

CHAPTER 6

CONCLUSIONS AND RECOMMENDATIONS

6.1 CONCLUSIONS

The analysis in this research has concluded some conditions in STAR MOTOR company as follows:

There is significant relationship between transactional leadership with extra effort. Additional analysis between dimensions of transactional leadership and extra effort showed significant relationships between contingent reward and management by exception active with extra effort. Moreover, there is significant relationship between transformational leadership with extra effort. Additional analysis between dimensions of transformational leadership and extra effort showed significant relationships between individual consideration and inspirational motivation with extra effort.

There is significant relationship between transactional leadership with effectiveness. Additional analysis between dimensions of transactional leadership and effectiveness showed significant relationships between contingent rewards and management by exception active with effectiveness. Moreover, there is significant relationship between transformational leadership with effectiveness. Additional analysis between dimensions of transformational leadership and effectiveness showed significant relationship between individual considerations with effectiveness.

Transactional leadership is the dominant leadership compared with transformational leadership, however, laissez-faire is more dominant in STAR MOTOR company.

6.2 RECOMMENDATIONS

Based on the conclusion, there are some recommendations that should be considered:

1. Regarding the extra effort. The STAR MOTOR company must be aware about leadership styles that have significant relationship with the employee's extra effort because the importance of its leadership style to the productivity and service of the company. Therefore the company need to learn how to develop leaders with sensitivity and interpersonal competence that required for them to function as transformational leaders, especially pay more attention about individual consideration and inspirational motivation.

Individual consideration is accomplished through various techniques such as coaching, mentoring, and providing continuous feedback. Leaders should give advice and support and encouraged their subordinates' self development. Moreover, to improve the inspirational motivation, the leader should provide challenging tasks for the individual to promote its creative thinking.

Furthermore, the STAR MOTOR company could also consider contingent reward as important issue because the analysis shows its significant relationship to the extra effort. The company should clarify the goals and expectations in the job related and also prepare for the bonus or perk that goes with accomplishing the good job. There is an exchange of promises and the expected resources that should be available to assist in the accomplishment of the task.

2. Regarding the effectiveness. The suggestion is to improve transformational leadership and pay more attention especially on the individual consideration. It would be beneficial for the STAR MOTOR company to also be aware of contingent reward issue and management by exception active. In term of management by exception active, it could be

effective is the leader monitors the follower's performance by tracking mistakes and failures. Then the leaders could establish rules and regulation to avoid subordinates mistakes.

3. The researcher found that STAR MOTOR has an absence leadership or known as laissez-faire. The correlation between laissez-faire and leadership was strongly negative (Bass, 1985). Laissez-faire, that in French phrase means leave it be, can only be effective if the leader monitors what is being achieved and communicates this back to his or her team regularly. Consider about that condition, it is very important for the leaders to gain more knowledge about effective leadership through some training. The company needs leaders that can manage processes, mobilize people and pays attention to employee values. Moreover, the subordinates also need guidance or training for the necessary skills and high commitment to serve the company. Periodic discussions and brainstorming is a must. After some period of time, the owner needs to send the questionnaire to the employees to measure the progress of leadership style in the company.