	0.7171	
CR 4	0.4091	
MA 2	0.4473	0.5487
MA 3	0.2748	
MA 4	0.4358	
MP 2	0.5386	0.6975
MP 4	0.5386	

4.5.2 Validity and Reliability Questionnaire for Transformational Leadership

For idealized influence attributed, the result in table 4.7 shown that the statements number one until four are valid with corrected item-total correlation > 0.273.

Table 4.7 Idealized Influences Attributed

Question Number	Corrected Item-Total Correlation (r)
IA 1	0.4170
IA 2	0.3623
IA 3	0.4147
IA 4	0.0389

Moreover, the items of idealized influence attributed are also reliable with the score 0.6250.

Statements of idealized influence behavior are valid, as shown in table 4.8, with corrected item-total correlation > 0.273.

Table 4.8 Idealized Influence Behaviors

Question Number	Corrected Item-Total Correlation (r)
IB 1	0.4797
IB 2	0.6138
IB 3	0.6890
IB 4	0.6336

The Alpha score for idealized influence behavior is 0.7925 and it means the questions are highly reliable.

For individual consideration, the r values for statements number 1 until 4 as stated in table 4.9 are higher than r table which is 0.273. It means all the statements are valid. Moreover, the Alpha score for individual consideration is 0.7577 (highly reliable).

Table 4.9 Individual Consideration

Question Number	Corrected Item-Total Correlation (r)
IC 1	0.6287
IC 2	0.3413
IC 3	0.6021
IC 4	0.6734

The inspirational motivation statements are valid, as stated in table 4.10; it shows the corrected item-total correlation > 0.273.
The Alpha of inspirational motivation is 0.7631 and it means it is highly reliable.

Table 4.10 Inspirational Motivation

Question Number	Corrected Item-Total Correlation (r)
IM 1	0.6437
IM 2	0.5390
IM 3	0.5127
IM 4	0.5741

From table 4.11, intellectual stimulation statements are valid because the corrected item-total correlation is above 0.273. The Alpha score of 0.6867 means moderate reliable.

Table 4.11 Intellectual Stimulation

Question Number	Corrected Item-Total Correlation (r)
IS 1	0.3756
IS 2	0.4107
IS 3	0.6110
IS 4	0.5057

4.5.2.1 Factor Analysis for Transformational Leadership

An analysis in Appendix 3 shows the valid statements of transformational leadership, which can be summarized in table 4.12.

Table 4.12 Factor Analysis for Transformational Leadership Style

Question Number	Corrected Item - Total Correlation (r)	Alpha
IA 1	0.4225	0.6250
IA 2	0.3787	
IA 3	0.5083	
IB 1	0.4797	0.7925
IB 2	0.6138	
IB 3	0.6890	
IB 4	0.6336	
IC 1	0.6287	0.7577
IC 2	0.3413	
IC 3	0.6021	
IC 4	0.6734	
IM 1	0.6437	0.7631
IM 2	0.5390	
IM 3	0.5127	
IM 4	0.5741	
IS 3	0.4441	0.6144
IS 4	0.4441	

4.5.3 Validity and Reliability Questionnaire for Laissez-Faire

The corrected item-total correlation in table 4.13 shows that all statements of laissez-faire are valid with the score above 0.273. The Alpha score of 0.7335 shows the statements are highly reliable.

Table 4.13 Laissez-Faire

Question Number	Corrected Item-Total Correlation (r)
LF 1	0.4101
LF 2	0.6425
LF 3	0.6387
LF 4	0.4612

4.5.3.1 Factor Analysis for Laissez-Faire

An analysis in Appendix 4 shows the valid statements of laissez-faire, which can be summarized in table 4.14.

