



**UNIVERSITY OF INDONESIA**

**LEADERSHIP STYLE AT CONSULTING COMPANY  
A CASE OF PT. MUC GLOBAL**

**THESIS**

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**FACULTY OF ECONOMICS**

**MASTER OF MANAGEMENT -MASTER OF BUSINESS  
ADMINISTRATION**

**JAKARTA**

**JULY 2012**



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**Proposed as one of the requirement for obtaining a Degree of  
Master of Management**

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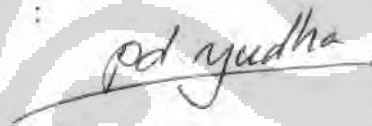
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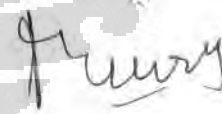
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Has successfully presented the thesis in front of Board of Examiner and is already approved as one of the requirements to achieve the title Master of Management (MM) and Master of Business Administration (MBA) in Magister Management Study Program Faculty of Economy, University of Indonesia.

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Date : July 6, 2012

## PREFACE

First, I need to grateful to God due to His guidance and generous I have the power to complete my study in Master of Management.

I would like to give my special thanks to following people who fully contributed on my success to completing my study in Master of Management.

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For all those who cannot be listed which help me direct or indirectly in completion of the thesis. I will be very happy and proud if my research in leadership style become milestone for further research the will continued by others for completing dimension of leadership style in other industries.

Jakarta, July 6 2012

Pri Desta Yudha

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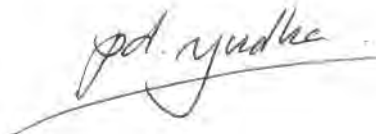
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## ABSTRACT

Name : Pri Desta Yudha.  
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Title : Leadership Style at Consulting Company-  
A Case of PT. MUC Global

Leadership becomes the main factor contributing for a company to increase its competitive advantage. In consulting company it has become the nature that the profile of the leader with capability and style of the leadership will give impact on company durability in rapidly changing and global competitive environment. The research uses Multifactor Leadership Questionnaire-5X form to determine correlation and relationship between transformational, transactional and passive-avoidant-laissez-faire leadership style of the leader in PT. MUC Global and the outcomes of the leadership (transformational, transactional and passive avoidant laissez-faire). SPSS uses calculation and analysis of the research data with descriptive statistics, regression and multicollinearity. SPSS process found that transformational leadership especially inspirational motivation is the most significant on extra effort and satisfaction. Transactional leadership especially management by exception-active has the most significant on effectiveness.

Keywords: MLQ-5X, transformational leadership, transactional leadership, passive avoidant laissez-faire, consulting company.

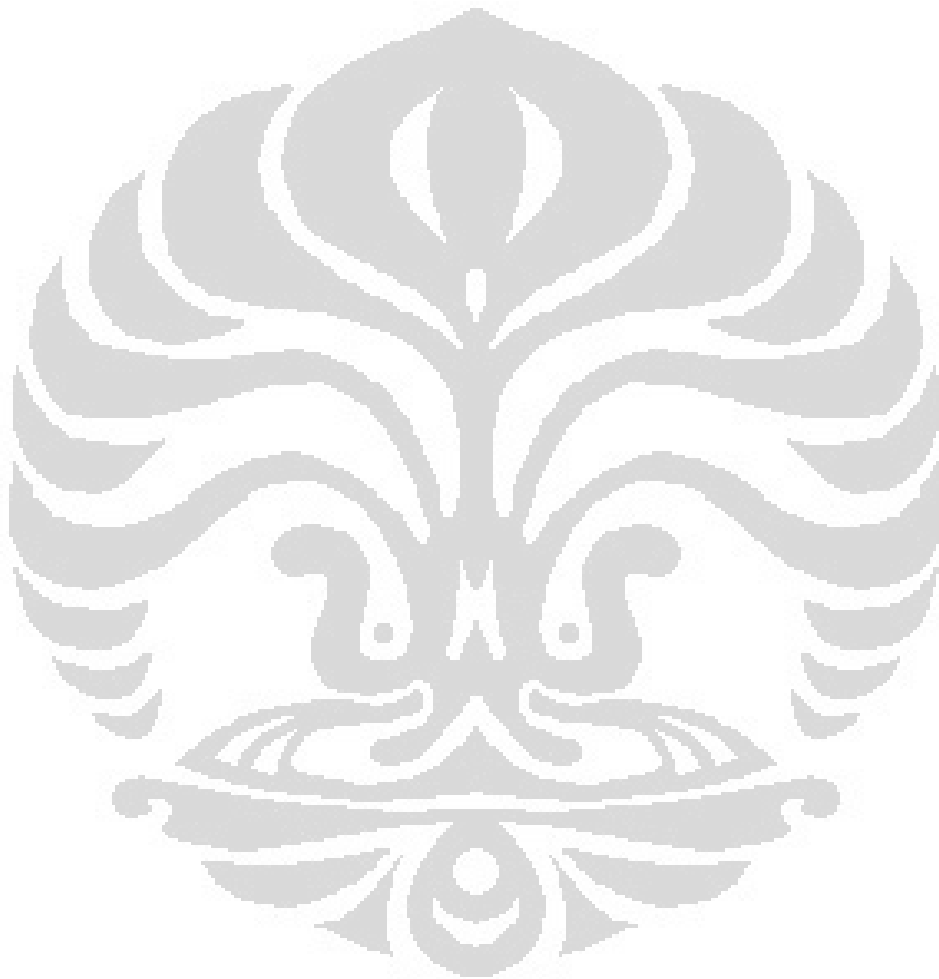
## TABLE OF CONTENTS

STATEMENT OF ORIGINALITY .....	II
LETTER OF APPROVAL.....	III
PREFACE.....	IV
LETTER OF AGREEMENT TO PUBLISH THE THESIS FOR ACADEMIC PURPOSE ONLY .....	V
ABSTRACT .....	VI
TABLE OF CONTENTS.....	VII
TABLE OF FIGURES.....	X
LIST OF TABLES .....	XI
CHAPTER 1 .....	13
INTRODUCTION.....	13
1.1 BACKGROUND.....	13
1.2 PROBLEM IDENTIFICATION.....	14
1.3 RESEARCH QUESTIONS.....	14
1.4 RESEARCH PURPOSES .....	15
1.5 BENEFIT OF RESEARCH .....	15
1.6 SCOPE OF RESEARCH.....	15
CHAPTER 2 .....	17
LITERATURE REVIEW.....	17
2.1 DEFINITIONS .....	17
2.2 DIFFERENTIATIONS BETWEEN LEADER AND MANAGER.....	19
2.3 TRAIT THEORIES OF LEADERSHIP .....	22
2.3.1 <i>Personality Traits</i> .....	22
2.3.2 <i>Motivation Traits</i> .....	23
2.3.3 <i>Ability Traits</i> .....	23
2.4 SPECIFIC TASK BEHAVIORAL THEORIES OF LEADERSHIP .....	24
2.4.1 <i>Planning work activities</i> .....	24
2.4.2 <i>Clarifying Roles and Objectives</i> .....	25
2.4.3 <i>Monitoring Operations and Performance</i> .....	26
2.5 SPECIFIC RELATIONS BEHAVIORAL THEORIES OF LEADERSHIP.....	27
2.5.1 <i>Supporting</i> .....	27
2.5.2 <i>Developing</i> .....	28
2.5.3 <i>Recognizing</i> .....	29
2.6 LEADERSHIP STYLES .....	30
2.6.1 <i>Transactional Leadership</i> .....	30
2.6.2 <i>Transactional Behavior</i> .....	31
2.6.3 <i>Transformational Leadership</i> .....	32
2.6.4 <i>Transformational Behavior</i> .....	32
2.6.5 <i>Laissez-faire Leadership</i> .....	34



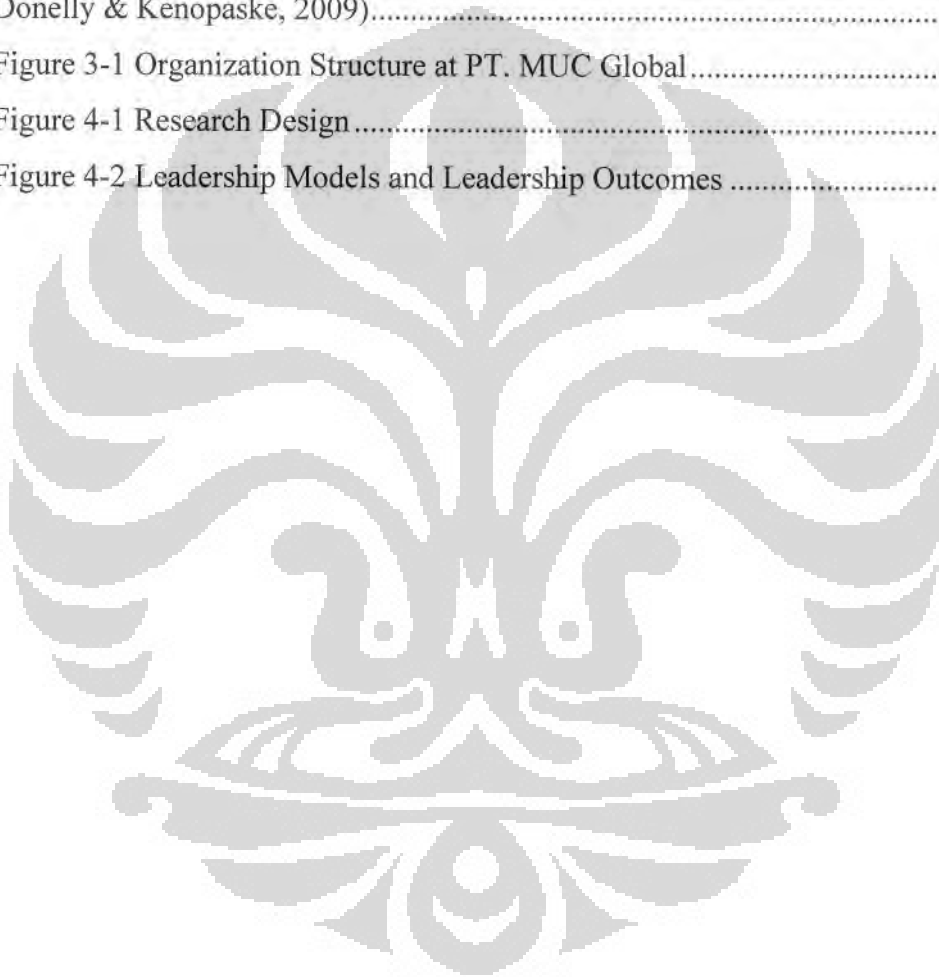
<b>CHAPTER 3 .....</b>	<b>35</b>
<b>COMPANY PROFILE .....</b>	<b>35</b>
3.1 MUC GLOBAL PROFILE.....	35
3.2 VISION, MISSION AND VALUES .....	36
3.2.1 <i>Vision</i> .....	36
3.2.2 <i>Mission</i> .....	36
3.2.3 <i>Values</i> .....	36
3.3 ORGANIZATION STRUCTURE .....	37
3.4 SERVICES CLASSIFICATIONS.....	39
3.4.1 <i>Tax Planning</i> .....	39
3.4.2 <i>Tax Review</i> .....	39
3.4.3 <i>Tax Return Preparation</i> .....	40
3.4.4 <i>Tax Audit Assistance</i> .....	40
3.4.5 <i>Tax Dispute Resolution</i> .....	40
3.4.6 <i>Tax Advisory</i> .....	40
3.4.7 <i>Tax Administration</i> .....	40
3.4.8 <i>Standard Operational Procedure Designing</i> .....	41
3.4.9 <i>International Taxation</i> .....	41
3.4.10 <i>Strategic Customs Planning</i> .....	41
3.4.11 <i>Customs System Solution</i> .....	41
3.4.12 <i>Classification of Goods</i> .....	42
3.4.13 <i>Customs Valuation Analysis</i> .....	42
3.4.14 <i>Customs Audit Assistance</i> .....	42
3.4.15 <i>Custom Compliance Review</i> .....	42
3.4.16 <i>Customs Dispute Resolution</i> .....	43
3.4.17 <i>License Instruments Arrangement</i> .....	43
3.4.18 <i>Customs Advisory</i> .....	43
<b>CHAPTER 4 .....</b>	<b>44</b>
<b>RESEARCH METHODOLOGY .....</b>	<b>44</b>
4.1 RESEARCH DESIGN.....	44
4.2 THE METHOD COLLECTING DATA.....	50
4.3 DURATION AND RESEARCH LOCATION.....	51
4.4 QUESTIONNAIRE MODEL.....	51
4.5 DATA ANALYSIS .....	53
4.5.1 <i>Descriptive Statistics</i> .....	53
4.5.2 <i>Multiple Regressions (Inductive Statistics)</i> .....	53
4.5.3 <i>Collinearity (Inductive Statistics)</i> .....	54
<b>CHAPTER 5 .....</b>	<b>55</b>
<b>ANALYSIS AND RESULT .....</b>	<b>55</b>
5.1 THE RESPONDENTS CHARACTERISTICS .....	55
5.2 DESCRIPTIVE STATISTICS .....	58
5.3 CORELATION LEADERSHIP STYLE WITH LEADERSHIP OUTCOMES.....	65
5.3.1 <i>The Influence of Leadership Style to Extra Effort</i> .....	65
5.3.2 <i>The Influence of Leadership Style to Effectiveness</i> .....	70
5.3.3 <i>The Influence of Leadership Style to Satisfaction</i> .....	75

5.4	DISCUSSION ON LEADERSHIP BEHAVIORS AND LEADERSHIP OUTCOMES	80
<b>CHAPTER 6</b> .....		<b>83</b>
<b>CONCLUSION AND RECOMMENDATION</b> .....		<b>83</b>
6.1	CONCLUSION.....	83
6.2	RECOMMENDATION.....	84
<b>BIBLIOGRAPHY</b> .....		<b>86</b>
<b>APPENDIX 1. QUESTIONNAIRE</b> .....		<b>88</b>
<b>APPENDIX 2. LICENSE</b> .....		<b>93</b>



## TABLE OF FIGURES

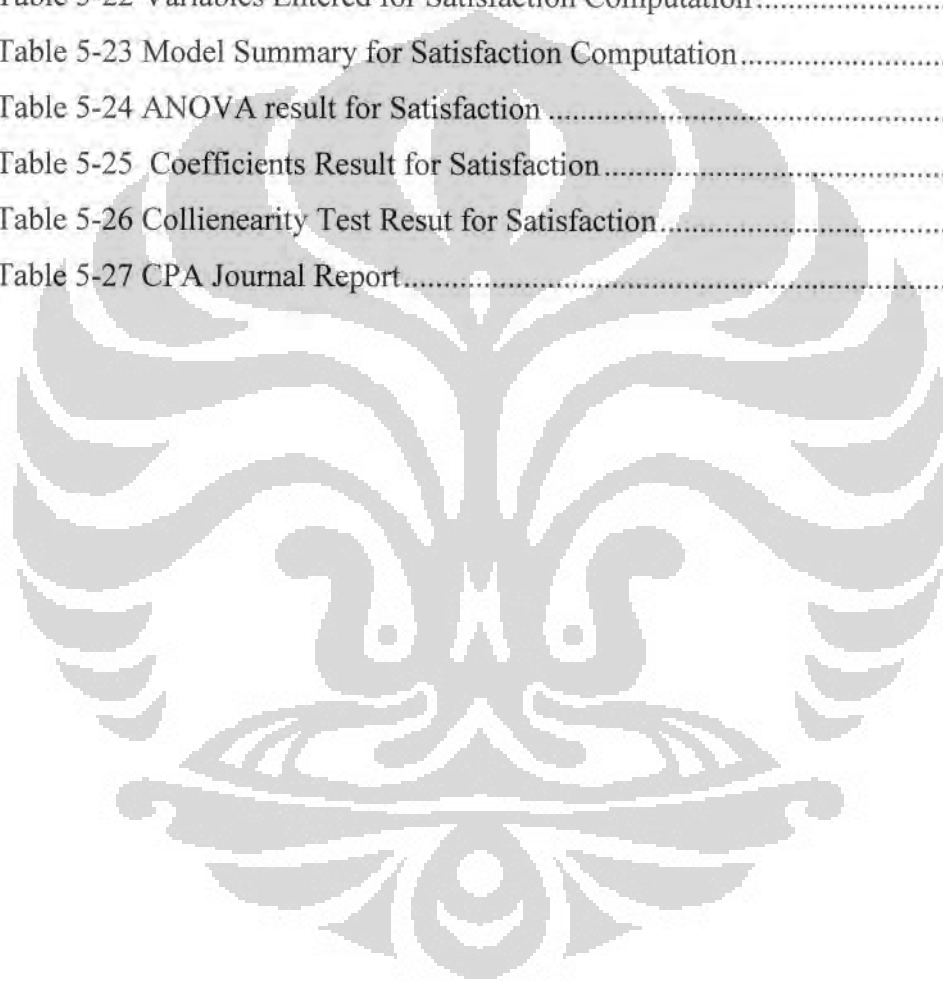
Figure 2-1 Transactional Leadership Roles. As (Gibson, Ivancevich, Donnelly & Kenopaske, 2009), (Bass, 1985) .....	31
Figure 2-2 A Transformational Model of Leadership Roles (Gibson, Ivancevich, Donnelly & Kenopaske, 2009).....	33
Figure 3-1 Organization Structure at PT. MUC Global .....	37
Figure 4-1 Research Design .....	44
Figure 4-2 Leadership Models and Leadership Outcomes .....	50



## LIST OF TABLES

Table 2-1 Distinguishing Leadership from Management.....	20
Table 2-2 Traits Associated with Leadership Effectiveness.....	22
Table 2-3 Guidelines for Action Planning.....	25
Table 2-4 Guidelines for Clarifying Roles and Objectives.....	25
Table 2-5 Guidelines for Monitoring Operations.....	27
Table 2-6 : Guidelines for Supporting . .....	27
Table 2-7 Guidelines for Coaching.....	28
Table 2-8 Guidelines for Mentoring.....	29
Table 2-9 Guidelines for Recognizing.....	30
Table 4-1 Leadership Style Distribution.....	52
Table 4-2 Leadership Outcomes Distribution.....	53
Table 5-1 Respondent by Gender.....	55
Table 5-2 Respondent by Education Level.....	56
Table 5-3 Respondent by Position.....	56
Table 5-4 Respondent by Years in Position.....	57
Table 5-5 Respondent by Employment status.....	57
Table 5-6 Descriptive Statistics for Leadership Behaviors in PT . MUC.....	58
Table 5-7 Descriptive Statistics for Leadership Behaviors in Accounting Consultant Department at PT. MUC.....	59
Table 5-8 Descriptive Statistics for Leadership Behaviors in Custom Consultant Department at PT. MUC.....	60
Table 5-9 Descriptive Statistics for Leadership Behaviors in QA Department at PT. MUC.....	61
Table 5-10 Descriptive Statistics for Leadership Behaviors in Tax Registered Department at PT. MUC.....	62
Table 5-11 Descriptive Statistics for Leadership Behaviors in International Tax & TP Department.....	63
Table 5-12 Variables Entered for Extra Effort Computation.....	65
Table 5-13 Summary for Extra Effort Computation.....	66
Table 5-14 ANOVA Result for Extra Effort.....	67