Table 4.14 Factor Analysis for Laissez-Faire

Question Number	Corrected Item - Total Correlation (r)	Alpha
LF 1	0.4101	0.7335
LF 2	0.6425	
LF 3	0.6387	
LF 4	0.4612	

4.6 THE METHOD TO ANALYZE THE DATA

The analysis process is started by filling in the data in the computer code. The statistic analysis can be done as followed**:**

4.6.1 Descriptive Analysis

Descriptive analysis is a summary of research data so that the data will be easily understood. The descriptive statistics include: N, Minimum, Maximum, Mean, and Standard Deviation. It can be used to answer the question in this research: What is the dominant leadership style in STAR MOTOR Company? (Using interpretation of SPSS data descriptive term in relation with MLQ's results)

4.6.2 Simple Regression

The general purpose of simple regression (Santoso, 2001) is to learn more about the relationship between independent variable and dependent variable. Here are the hypotheses to be analyzed on this study:

H1: Transactional leadership has significant relationship with extra effort.
H2: Transactional leadership has significant relationship with effectiveness.
H3: Transformational leadership has significant relationship with extra effort.
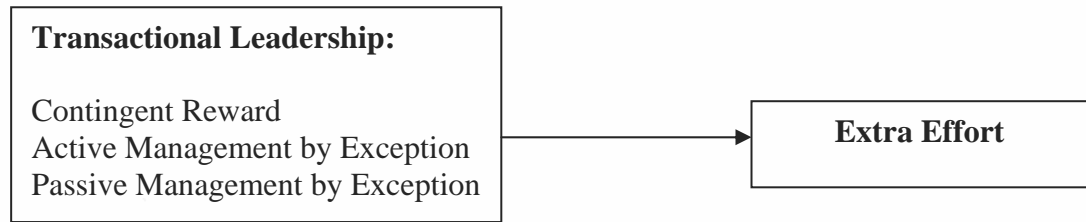H4: Transformational leadership has significant relationship with effectiveness.

```
┌─────────────────────────────────┐
│ Transactional Leadership:       │
│                                 │
│ Contingent Reward               │          ┌──────────────────┐
│ Active Management by Exception  │ ───────▶ │   Extra Effort   │
│ Passive Management by Exception │          └──────────────────┘
└─────────────────────────────────┘
```

Figure 4.1 Hypothesis Model of Transactional Leadership with Extra Effort

```
┌─────────────────────────────────┐
│ Transactional Leadership:       │
│                                 │
│ Contingent Reward               │          ┌──────────────────┐
│ Active Management by Exception  │ ───────▶ │  Effectiveness   │
│ Passive Management by Exception │          └──────────────────┘
└─────────────────────────────────┘
```

Figure 4.2 Hypothesis Model of Transactional Leadership with Effectiveness

```
┌─────────────────────────────────┐
│ Transformational Leadership:    │
│                                 │
│ Idealized Influence Attributed  │
│ Idealized Influence Behavior    │          ┌──────────────────┐
│ Inspirational Motivation        │ ───────▶ │   Extra Effort   │
│ Intellectual Stimulation        │          └──────────────────┘
│ Individual Consideration        │
└─────────────────────────────────┘
```
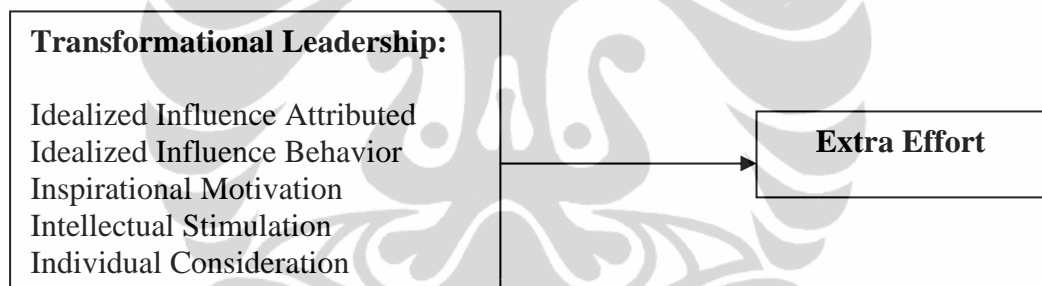
Figure 4.3 Hypothesis Model of Transformational leadership with Extra Effort

```
┌─────────────────────────────────┐
│ Transformational Leadership:    │
│                                 │
│ Idealized Influence Attributed  │
│ Idealized Influence Behavior    │          ┌──────────────────┐
│ Inspirational Motivation        │ ───────▶ │  Effectiveness   │
│ Intellectual Stimulation        │          └──────────────────┘
│ Individual Consideration        │
└─────────────────────────────────┘
```
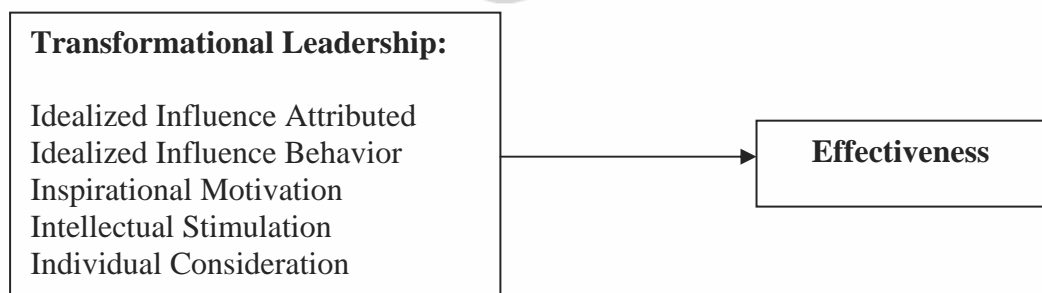
Figure 4.4 Hypothesis Model of Transformational leadership with Effectiveness

CHAPTER 5

THE RESEARCH ANALYSIS

5.1 RESPONDENTS DESCRIPTIVE DATA

The research was held in STAR MOTOR Company in South Jakarta. The population test subject is coming from the permanent employees that have minimum educational level of senior high school. The total respondents were 50 employees. The questionnaire has been completed in November 9 and 16, 2008.

In this research, there were 50 set of questionnaires that have been given for 50 employees in 5 divisions as show at table 5.1. There were 32% of the respondents from body repair division, 38% of the respondents are from car service division, 14% are spare parts staffs, 6% worked in administration division, and 10% worked as customer service.

Table 5.1 Proportion of Respondents

Division	Total Respondents	Percentage
Body Repair	16	32%
Car Service	19	38%
Spare parts	7	14%
Administration	3	6%
Customer Service	5	10%
Total	50	100%

From the total respondents as shown in table 5.2, 86% had high school education, around 8% was in college and 3% had university degree.

Table 5.2 Employees by Educational Level

Education Level	Frequency	Percentage
Senior High School	43	86%
Academy	4	8%
University	3	6%
Total	50	100%

Table 5.3 indicates that 12% of the respondents were below 20 years old, 36% was 20-25 years old, 22% was between 26-30 years old, 28% was 31-40 years old, and 2% was between 41-50 years of age. For the current situation, the company realizes that they are in need of young energetic people who can contribute powerfully to the job.

Table 5.3 Employees by Age

Age Range	Frequency	Percentage
Less than 20 years	6	12%
20-25 years	18	36%
26-30 years	11	22%
31-40 years	14	28%
41-50 years	1	2%
Total	50	100%

Table 5.4 below shows that 52% of the respondents have worked for around 1-5 years, 20% of respondents worked for 11-15 years, 14% worked less than 1 year, 10% worked around 6-10 years and 4% worked for more than 16 years.

Table 5.4 Employees by Year of Professional Experience

Year of Experience	Frequency	Percentage
Less than 1 year	7	14%
1-5 years	26	52%
6-10 years	5	10%
11-15 years	10	20%
More than 16 years	2	4%
Total	50	100%

Among the 50 respondents, as shown in Table 5.5, male employees were 70% and female respondents comprised the rest.

Table 5.5 Employees by Gender

Gender	Frequency	Percentage
Male	35	70%
Female	15	30%
Total	50	100%

5.2 DESCRIPTIVE ANALYSIS

The data of the leadership style in STAR MOTOR company was collected by the Multifactor Leadership Questionnaire (MLQ form 5X), which include two leadership styles: transformational and transactional. Employees were asked to rate the manager's leadership style by using the MLQ-5X rater form. Table 5.6 indicates the mean scores for transactional leadership, transformational leadership, and laissez-faire.