Table 5-15 Coefficients Result for Extra Effort.....	68
Table 5-16 Collenearity Test Resut for Extra Effort.....	69
Table 5-17 Variables Entered for Effectiveness Computation .....	70
Table 5-18 Model Summary for Effectiveness Computation .....	71
Table 5-19 ANOVA result for Effectiveness.....	72
Table 5-20 Coefficients Result for Effectiveness .....	73
Table 5-21 Collienearity Test Resut for Effectiveness .....	74
Table 5-22 Variables Entered for Satisfaction Computation.....	75
Table 5-23 Model Summary for Satisfaction Computation.....	76
Table 5-24 ANOVA result for Satisfaction .....	77
Table 5-25 Coefficients Result for Satisfaction.....	78
Table 5-26 Collienearity Test Resut for Satisfaction.....	79
Table 5-27 CPA Journal Report.....	82



# CHAPTER 1

## INTRODUCTION

### 1.1 Background

Based on World Tax 2012, PT. MUC Global Consulting Group is listed as one of World's Leading Tax Firm in Indonesia. The company has employees with expertise in tax and finance as their core business. The Company also has collaboration with MIS Global Alliance, a global association of independent professional firms in which Head Office is in London, United Kingdom. Currently, MUC is handling clients and corporate from different background nature of business. The firm needs be adapt and become one stop solution for its partners at the same time. The firm needs to deliver service and solution within agreement with its clients. As a Consulting Firm, leadership becomes important for the company to facing competitive environment of consulting tax industries.

Leadership can be defined as agent of change, persons whose acts affect other people more than other people's acts effect them. Leader with effective style may have to deal with individual, group and organizational goals. Effective leader could be measured by the accomplishment of one or a combination of there goals (Gibson, Ivancevich, Donelly & Kenopaske, 2009). As (Arvidson, Johansson, Ek, Akselsson, 2007) leadership on different level can be accepted as a key factor in any organization success (Moy, 2004: Silverthorne, 2001, Weil, Bogue, & Morton, 2001). As (Arvidson et al) Bennis and Nanus (1985) suggested that one of the most predictors of organizational achievement is effective leadership and that ineffective leadership is often a predictor of an organizational failure.

As (Matviuk, 2010) Lord et al., (1982) and Lord et al. (1984) leadership can be defined into three levels of categories which are hierarchically organized. The most general level is denominated super ordinate level and contains the attributes of most leaders. This category helps individuals to differentiate between leaders and non leaders. The second level of leadership categories is denominated

basic level. This level includes less general information about levels allowing individuals to identify types of leaders such as military, religious, or political leaders. The least inclusive level of leadership categorization is called subordinate level. At the level of categorization, hierarchical and contextual information is included, for example to determine a differentiation by levels of management or differentiation by rank for military leaders.

## **1.2 Problem Identification**

PT MUC Global as local company which is listed as one of World's Leading Tax Firms in Indonesia need to handling client from different nature of business. The firm needs to give to deliver tax consultation and financial solution for the clients. Currently, the firm is employing leader with tax and finance expertise. The firm is still expanding its business to get more clients from different nature of business to strengthen its position and reputation as World Leading Tax Firm in Indonesia. In global competition on tax consulting, the firm needs to be sure that they have leader with excellent leadership skill to enhance excellent services and solutions to strengthen expertise.

## **1.3 Research Questions**

Based on the above problem formulation, the research questions that are related to leadership style at PT MUC are as follows:

- a. What is the type of leadership style at PT MUC?
- b. What is the type of leadership style that is dominant at PT MUC?
- c. How significant is the impact of leadership style on the leadership outcomes?
- d. What are the differences and the similarities of leadership style in PT MUC with leadership style in other consulting companies?

#### **1.4 Research Purposes**

General purpose:

Knowing leadership style in PT MUC

Specific purpose:

- a. Knowing leadership style for leader in PT MUC.
- b. Knowing impact of leadership style on PT MUC for company goal.
- c. Knowing suitable leadership style in PT MUC to get competitive advantage in global competition.

#### **1.5 Benefit of Research**

Benefit for PT MUC

Management of PT MUC could identify leadership style in the company. Then it will generate input to create strategy and rule to gain competitive advantage in global competition.

Benefit for other Researchers

Research will give a lot of information about culture values and leadership style in local tax firm in Indonesia which is listed as World's Leading tax.

#### **1.6 Scope of Research**

PT MUC as World's leading tax in Indonesia has to identify leadership style in the firm to align with clients which have difference nature of business. Currently, PT MUC has not assessed culture values and leadership style in the company. Research on leadership style in PT MUC is a quantitative research in which employee and Board of PT MUC become the object of research by using survey method to collect data.



### 1.7 Research Hypotheses

Three leadership (transformational, transactional and passive-avoidant laissez-faire) style are included in the MLQ-5X questionnaire analyzed in this research. The research hypotheses in this research in the null and alternative forms were as follows:

H01: There is no correlation and influence between leadership style behaviors with extra effort.

HA1: There is a correlation and influence between leadership style behaviors with extra effort.

H02: There is no correlation and influence between leadership style behaviors with effectiveness.

HA2: There is a correlation and influence between leadership style behaviors with effectiveness.

H03: There is no correlation and influence between leadership style behaviors with satisfaction.

HA3: There is a correlation and influence between leadership style behaviors with satisfaction.

## CHAPTER 2

### LITERATURE REVIEW

#### 2.1 Definitions

At current stage there are four commonalities among the many definitions of leadership: (1) process between a leader and followers, (2) social influence involving in leadership, (3) leadership occurs at multiple levels in organization; at the individual level, such as, leadership involve mentoring, coaching, inspiring, and motivating; including build teams, generate cohesion, and resolve conflicts at the group level, build culture and generate change at the organizational level, and (4) leadership focus on goal accomplishment. Leadership also defined as process whereby an individual influences a group of individuals to achieve common goal. (Kreitner & Kinicki, 2008).

Definitions of leadership over past 50 years (Yukl, 2006).

- Leadership is “the behavior of an individual...directing the activities of a group toward a shared goal.” (Hemphill & Coons, 1957, p.7)
- Leadership is “the influential increment over and above mechanical compliance with the routine directive of the organization.” (Katz & Kahn, 1978, p.528)
- “Leadership is exercised when persons...mobilize...institutional, political, psychological and other resources so as to arouse, engage, and satisfy the motives of followers.” (Burns,1978,p.18)
- Leadership is realized in the process whereby one or more individuals succeed in attempting to frame and define the reality of others.” (Smirchch & Morgan, 1982, p.258)
- Leadership is “the process of influencing the activities of an organized group toward goal achievement.” (Rauch & Behling, 1984, p.46)

- “Leadership is about articulating visions, embodying values, and creating the environment within which things can be accomplished.” (Richards and Engle, 1986, p.206)
- “Leadership is a process of giving purpose(meaningful of direction) to collective, and causing willing effort to be expended to achieve purpose.” (Jacob & Jacues, 1990, p.281)
- Leadership “is the ability to outside the culture...to start evolutionary change process that more adaptive.” (Schein,1992, p.4)
- “Leadership is a process of making sense of what people are doing together so that people understand and be committed.” (Drath & Paulus, 1994, p.4)
- Leadership is “the ability of an individual to influence, motivate, and enable to contribute toward the effectiveness and success of the organization...” (House et al., 1999, p.184)

Leadership can be reflect the assumption that involves a process whereby one person exerts intentional influence over other people to guide, structure, and facilitate activities and relationship in a group or organization (Yukl, 2006). The leadership involves the use of influence and that all personal interpersonal relationship can involve leadership. The importance of being a change agent, being able to affect follower’s behavior and performance is another element in the leadership. (Gibson, Ivancevich, Donnelly & Kenopaske, 2009).

Being to setting goal achievements measurement can using leadership as an instrument. Leaders are individual who help others accomplish their goal. (Kreitner & Kinicki, 2008). As a dynamic processes, leadership is increasingly associated not with command and control but with the concept of inspiration. Leadership mainly it is relationship through which one-person influence the behavior or actions of other persons or followers. In the process of leadership cannot separate from activities of groups and with effective team building. (Mullins, 2006)

Leadership also known as the exercise of influence by one member of a group or organization who has capability to influence group or organizational member to help the group or organization achieve its goals. A member of an organization who is given authority by the organization to influence other organizational member to achieve organizational goals called as formal leader. Another leader is informal leader whereas organizational member with no formal authority to influence other who nevertheless is able to exert considerable influence because of special skills or talents (George & Jones, 2012).

## **2.2 Differentiations between Leader and Manager**

At certain level in organization, we will find a managers and leaders. Managers value stability, order, and efficiency, whereas leaders value flexibility, innovation and adaptation. Managers more concerned about how things get done, and they try to get people to perform better. Leaders more concerned with what things mean to people, and they try to get people to agree about the most important things to be done (Yukl, 2006). As (Yukl, 2006) Managers are people who do things right and leader are people who do right thing (Bennis & Nanus, 1985).

Another differentiated between management and leadership in are terms of their core process and intended outcomes. Management seeks to produce predictability and order by (1) operational goals setting, make action plans with timetables, and resources allocation; (2) organizing and staffing such as establishing structure, assigning people to jobs; and (3) monitoring results and solving problems. As (Kotter, 1990) leadership seeks to produce organizational change by (1) creating and develop a vision of the future and strategies for making necessary changes, (2) establishing communication and explaining the vision, and (3) active to motivating and inspiring people to attain the vision (Yukl, 2006).

Professor Rabindra Kanungo at McGill University, vision and strategy are leaders attributes; the person who implement that vision and strategy are the managers, including coordinate and staff the organization, and handle day-to-day

problems. Below table illustrates Kanungo's distinction between management and leadership (Robbins, 2006).