Table 5.6 The Descriptive Analysis for Leadership Styles

	Mean	Note
Transactional Leadership	**3.3108**	High
Contingent Reward	2.9950	Low
Management by Exeption Active	3.3333	High
Management by Exception Passive	3.6020	High
Transformational Leadership	**3.2004**	High
Idealized Influence Attributed	3.0556	High
Idealized Influence Behavior	3.2979	High
Individual Consideration	2.8929	Low
Inspirational Motivation	3.6837	High
Intellectual Stimulation	3.2000	High
Laissez-Faire	**3.8827**	High

Category:

1.0 – 2.0   = Very Low

2.1 – 3.0   = Low

3.1 – 4.0   = High

4.1 – 5.0   = Very High

The answer in this questionnaire used Likert scale. Likert scale start from 0 (not at all), 1 (once in a while), 2 (sometimes), 3 (fairly often) and 4 (frequently, if not always).

Table 5.6 shows mean score of transactional leadership, which is 3.3108 and followed by transformational leadership (3.2004). Furthermore, the results identify the highest mean in the company is laissez-faire with value of 3.8950. The results indicated that laissez-faire is dominating the STAR MOTOR company.

Laissez-faire which is inactive leaders is the character of leadership in the company. The leaders avoid taking a stand on issues and avoid clarifying expectations or addressing conflicts. The inactivity of the leaders, their unwillingness to accept responsibility, give directions, provide support, and so on have been consistently negative related to productivity, satisfaction and cohesiveness of subordinates.

Within respondents' perception on transactional leadership style as shown in table 5.6, the dominant factor was management by exception passive in the category of high; followed by management by exception active, while contingent reward had the lowest score.

Moreover, within transformational leadership, the dominant factor was inspirational motivation in the category of high, followed by idealized influence behavior, intellectual stimulation and idealized influence attributed, while the lowest score was individual consideration.

5.3 REGRESSION ANALYSIS

5.3.1 Relationship between Transactional Leadership with Extra Effort

The regression analysis between transactional leadership with extra effort is based on the hypothesis:

H1:   Transactional leadership has significant relationship with extra effort

Table 5.7 Model Summary of Transactional Leadership with Extra Effort

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.781[a]	.610	.602	2.02662

a. Predictors: (Constant), Transactional Leadership

The model summary in the table 5.7 demonstrates the value of R square is 0.610. The R square also known as determination correlation, which means 61% variance in extra effort could be explained by transactional leadership.

Based on coefficient regression in Table 5.8, the transactional leadership has significant relationship with extra effort.

Table 5.8 Coefficient Regression of Transactional Leadership with Extra Effort

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Standart Error	Beta		
1 (Constant)	0.355	1.247		0.285	0.777
Transactional	0.352	0.041	0.781	8.49	0.000

a. Dependent Variable: Extra Effort

5.3.2 Relationship between Transactional Leadership with Effectiveness

The regression analysis between transactional leadership with extra effort is based on the hypothesis:

H2:   Transactional leadership has significant relationship with effectiveness

Table 5.9 Model Summary of Transactional Leadership with Effectiveness

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.785[a]	.616	.608	2.39669

b. Predictors: (Constant), Transactional Leadership

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The model summary in the table 5.9 demonstrates the value of R square is 0.616. The R square also known as determination correlation, which means 61.6% variance in extra effort could be explained by transactional leadership.

Based on coefficient regression in Table 5.10, the transactional leadership has significant relationship with effectiveness.

Table 5.10 Coefficient Regression of Transactional Leadership with Effectiveness

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Standart Error	Beta		
1 (Constant)	-0.250	1.477		-0.169	0.867
Transactional	0.419	0.049	0.785	8.504	0.000

a. Dependent Variable: Effectiveness

5.3.3 Relationship between Transformational Leadership with Extra Effort

The regression analysis between transformational leadership with extra effort is based on the hypothesis:

H3:   Transformational leadership has significant relationship with extra effort

After running regression analysis using transformational leadership as the independent variable and an extra effort as dependent variable, the result is shown in the table 5.11.

Table 5.11 Model Summary of Transformational Leadership with Extra Effort

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.767[a]	0.588	0.579	2.17293

a. Predictors: (Constant), Transformational Leadership

The model summary as shown in table 5.11 demonstrates the value of R square is 0.588. R square also known as determination correlation, which means 58.8% variance in extra effort could be explained by transformational leadership.

Based on coefficient regression in Table 5.12, the transformational leadership has significant relationship with extra effort.

Table 5.12 Coefficient Regression of Transformational Leadership with Extra Effort

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Standart Error	Beta		
1 (Constant)	1.494	1.227		1.218	0.230
Transformational	0.168	0.022	0.767	7.75	0.000

a. Dependent Variable: Extra Effort

5.3.4 Relationship between Transformational Leadership with Effectiveness

The regression analysis between transformational leadership with effectiveness is based on the hypothesis:

H4: Transformational leadership has significant relationship with extra effort

Table 5.13 Model Summary of Transformational Leadership with Effectiveness

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.817[a]	0.667	0.659	2.23641

a. Predictors: (Constant), Transformational Leadership

The model summary in the table 5.13 demonstrates the value of R square is 0.667. R square also known as determination correlation, which means 66.7% variance in effectiveness could be explained by transformational leadership.

University of Indonesia

Table 5.14 Coefficient Regression for Transformational Leadership with Effectiveness

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Standart Error	Beta		
1 (Constant)	0.734	1.265		0.580	0.565
Transformational	0.203	0.022	0.817	9.061	0.000

a. Dependent Variable: Effectiveness Total

The result on table 5.14 showed that transformational leadership has significant relationship with effectiveness.

5.4 ADDITIONAL ANALYSIS

5.4.1 Relationship between Dimensions of Transactional Leadership and Extra Effort

Additional analysis between the dimensions of transactional leadership and extra effort has been done and shown in Appendix 12. The summary as shown in table 5.15 has indentified that 61.7% variance in extra effort could be explained by contingent reward and management by exception active.

Table 5.15 Model Summary of Regression between Dimensions of Transactional Leadership and Extra Effort

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.792[a]	.627	.602	2.02665
2	.785[b]	.617	.600	2.03203

a. Predictors: (Constant), mp_total, ma_total, cr_total
b. Predictors: (Constant), ma_total, cr_total

Moreover, the relationship between dimensions of transactional leadership and extra effort as shown in table 5.16 identified that contingent reward (CR) and

management by exception active (MA) have significant relationship with extra effort.

Table 5.16 Coefficient Regression for Dimensions of Transactional Leadership with Extra Effort

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.752	1.296		.580	.565
	cr_total	.400	.086	.502	4.633	.000
	ma_total	.392	.117	.359	3.354	.002
	mp_total	.159	.143	.109	1.113	.272
2	(Constant)	1.436	1.145		1.254	.216
	cr_total	.421	.085	.527	4.975	.000
	ma_total	.412	.116	.378	3.562	.001

a. Dependent Variable: ee_total

5.4.2 Relationship between Dimensions of Transactional Leadership and Effectiveness

The additional analysis between dimensions of transactional leadership and effectiveness has been done and shown in Appendix 13. The summary in table 5.17 demonstrates the value of R square is 0.636, which means 63.6% of variance in effectiveness could be explained by contingent reward (CR) and management by exception active (MA).

Table 5.17 Model Summary of Regression between Dimensions of Transactional Leadership with Effectiveness.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.801[a]	.642	.617	2.36917
2	.798[b]	.636	.620	2.36046

a. Predictors: (Constant), mp_total, ma_total, cr_total

b. Predictors: (Constant), ma_total, cr_total

The relationship between dimensions of transactional leadership and effectiveness as shown in table 5.18 identified that contingent reward (CR) and management of exception active (MA) have significant relationship with effectiveness.