**Table 2-1 Distinguishing Leadership from Management.**

<b>Management</b>	<b>Leadership</b>
1. Engages in day-to-day caretaker activities; Maintain and allocates resources.	Formulates long-term objectives for reforming the system: Plans strategy and tactics.
2. Exhibit supervisory behavior: Acts to make others maintain standard job behavior.	Exhibits leading behavior: Acts to bring about changes in others congruent with long-term objectives.
3. Administers subsystems within organization.	Innovates for the entire organization.
4. Ask how and when to engage in standard practice.	Asks what and why to change standard practice
5. Acts within established culture of the organization.	Creates vision and meaning for the operation.
6. Uses transactional influence: Induces compliance in manifest behavior using rewards, sanctions, and formal authority.	Uses transformational influence: Induces change in values, attitudes, and behavior using personal examples and expertise.
7. Relies on control to get things done by subordinates.	Using empowering strategies to make followers internalize values
8. Status quo supporter and stabilizer	Status quo challenger and change creator

(Robbins, 2006)

Management can be defined an authorization relationship that exist between a manager and subordinates to produce and sell products and services

University of Indonesia

(Rost, 1991). Leadership including a multidirectional influence relationship between a leader and followers with general purpose of accomplishing real change. Between leaders and followers have both ways influence each other as they interact in non coercive ways to decide what change they want to make. Managers may be leaders, but only if they have this type of influence relationship (Yukl,2006).

Kreitner and Kinicki (2008) defined managers typically perform functions related with planning, investigating, organizing and control, and leaders dealt with interpersonal aspects of a manager's job. Leaders inspire others, provide emotional support, and try to get employees to rally around a common goal. Leaders also play a key role in creating a vision and strategic plan for organization. Managers are charge with implementing the vision and strategic plan.

Management is more usually view as be done through other people in order to achieve stated organizational objectives. The manager may react to specific situations and be more concerned with solving short-term problems. Management is regard as relating to people working within a structured organization and with prescribed roles. The emphasis of leadership is on interpersonal behavior in broader context it is often associated with the willing and enthusiastic behavior of followers (Mullins, 2006).

Zaleznik explain difference in attitudes towards goals, conception of works, relations with others, self perception and development (Mullins, 2006).

- Managers adopt impersonal or passive attitude towards goal. Leaders adopt a more personal and active attitude towards goals.
- The manager needs continually to co-ordinate and balance on order to compromising conflicting values and get people to accept solutions. The leaders create excitement in work

and develop choices that give substance to image that excite people.

- In their relationship with other people, managers maintain a low level of emotional involvement. Leaders have empathy with other people and give attention to what events and actions mean.

### 2.3 Trait Theories of Leadership

The trait theory of leadership is theory attempts to identify specific characteristics such as physical, mental, personality in associated with leadership success (Gibson, Ivancevich, Donnelly & Kenopaske, 2009).

**Table 2-2 Traits Associated with Leadership Effectiveness.**

<b>Personality</b>	<b>Motivation</b>	<b>Ability</b>
Energy level	Socialized power orientation	Interpersonal skill
Stress tolerance	Strong need for achievement	Cognitive skill
Self confidence	Self-starter	Technical skill
Emotional maturity	Persuasiveness	
Integrity		

(Gibson, Ivancevich, Donnelly & Kenopaske, 2009)

#### 2.3.1 Personality Traits

Based on trait research finds that energy level, physical stamina, and stress tolerance associated with managerial effectiveness (Bass, 1990; Howards & Bray, 1988). Physical vitality condition and emotional resilience make it easier to cope with stressful interpersonal situations, such as a punitive boss, a troubled subordinate, an uncooperative peer, or a hostile client (Yukl, 2006). The term self confidence is defined in a general way to include several related concepts such as self esteem and self efficacy (Yukl, 2006).

The term emotional maturity may be defined broadly to encompass several interrelated motives, traits and values. A person who is emotionally mature is well adjusted and does not suffer severe psychological disorders. People with mature emotionality have a more accurate awareness of their strength and weakness, and they oriented towards self improvement instead of denying weakness and fantasizing success. Another attributes is integrity means that a person's behavior is consistent with espoused values, and the person is honest, ethical, and trustworthy (Yukl, 2006).

### **2.3.2 Motivation Traits**

Person with a high need for power enjoys influencing others and events and is more likely to seek positions of authority. People with a strong need for power seek position of authority and power, and likely to be more attuned to the power politics of organizations. Another side, people who are low in need for power usually lack the desire and assertiveness necessary to organize and direct group activities, to negotiate favorable agreements, to lobby for necessary resources, to advocate and promote desirable changes, and to impose necessary discipline (Yukl, 2006). Achievement orientation includes a set of related attitudes, values, need for achievement, desire to excel, drive to succeed, willingness to assume responsibility, and concern for task objectives (Yukl, 2006).

Effective leaders have a relatively weak need for affiliation, suggesting that they would be more motivated by getting a task completed than by interacting with other people. However, the weak need for affiliation does not preclude the effective leader from using and perfecting interpersonal skills (Gibson, Ivancevich, Donnelly & Kenopaske, 2009).

### **2.3.3 Ability Traits**

Technical skills include knowledge about methods, processes, and equipments for conducting the specialized activities of the manager's



organizational unit. Technical skills also include factual knowledge about organization such as rules, structure, management systems, employee characteristics, including knowledge about organization's product and services like technical specifications, strengths, and limitations. This kind of knowledge is acquired by combination of formal education, training, and job experience (Yukl, 2006).

Cognitive skills involve good judgment, foresight, intuition, creativity, and the ability to find meaning and order in ambiguous, uncertain events. We can find differentiation between a person with low cognitive and a person with high cognitive. A person with low complexity sees things in simplistic black and white terms and has difficulty in seeing how many diverse elements fit together to make a meaningful whole. A person with high cognitive complexity is able to see many shades of gray, and is able to identify complex patterns of relationships and predict future events from current trends (Yukl, 2006)

Interpersonal with capability in socialization skills include knowledge about human behavior and group process, ability to understand the feelings, attitudes, and motives of others, and ability to communicate clearly persuasively (Yukl, 2006).

## **2.4 Specific Task Behavioral Theories of Leadership**

### **2.4.1 Planning work activities**

Short-term planning of work activities means deciding what to do, how to do, who will do it, and when it will be done. The purpose of planning is to ensure efficient organization of the work unit, coordination of activities, and effective utilization of resources (Yukl, 2006).

**Table 2-3 Guidelines for Action Planning.**

<b>Guidelines for Action Planning</b>
1. Identify necessary action steps.
2. Identify the optimal sequence of actions steps.
3. Estimate the time needed to carry out each action steps.
4. Determine starting times and deadlines for each action steps.
5. Estimate the cost of each action step.
6. Determine who will be accountable for each action step.
7. Develop procedures for monitoring progress.

(Yukl, 2006)

#### **2.4.2 Clarifying Roles and Objectives**

Clarifying is defined the communication of plans, policies and role expectations. The purpose of this clarifying behavior is to guide and coordinate work activity and make sure people know what to do and how to do it. Clarifying behavior is likely to be more important when there is substantial role ambiguity or role conflict for members of the work unit. Clarifying is a core competent of initiating structure (Yukl, 2006).

**Table 2-4 Guidelines for Clarifying Roles and Objectives.**

<b>Guidelines for Clarifying Roles and Objectives</b>
<b>Defining Job Responsibilities</b>
1. Explain the important job responsibilities.
2. Clarify the person's scope of authority.
3. Explain how the job relates to the mission of the unit
4. Explain important policies

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### Guidelines for Clarifying Roles and Objectives (Continued)

<b>Assigning Work</b>
1. Clearly explain the assignment.
2. Explain the reasons for an assignment.
3. Clarify priorities and deadlines.
4. Check for comprehension.
<b>Setting Performance Goals</b>
1. Set goals for relevant aspects of performance.
2. Set goals that are clear and specific.
3. Set goals that are challenging but realistic.
4. Set a target for attainment of each goal.

(Yukl, 2006)

#### 2.4.3 Monitoring Operations and Performance

There are some forms to monitoring behavior such as including observation of works operations, reading written reports, watching computer screen display of performance data, inspecting the quality of samples of the work, and holding progress review meetings with an individual or group. All information gathered from monitoring is used to indentify problems and opportunities, as well as to formulate and modify objectives, strategies, plans, policies, and procedures (Yukl, 2006).

**Table 2-5 Guidelines for Monitoring Operations.**

<b>Guidelines for Monitoring Operations</b>
1. Identify and measure key performance indicators.
2. Monitor key process variables as well as outcomes.
3. Measure progress against plans and budgets.
4. Develop independent sources of information about performance.
5. Observe operations directly when it is feasible.
6. Ask specific questions about the work.
7. Encourage reporting of problems and mistake.
8. Conduct periodic progress review meetings.

(Yukl, 2006)

## **2.5 Specific Relations Behavioral Theories of Leadership**

### **2.5.1 Supporting**

(Yukl, 2006) stated supporting behaviors show consideration, acceptance, and concern for the needs and feelings of other people. Supportive leadership helps to build and maintain effective interpersonal relationship. The emotional ties that are formed make it easier to gain corporation and support from people on whom the manager must rely to get the work done

**Table 2-6 : Guidelines for Supporting .**

<b>Guidelines for Supporting</b>
1. Show acceptance and positive regard.
2. Be polite and considerate, not arrogant and rude.
3. Treat each subordinate as an individual.

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### Guidelines for Supporting (Continued)

4. Remember important details about the person.
5. Be patient and helpful when giving instructions or explanations.
6. Provide sympathy and support when the person is anxious or upset.
7. Express confidence in the person when there is a difficult task.
8. Provide assistance with the work when it is needed.
9. Be willing to help with personal problems.