Table 5.18 Coefficient Regression for Dimensions of Transactional Leadership with Effectiveness

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.421	1.523		.277	.783
	cr_total	.509	.101	.541	5.041	.000
	ma_total	.441	.137	.343	3.230	.002
	mp_total	.140	.170	.080	.823	.415
2	(Constant)	1.024	1.330		.770	.445
	cr_total	.527	.098	.560	5.364	.000
	ma_total	.458	.135	.356	3.408	.001

a. Dependent Variable: ef_total

5.4.3 Relationship between Dimensions of Transformational Leadership and Extra Effort

Additional analysis between the dimensions of transformational leadership and extra effort has been done and shown in Appendix 14. The summary as shown in table 5.19 has indentified that 63.5% variance in extra effort could be explained by inspirational motivation and individual consideration.

Table 5.19 Model Summary of Regression between Dimensions of Transformational Leadership and Extra Effort

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.811[a]	.657	.612	2.08460
2	.810[b]	.656	.620	2.06234
3	.808[c]	.653	.627	2.04417
4	.797[d]	.635	.618	2.06986

a. Predictors: (Constant), is_total, ia_total, im_total, ib_total, ic_total

b. Predictors: (Constant), ia_total, im_total, ib_total, ic_total

c. Predictors: (Constant), ia_total, im_total, ic_total

d. Predictors: (Constant), im_total, ic_total

Moreover, the relationship between dimensions of transformational leadership and extra effort as shown in table 5.20 identified that individual consideration (IC) and inspirational motivation (IM) have significant relationship with extra effort.

Table 5.20 Coefficient Regression for Dimensions of Transformational Leadership with Extra effort

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.814	1.343		1.350	.185
	ia_total	-.253	.169	-.235	-1.495	.143
	ib_total	.087	.148	.108	.592	.558
	ic_total	.530	.170	.675	3.114	.004
	im_total	.313	.152	.338	2.063	.046
	is_total	-.113	.274	-.072	-.414	.681
2	(Constant)	1.767	1.324		1.334	.190
	ia_total	-.237	.163	-.220	-1.454	.154
	ib_total	.079	.145	.097	.546	.588
	ic_total	.497	.149	.632	3.346	.002
	im_total	.291	.141	.314	2.070	.045
3	(Constant)	1.860	1.302		1.429	.161
	ia_total	-.230	.161	-.214	-1.427	.161
	ic_total	.541	.124	.688	4.367	.000
	im_total	.316	.132	.341	2.395	.021
4	(Constant)	1.681	1.312		1.281	.207
	ic_total	.450	.108	.573	4.182	.000
	im_total	.257	.127	.277	2.026	.049

a. Dependent Variable: ee_total

5.4.4 Relationship between Dimensions of Transformational Leadership and Effectiveness

The additional analysis between dimensions of transformational leadership and effectiveness has been done and shown in Appendix 15. The summary in table 5.21 demonstrates the value of R square is 0.627. R square also known as determination correlation, which means 62.7% of variance in effectiveness could be explained by individual consideration.

Table 5.21 Model Summary of Regression between Dimensions of Transformational Leadership with Effectiveness.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.823[a]	.677	.633	2.31811
2	.823[b]	.677	.643	2.28743
3	.818[c]	.669	.643	2.28755
4	.806[d]	.649	.632	2.32372
5	. 800[e]	.627	.623	2.21755