(Yukl, 2006)

#### 2.5.2 Developing

Component behavior for developing includes coaching, mentoring and career counseling. Developing is usually done with a subordinate, but it may also do with a peer, a colleague, or even with a new, inexperienced boss. Benefit on developing is to foster mutually cooperative relationship. Potential benefits for subordinates include better job adjustment, more skill learning, greater self confidence and faster career advancement. Potential benefit for the organization include higher employee commitment, higher performance, and better preparation of people to fill positions of greater responsibility in the organization as opening occur (Yukl, 2006).

**Table 2-7 Guidelines for Coaching.**

<b>Guidelines for Coaching</b>
1. Help the person analyze his/her performance by asking questions or suggesting aspects to examine more closely.
2. Provide constructive feedback about effective and ineffective behaviors exhibited by the person.
3. Suggest specific things that could help improve the person's performance.

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### Guidelines for Coaching (Continued)

4. Demonstrate a better way to do a complex task or procedure.
5. Express confidence the person can learn a difficult task or procedure.
6. Provide opportunities to practice difficult procedures they are used in the work.
7. Help the person learn how to solve a problem rather than just providing the answer.

(Yukl, 2006)

**Table 2-8 Guidelines for Mentoring.**

<b>Guidelines for Mentoring</b>
1. Help the person identify relevant strength and weakness.
2. Help the person find ways to acquire necessary skills and knowledge.
3. Encourage attendance at relevant training courses.
4. Provide opportunities to learn from experience.
5. Provide helpful career advice.
6. Promote the person's reputation.
7. Serve as a role model (demonstrate appropriate behavior).

(Yukl, 2006)

#### 2.5.3 Recognizing

Recognizing involve giving praise and showing appreciation to others for effective performance, significant achievements, and important contributions to the organization. The primary purpose recognizing, especially when used with subordinates, is to strengthen desirable behavior and task commitment. Three major forms of recognizing are praise, awards and recognition ceremonies (Yukl, 2006).

**Table 2-9 Guidelines for Recognizing.**

<b>Guidelines for Recognizing</b>
1. Recognize a variety of contributions and achievements.
2. Actively search for contributions to recognize.
3. Recognize specific contributions and achievements.
4. Recognize improvements in performance.
5. Recognize commendable efforts that failed.
6. Provide recognition that is sincere.
7. Provide recognition that is timely.
8. Use a form of recognition appropriate for the person and situation.

(Yukl, 2006)

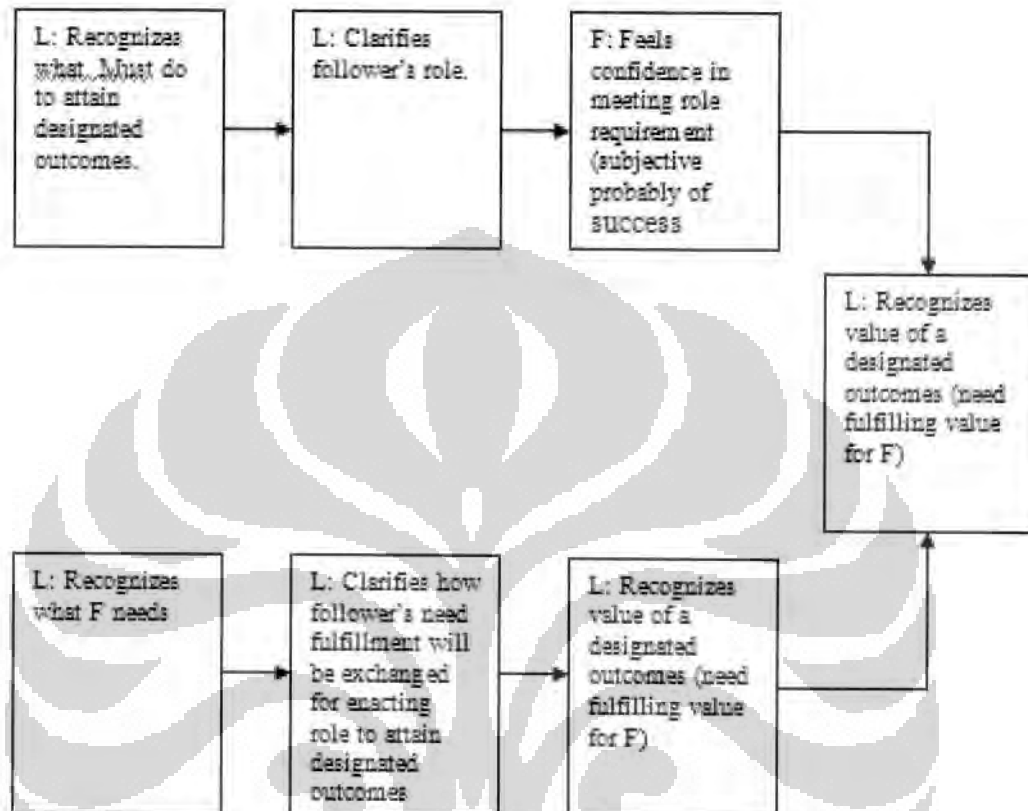
## **2.6 Leadership Styles**

### **2.6.1 Transactional Leadership**

Leader identifies what followers want or prefer and helps them achieve level of performance that results in rewards and satisfy them. The leader helps the follower identify what must be done to accomplish the desired results: better quality output, more sales or services, and reduced cost of production. The leader relies on contingent rewards and on management by exception (Gibson, Ivancevich, Donnelly & Kenopaske, 2009).

As (Kreitner & Kinicki, 2008) transactional leadership encompasses the fundamental managerial setting goals, monitoring progress toward goal achievement, and rewarding and punishing people for their level of goal accomplishments (Antokanis & House, 2002). As (George & Jones, 2012) mentioned transactional leadership is leadership that motivates followers by exchanging rewards for high performance and noticing and reprimanding

subordinates for mistakes and substandard performance (Pastor, Meindl & Mayo, 2002). Transactional leaders will adjust goals, direction, and mission for practical reason (Gibson, Ivancevich, Donnelly & Kenopaske, 2009).



**Figure 2-1 Transactional Leadership Roles** as (Gibson, Ivancevich, Donnelly & Kenopaske, 2009), (Bass, 1985)

### 2.6.2 Transactional Behavior

As Yukl (2006) mentioned transactional behavior leadership.

- Contingent reward behavior includes clarification of the work required to obtain rewards and the use of incentives and contingent rewards to influence motivation (Bass, 1996).
- Passive management by exception includes use of contingent punishment and other corrective actions in respond to obvious deviations from acceptable performance standards (Bass, 1996).



- Active management by exception is defined in term looking for mistakes and enforcing rules to avoid mistakes (Bass, 1996).