a. Predictors: (Constant), is_total, ia_total, im_total, ib_total, ic_total

b. Predictors: (Constant), ia_total, im_total, ib_total, ic_total

c. Predictors: (Constant), ia_total, ib_total, ic_total

d. Predictors: (Constant), ia_total, ic_total
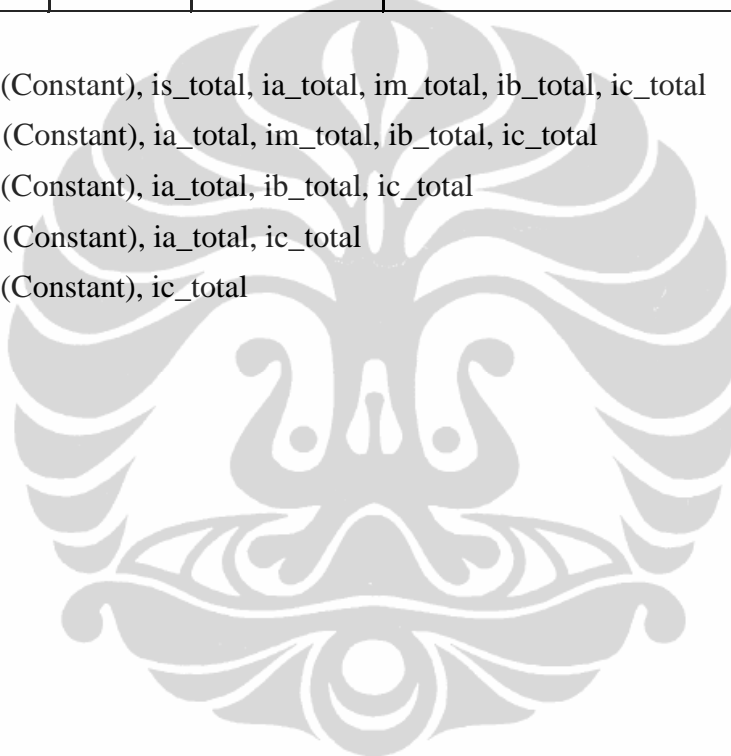
e. Predictors: (Constant), ic_total

Table 5.22 Coefficient Regression for Dimensions of Transformational Leadership with Effectiveness

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.138	1.496		.761	.452
	ia_total	.284	.189	.233	1.504	.141
	ib_total	.179	.165	.194	1.088	.284
	ic_total	.302	.190	.338	1.592	.120
	im_total	.158	.169	.150	.935	.356
	is_total	-.009	.306	-.005	-.030	.976
2	(Constant)	1.135	1.472		.771	.446
	ia_total	.285	.181	.234	1.574	.124
	ib_total	.178	.161	.193	1.109	.274
	ic_total	.299	.165	.335	1.816	.077
	im_total	.157	.156	.149	1.002	.323
3	(Constant)	1.970	1.214		1.623	.113
	ia_total	.335	.175	.275	1.918	.062
	ib_total	.230	.152	.249	1.508	.140
	ic_total	.327	.162	.366	2.012	.051
4	(Constant)	2.702	1.130		2.392	.022
	ia_total	.384	.174	.315	2.203	.073
	ic_total	.482	.127	.541	3.783	.001
5	(Constant)	3.502	1.030		3.392	.007
	ic_total	.499	.178	.576	3.983	.000

a. Dependent variable: ef_total

The relationship between dimensions of leadership and effectiveness as shown in table 5.22 identified that individual consideration (IC) has significant relationship with effectiveness.

5.5 DISCUSSION

Based on the problem analysis in STAR MOTOR, some points to be discussed:

There is significant relationship between transactional leadership with extra effort. Additional analysis between dimensions of transactional leadership with extra effort showed that contingent reward and management by exception active have significant relationships with extra effort.

The result also showed significant relationship between transactional leadership with effectiveness. Additional analysis between dimensions of transactional leadership with effectiveness showed that contingent reward and management by exception active have significant relationships with effectiveness.

In order for contingent reward to be done, the STAR MOTOR leaders should give clear directive of the task to be performed and the desired result. They should give clarification of goals and expectation and give clear understanding of the consequences whether positive or negative for compliance or non compliance of the agreed upon task so the contingent reward should be valuable for both parties (Bass, 1985). Furthermore, in relation to management by exception active, the leaders should monitor follower performance for negative compliance of the task and tracking mistakes and failures (Bass, 1985).

In comparison with above result, the reality in STAR MOTOR company showed an opposite conditions. There was rare of contingent reward given to the employees as it's under transactional leadership style. With the pros and contra about contingent reward, as explained in chapter 2, the theorists assert that leaders should have the ability to establish and communicate the organizational goals as well as to offer rewards and impose sanctions in order to ensure compliance with these goals (Sims and Brinkmann, 2002).