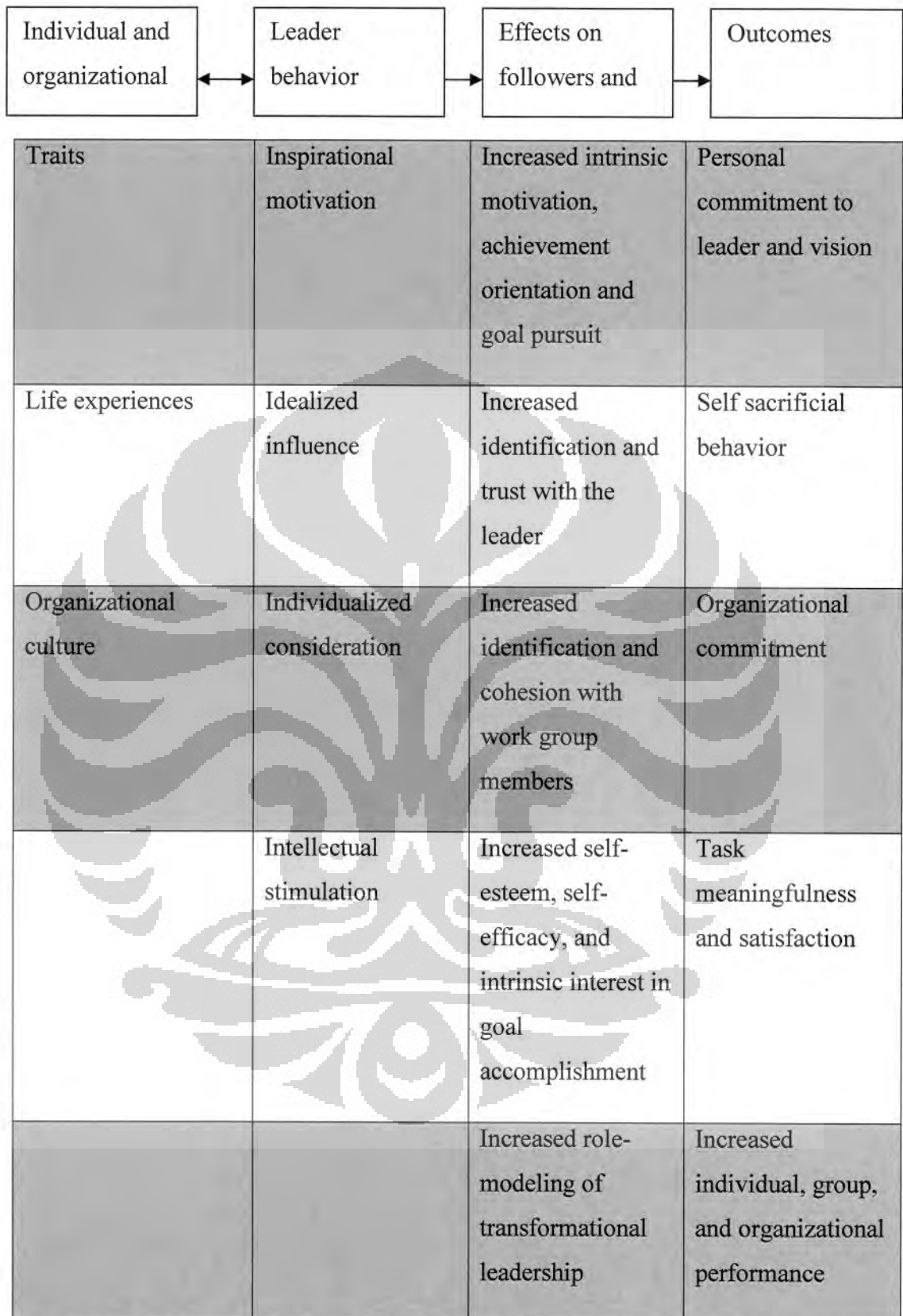
### 2.6.3 Transformational Leadership

Transformational leadership is leaders who have ability to inspire and motivate followers to achieve results greater than originally planned for internal rewards. The transformational leader will overhaul the entire philosophy, system, and culture of an organization (Gibson, Ivancevich, Donelly & Kenopaske, 2009). As transformational leader, they can produce significant organization change and result because this form of leadership fosters higher level of intrinsic motivation, trust, commitment, and loyalty from followers than does transactional leadership. Transformational leaders also transform followers by creating changes in their goals, values, needs, beliefs, and aspirations. They accomplish this transformation by appealing to follower's self-concepts namely their values and personal identity (Kreitner & Kinicki, 2008). Transformational leadership also known leader who inspires followers to go beyond their own self-interest for the good of organization and have profound and extraordinary effect on their followers (Robbins, 2006).

### 2.6.4 Transformational Behavior

Transformational behavior leaderships (Kreitner & Kinicki, 2008)

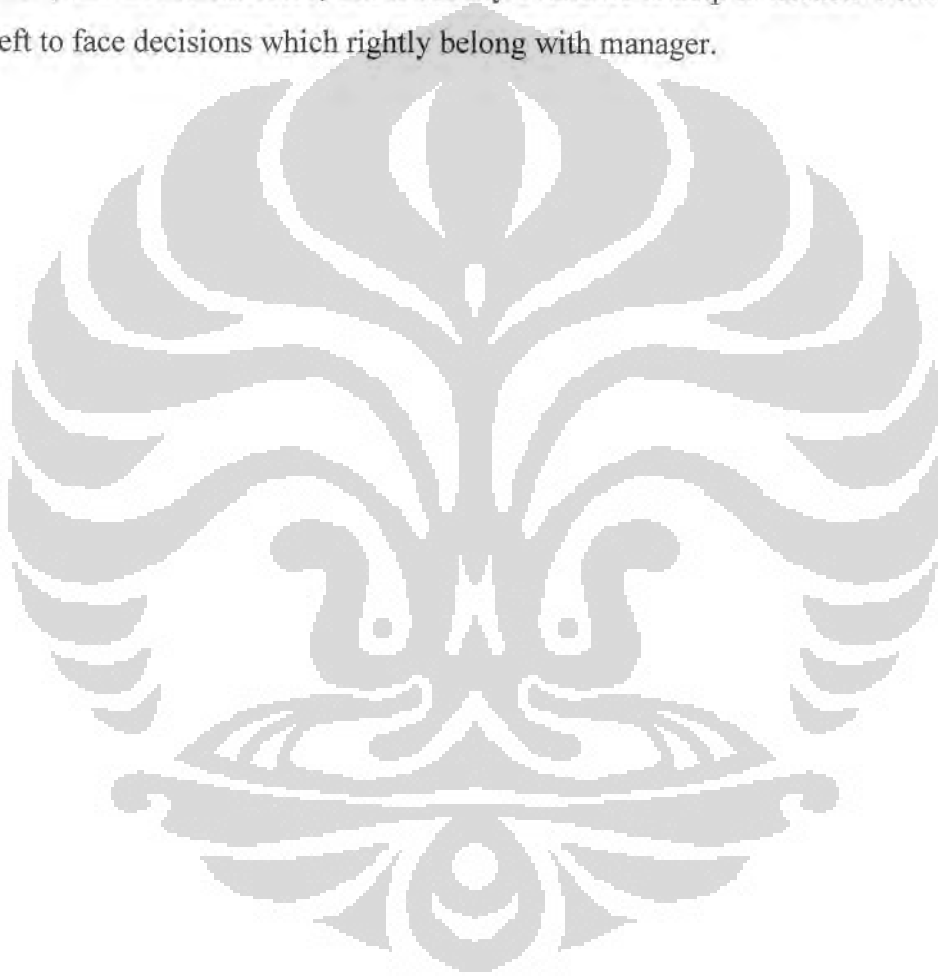
- Inspirational leadership includes realization an interactive vision of the future, the use of emotional arguments, and exhibitions of optimism and enthusiasm.
- Sacrificing for the good of the group, being a role model, and displaying high ethical standards includes in idealized influence behaviors.
- Behaviors associated with providing support, encouragement, empowerment, and coaching to employees include in Individualized considerations
- Behaviors that encourage employees to question the status quo and to seek innovate and creative solutions to organizational problems includes in Intellectual stimulation.



**Figure 2-2 A Transformational Model of Leadership Roles (Gibson, Ivancevich, Donnelly & Kenopaske, 2009)**

### 2.6.5 Laissez-faire Leadership

Yukl (2006) mentioned this type of leader shows passive indifference about the task and subordinates (e.g., ignoring problems, ignoring subordinates). It is best describe as the absence of effective leadership. Mullins (2006) stated laissez-faire style is where managers observe the members of the group are working well on their own. The manager consciously makes a decision to pass the focus of power to members, to allow them freedom to action 'to do as they thing best', and not to interfere; but is readily available if help is needed. Members are left to face decisions which rightly belong with manager.



## **CHAPTER 3**

### **COMPANY PROFILE**

#### **3.1 MUC GLOBAL PROFILE**

MUC registered tax consultants is a fast growing tax consultant incorporated in 1999. As the company grows, MUC had added another business unit such as customs, accounting and payroll services to meet the client's needs. Having engaged for more than 12 years, the company supported with qualified consultant in tax and customs services. The company also supporting with uniquely synergy of former tax and customs employee with consultant from private and state education institutions. The combination of in depth knowledge of tax, accounting and customs philosophy and business practices enable the company perceive the client's clients business from a multi-perspective and generate one stop applicable solutions accordingly.

Applicable tax and customs solutions need a sound insight to the nature of their implementation, especially in Indonesia. Strong knowledge in local plus updated information of the latest regulation is crucial in order to comprehend and manage client taxes and customs matters. The company also recognize the importance of wider perspective during deliver their services. The company has been collaborating with MSI Global Alliance, an international association of independent professional firms. This is meeting with the demands of the company clients that are mainly multinational companies with cross-border business activities.

In line with the company primary concern to secure client's interest from improper tax practices, the company has been actively participated in many tax-related aspects for more conducive atmosphere in Indonesia since the company establishment. The supports from the clients play important roles in reaching the achievement so far and communication along with good relationship will serve best in rendering service. Over the wide range of the company services and the

various needs of the clients, the company always tries to customize the services in finding the most applicable solution.

## **3.2 Vision, Mission and Values**

### **3.2.1 Vision**

The vision on the company is becoming one of the leading business consulting firms in Indonesia by enhancing ethical value.

### **3.2.2 Mission**

The missions of the company are:

1. To provide one stop business consulting to international standards of quality.
2. To deliver the best services to the client through the use of highly professional and ethical consultants, and innovate process.
3. To offer the best values for the stakeholders.

### **3.2.3 Values**

The values of the company are:

1. Embrace the spirit of excellence through the professionalism, excellent service, qualified and competent personnel.
2. To be humane company by endorsing trust, personal values and comfortable services.
3. The employee cohesiveness is an essential in achieving a sense of solidarity, security, and co-operation which will lead to employee's satisfaction in the drive to make better future.

4. Take seriously responsibility to manage the firm as a learning organization which continuously improves and develops knowledge for the corporate competencies.

### 3.3 Organization Structure

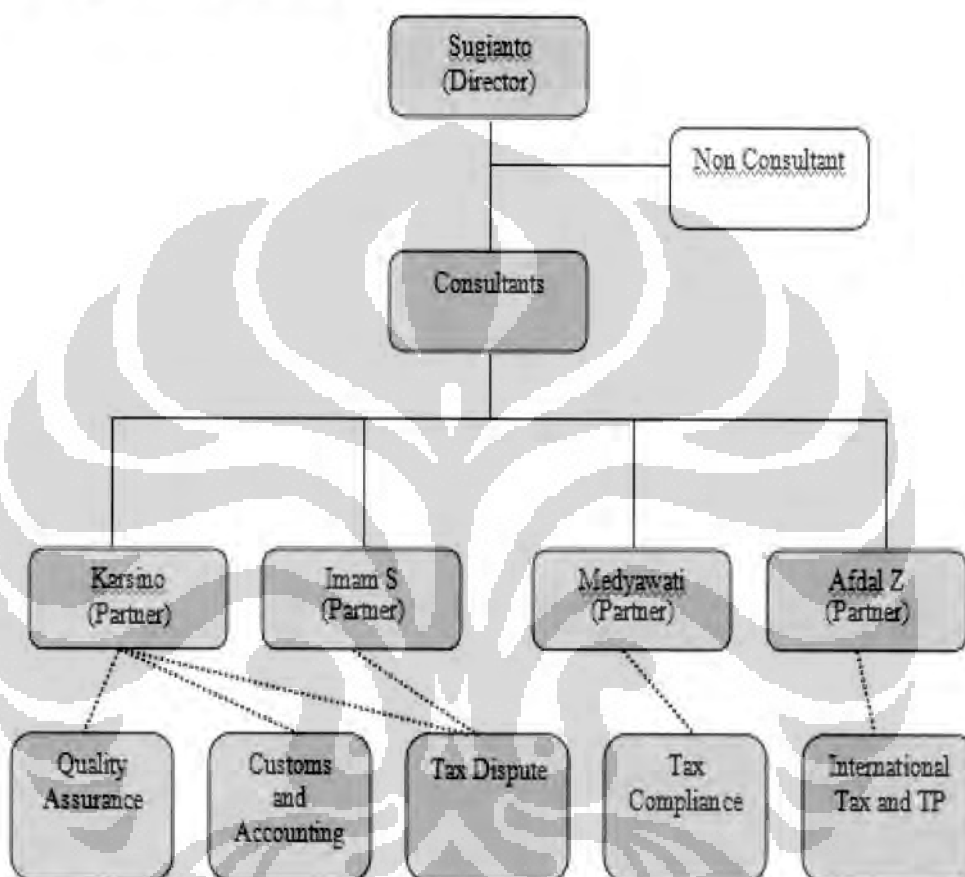


Figure 3-1 Organization Structure at PT. MUC Global

#### 1. Sugianto

Mr. Sugianto is a former tax auditor at Tax Audit and Investigation Office (Karipka) for over then 10 years. Due to of his expertise in the area of taxation, accounting and finance, he was appointed as a member of Economic and Financial Consultant Team to the Indonesian Parliament, in the compilation of “Tax Law 2000” and “New Law Tax 2007”. He is frequently invited as a speaker for various taxation seminars and workshops.

University of Indonesia

He earned his Master Degree of Accounting from the University of Indonesia (MAKSI UI), majoring in Taxation, to complete his Diploma in Accounting from The State of Accounting College (STAN), Jakarta. He has held the top level of Tax Consultant Certificate (Brevet C) and also owned the license of Tax Representative in the Tax Court since 2001.

## 2. Karsino

Before joining PT. MUC Global, he served as tax auditor for seven years. He holds top level of Tax Consultant Certificate (Brevet C) and he graduated from STAN, Jakarta. His main competences are progressive tax laws and regulations. He also owned the license of Tax Representative in the Tax Court since 2002. With his experience in handling clients from various industries, he has been sharing his knowledge with students in the University of Indonesia as well as being a tax instructor for taxation workshops and in-house training.

## 3. Imam Subekti.

Mr. Imam Subekti was working with a Public Consulting Firm before joining PT. MUC Global. He is experienced in handling clients from various industries and holds top level of Tax Consultant Certificate (Brevet C). He was graduated from Faculty of Economics, University of Indonesia and currently serves as a guest lecturer at the same University.

## 4. Meydawati

Mrs. Meydawati professional career began at one of the Big Four Public Accounting Firms where she had served there for five years before joining an International Oil Drilling company. She is experienced in handling clients from various industries, especially in oil, mining and drilling industries. She is graduated from University of Indonesia majoring Fiscal Administration and serves as guest lecturer at the same university. She also often participates as a tax instructor in seminars or house training.

## 5. Afdal Z

Mr. Afdal has worked for the Indonesia Tax office as a tax auditor at Non-Resident Corporate and Individual Tax Office (KPP Badora) and the Tax Audit and Investigation Office (Karipka). He is an Accountant graduated from STAN, Jakarta. He has held top level of Tax Consultant Certificate (Brevet C) and also acquired the license of Tax Representative in the Tax Court since 2003.

### 3.4 Services Classifications

Complying with the tax regulations needs adequate understanding and accurate measures in avoiding costly risks that may lead inefficiency. PT. MUC Global assists the clients to fulfill the client's needs in order to minimize such risk as well as to optimize tax efficiency.

#### 3.4.1 Tax Planning

Tax planning is a set of plans to improve the efficiency of tax management by identifying the best alternatives for legal tax saving in line with the client's business planning and policies. The service also includes setting up of alternatives transactions scheme and accounting methods.

#### 3.4.2 Tax Review

Tax review is service for reviewing the client's tax compliance; identify potential tax exposure and providing recommendations for how to minimize tax exposures. The service includes evaluation of data and information feasibility presented on Tax Returns as well as the likely issues and exposures that the client's have. The service also covers reviews of tax compliance for pre-IPO, merger, liquidation, etc.



### **3.4.3 Tax Return Preparation**

The service covers the activities of preparing and filling Annual Tax Returns (SPT Tahunan) and/or Periodic Tax Return (SPT Masa) in accordance with Tax Regulations.

### **3.4.4 Tax Audit Assistance**

Tax Audit Assistance is a service for assisting and representing the client's in case a tax audit performed by tax authorities. It will prevent the client from receiving tax notice with appropriate amount of tax due and/or severe fines, due to mistakes in submitting tax returns and/or a failure showing proper and complete accounting process and the supporting documents.

### **3.4.5 Tax Dispute Resolution**

The service is to assist the client in tax dispute resolution such as objection against a tax assessment notice, appeal against a tax objection decision, and a tax judicial review application to the Supreme Court. The service is aimed to ensure the tax dispute to be fairly settled.

### **3.4.6 Tax Advisory**

This is an ongoing consultation and advisory service on taxation matters encountered by the client for a certain period. The service can be conducted through email, mail, fax, teleconference, or direct meetings with consultant team. The service also provides the best solutions for the tax problem encountered.

### **3.4.7 Tax Administration**

This is a service for assisting your company in handling tax administration effectively and efficiency. The service covers, among others, registration and revocation of Taxpayer ID Number (NPWP) and/or VAT-registered Person

Number (NPPKP), application for over booking the Tax Authority, application for bookkeeping in a foreign language and currency, application for centralization of VAT administration, and application for a tax clearance.

#### **3.4.8 Standard Operational Procedure Designing**

This is a service for review client's current tax management for further developing or enhancing the standard operating procedure. The designed SOP is expected to give client guidance for carrying out all tax related activities to comply with the tax regulations.

#### **3.4.9 International Taxation**

This is a service to assist client dealing with global business transaction which involves cross-border tax rules. This service covers but not limited to: Transfer Pricing Documentation, Tax Planning for Cross-Border transaction, Transfer Pricing Review, Transfer Pricing Audit, and Transfer Pricing Dispute Resolution.

#### **3.4.10 Strategic Customs Planning**

Customs planning is a set of plans for companies involved in import and export activities. It is intended to enhance compliance level, maximize operational efficiency, reduce cost, minimize risk and uncertainty as well as to smooth the flow of goods cross-border with an final orientation on acceleration of client growth in the long term period.

#### **3.4.11 Customs System Solution**

It is a service of developing and improving client systems and procedure for Customs related activities in order fulfill Customs regulatory reporting requirement and provide information needed by Customs Authority.

#### **3.4.12 Classification of Goods**

It is a service to review the correctness of classification of client product before the export and import clearance. Classifications of Goods determine the duty rate or customs tariff for the imported goods. Failure to declare appropriate customs value and tariff, in the clearance process, may lead to the issuance of Revision Note by Customs officer that may result in costly penalties.

#### **3.4.13 Customs Valuation Analysis**

It is a service to analyze import transaction to determine appropriate customs value of imported product, by considering all related adjustment to the invoice to the invoice price prior to declaration. Failure to declare the appropriate customs value, in the clearance process, may lead to the Issuance of Revision Note by Customs officer that may result in costly penalties.

#### **3.4.14 Customs Audit Assistance**

This is a service to assist the client during customs audit process conducted by Customs Auditor, especially if the client receives such facilities as: Bonded Zone, KITE. This is intended to minimize inappropriate Audit exposure caused by mismanagement during audit process

#### **3.4.15 Custom Compliance Review**

This is a service of assessing client level of compliance by reviewing and analyzing all things related to Customs activities and taking prior-corrective actions before it becomes customs audit findings. This is intended to accommodate the customs need of information and ensure the customs compliance.

#### **3.4.16 Customs Dispute Resolution**

The service to assist the client settlement process of Customs dispute such as objection against Revision Note issued by Customs Officer related to tariff and/or customs value being declared, appeal against Customs objection decision or against Customs Audit finding to the tax Court or other special Customs Cases.

#### **3.4.17 License Instruments Arrangement**

This is a service to assist client in the process of obtaining various license in the area of customs and trade issued either by Customs or other institutions. There are various licenses required before companies running their business activities with some facilities. Such licenses are Bonded Zone Facility, Bonded Warehouse Facility, KITE, BKPM Facility or other special facilities.

#### **3.4.18 Customs Advisory**

This is an ongoing consultation and advisory service on customs matters encountered by the client for certain period. This is providing the client with the best solution for day-to day customs problems or to update the latest Customs rules and regulations.

## CHAPTER 4

### RESEARCH METHODOLOGY

#### 4.1 Research Design

The research uses the Multifactor Leadership Questionnaire (MLQ) 5X form with respondents of survey Multifactor Leadership Questionnaire (MLQ) 5X as consultant staff, supervisor and managers. The MLQ 5X will measure leadership styles (transformational, transactional and passive avoidant) related to leadership outcomes (extra effort, effectiveness and satisfaction). Leadership style is treated as independent variable and leadership styles treated as dependent variable.



**Figure 4-1 Research Design**

Transformational leadership is a process of influencing in which leaders change their associate's awareness of what is important, and move them to see themselves and the opportunities and challenges of their environment in a new way. Transformational leaders are proactive: they seek to optimize individual, group and organizational development and innovation, not just achieve performance "at expectations". They convince their associates to strive for higher levels of potential as well as higher levels of moral and ethical standards (Mind Garden, 2012).