The results showed transformational leadership has significant relationship with extra effort. Additional analysis between dimensions of transformational leadership with extra effort showed that individual consideration and inspirational motivation have significant relationships with extra effort.

Within transformational leadership descriptive analysis as shown in table 5.6, the dominant factor in the company was inspirational motivation in the category of high, followed by idealized influence behavior, intellectual stimulation and idealized influence attributed, while the lowest score was individual consideration.

In relation to individual consideration, the leaders need to be friendly, informal and close (Bass, 1985). The leaders should respond to the specific and unique needs of followers to ensure they are included in the transformation process of the organization (Simic, 1998).

Moreover, in relation to inspirational motivation, leaders should inspire followers to promote ideas and vision conveyed to them (Bass, 1990). The leaders need to stimulate enthusiasm among subordinates and say things to build subordinates confidence and ability to successfully perform assignments and attain group objective

In comparison with above results, the reality on company showed an opposite conditions. The STAR MOTOR leaders motivated subordinates to do their work properly but they do not support to transcend subordinates own self-interests in achieving superior results. The leaders wanted the subordinates to obey the company rules and made stability as always.
They also avoid any possibility of changes. The leaders do not work toward a common goal with followers or develop them and the relationship between leaders and subordinates are more formal.

The results also showed that transformational leadership has significant relationship with effectiveness. Furthermore, additional analysis between dimensions of transformational leadership with effectiveness showed that individual consideration has significant relationships with effectiveness.

The significant relationship between transactional and transformational leadership with extra effort and effectiveness as showed in this research, however, were in line with Bass (1985) theory that believed the leaders could be both transformational and transactional at the same time. The effective leader set contained traits and characteristics of both the transformational and transactional subsets.

The STAR MOTOR leadership style in reality was closer to transactional leadership with higher mean score of 3.3108 rather than transformational leadership with mean score of 3.2004.

Within respondents' perception on transactional leadership style as shown in table 5.6, the dominant factor was management by exception passive in the category of high; followed by management by exception active. Contingent reward had the lowest score.

The STAR MOTOR leaders have appropriate support to practice standards but more often uses passive management by exception, working on the principle that if something is operating to defined (and hence expected) performance then it does not need attention.

On the other hand, the employees believed they deserved to get more benefits than what they already had. Unfortunately, there were rare exchanged of promises available to assist in the accomplishment of the task. This study, however, has focused on employee extra effort and effectiveness. There was no research about employee satisfaction.

The descriptive analysis on this research has identified the highest mean score in STAR MOTOR company as laissez-faire with value of 3.8827. The results indicated that laissez-faire is dominating the STAR MOTOR company. Laissez-faire which is inactive leaders is the character of leadership in the company.

The head leader of STAR MOTOR company, Simon, is a conservative person that has good automotive technical skills. Meanwhile, he has less concern about human resource management or his subordinates. In the most recent

strategic decision taken and implemented, he completely delegated the formulation of the decision and also delegated the implementation of the decision to his subordinates.

Simon's direct subordinates, which are the managers, also avoid taking a stand on issues and avoid clarifying expectations or addressing conflicts. The inactivity of the leaders, their unwillingness to accept responsibility, give directions, and so on has been consistently negative related to productivity, satisfaction and cohesiveness of their subordinates.

The leaders in STAR MOTOR company emphasized minimal supervisor-subordinate interaction and did not care whether their capability fit the work requirement or not. Therefore, the leaders could be identified to apply more laissez-faire style rather than transactional and transformational leadership.

Moreover, in term of transformational leadership factor, the leaders often give insight into what will be challenging to a follower and for what reason although they have not expressed vivid goals that strengthen and uplift the followers.

In term of transactional leadership factor, especially in the passive context, the leaders only initiate action when there is a deviation from the standard. They wait for the process to fail before initiating any form of involvement. There was no commitment to monetary or other contingent rewards in the company although many employees look for the bonus or perk that goes with accomplishing the good job.