- Idealized Influence (Attributes and Behaviors): Transformational leader acts in ways that make them role models. The leaders are admired, trusted and respected. Among the things the leader does to earn credit with follower is to

consider follower's needs over his or her own needs. The leaders shares risk with followers and is consistent in conduct with underlying ethic, principles and values (Mind Garden, 2012)

#### Idealized Attributes (IA)

- Instill pride in others for being associated with me.
- Go beyond self-interest for the good of the group.
- Act in ways that build others' respect for me.
- Display a sense of power and confidence

#### Idealized Behaviors (IB)

- Talk about my most important values and beliefs
- Specify the importance of having a strong sense of purpose
- Consider the moral and ethical consequence of decisions
- Emphasize the importance of having a collective sense of mission.

- Inspirational Motivation (IM): These leaders behave in ways that motivate those around them by providing meaning and challenge of their followers' work. Individual and team spirit is aroused. Enthusiasm and optimism are displayed. The leader encourage followers to envision attractive future states, which they can ultimately envision for themselves (Mind Garden, 2012).

- Talk optimistically about the future.
- Talk enthusiastically about what needs to be accomplished.

- Articulate a compelling vision of the future
  - Express confidence that goal will be achieved.
- Intellectual Stimulation (IS): These leaders stimulate their followers' effort to be innovative and creative by questioning assumptions, reframing problems, and approaching old situations in new way. There is no ridicule or public criticism of individual members' mistakes. New ideas and creative solutions to problems are solicited from followers who are included in the process of addressing problems and finding solutions (Mind Garden, 2012).
- Re-examine critical assumptions to questions whether they are appropriate.
  - Seek differing perspective when solving problems.
  - Get others to look at problems from many different angels.
  - Suggest new ways of looking at how complete assignment.
- Individualized Consideration (IC): These leaders pay attentions to each individual's need for achievement and growth by acting as mentor and coach. Followers are developed to successively higher levels of potential. New learning opportunities are created along with supportive climate in which to grow. Individual differences in terms of needs and desire are recognized (Mind Garden, 2012).
- Spend time teaching and coaching.
  - Treat others as individuals rather than just as a member of the group.

- Consider each individual as having different needs, abilities and aspirations from others.
- Help others to develop their strengths.

Transactional leaders display behaviors associated with constructive and corrective transactions. The constructive style is labeled contingent reward and corrective style is labeled management-by-exception. Transactional leadership defines expectations and promotes performance to achieve these levels. Contingent reward and management-by-exception are two core behaviors associated with management functions in organizations (Mind Garden, 2012).

- Contingent Reward (CR): Transactional leadership contingent reward clarifies expectations and offers recognition when goals are achieved. The clarification of goals and objectives and providing of recognition once goals are achieved should result in individuals and groups achieving expected levels of performance (Mind Garden, 2012).
  - Provide others with assistance in exchange for their efforts.
  - Discuss in specific terms who is responsible for achieving performance target.
  - Make clear what one can expect to receive when performance goals are achieved.
  - Express satisfaction when others meets expectations.
  
- Management by Exception-Active (MBEA): The leader specifies standards for compliance, as well as what constitute in effective performance, and may punish followers for being out of compliance with those standards. This style of leadership implies closely monitoring for deviances, mistakes, and errors then taking corrective action as possible when occur (Mind Garden, 2012).



- Focus attentions on irregularities, mistakes, exceptions, and deviations from standards.
- Concentrate full attention on dealing with mistakes, complaints and failures.
- Keep track of all mistakes.
- Direct attention toward failures to meet standards.

Another form of management-by-exception leadership is more passive and “reactive”. It does not respond to situation and problems systematically. Passive leaders avoid specifying agreements, clarifying expectations, and providing goals and standards to be achieved by followers. This style has negative effect on desired outcomes-opposite to what is intended by the leader-manager. In this regard it is similar to laissez-faire styles-no leadership both types of leadership have negative impact on followers and associates. Accordingly, both styles can be grouped together as passive avoidant leadership (Mind Garden, 2012).

- Management by exception-passive: The leader will take action until problems serious.
  - Fail to interfere until problems becomes serious.
  - Wait for things to go wrong before taking action.
  - Show a firm belief in “if it isn’t broke, don’t fix it”.
  - Demonstrate that problems must become chronic before take action.
  - Direct attention toward failures to meet standards.
  
- Laissez-faire: The leader absent when needed. The leaders not present when needed and avoid taking responsibilities.

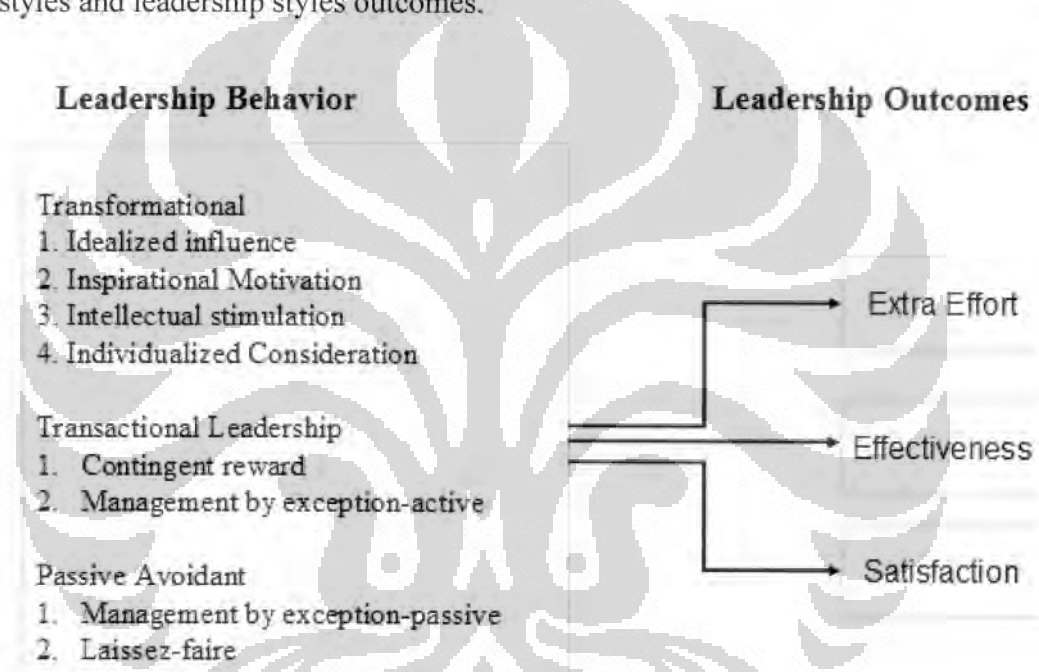
- Avoid getting involved when important issues arise.
- Absent when needed.
- Avoid making decisions.
- Delay responding to urgent questions.

Leadership outcomes has three items (extra effort, effectiveness and satisfactory).

- Extra effort: The followers do more then they are expected to do, harder to work and very strong motivation to succeed.
  - Get others to do more than they expected to do.
  - Heighten others' desire to success.
  - Increase others' willingness to try harder (Mind Garden, 2012)
- Effectiveness: The result on performance of the leader on their leadership. Effectiveness is measurement on the accomplishment of one or a combination of there goals (Gibson, Ivancevich, Donelly & Kenopaske, 2009).
  - Effective in meet others' job-related needs.
  - Effective in represent their group to higher authority.
  - Effective in meet organization requirements.
  - Lead a group that is effective (Mind Garden, 2012).

- Satisfaction: To measure satisfaction level of follower's on the leadership style of the leader.
  - Use methods of leadership that are satisfying.
  - Work with others in a satisfactory way (Mind Garden, 2012)

The below picture will give an illustration relation between leadership styles and leadership styles outcomes.



**Figure 4-2 Leadership Models and Leadership Outcomes**

#### 4.2 The Method Collecting Data

All data collected in this research uses Multifactor Leadership Questionnaires (MLQ) Form 5X. This questionnaire was developed by Bass and Avolio in 1995. The researcher uses MLQ based assumption that MLQ has accurate measurement on leadership styles (transformational, transactional and passive avoidant) and leadership outcomes (extra effort, effectiveness and

satisfaction). The researcher assumes participants have capability evaluate leadership style of their leader and also the qualities of leadership in term of extra effort, effectiveness and satisfaction.

#### **4.3 Duration and Research Location**

All questionnaires were posted in PT. MUC Head Office in Jakarta. HR Division from PT. MUC has make internal distribution of questionnaire towards all consultants staff, supervisor and manager level. Internal memo was used to remind all participants to participate. The questionnaires has been distributed from 20, April 2012 until 3, May 2012.

#### **4.4 Questionnaire Model**

The questionnaire consists with 45 questions. The questionnaire uses scale to measure whether each statement fits and matches with the leader description where the result can be proceed to statistics analysis.

- 0: not at all
- 1: once in a while
- 2: Sometimes
- 3: fairly often
- 4: frequently, if not always

The questionnaire is divided into 2 big categories: leadership style and leadership outcomes. See following table.

**Table 4-1 Leadership Style Distribution**

<b>Leadership Style</b>	<b>Scale Name</b>	<b>Scale Abbrev</b>	<b>Questions no.</b>
Transformational	Idealized Attributes	IA	10,18,21,25
Transformational	Idealized Behavior	IB	6,14,23,34
Transformational	Inspirational Motivation	IM	9,13,26,36
Transformational	Intellectual Stimulation	IS	2,8,30,32
Transformational	Individual Consideration	IC	15,19,29,31
Transactional	Contingent Rewards	CR	1,11,16,35
Transactional	Management by Exception (active)	MBEA	4,22,24,27
Passive Avoidant Laissez-Faire	Management by Exception (active)	MBEP	3,12,17,20
Passive Avoidant Laissez-Faire	Laissez-Faire	LF	5,7,28,33

**Table 4-2 Leadership Outcomes Distribution**

<b>Characteristics</b>	<b>Scale Name</b>	<b>Scale Abbrev</b>	<b>Questions no.</b>
Outcomes of Leadership	Extra Effort	EE	39,42,44
Outcomes of Leadership	Effectiveness	EFF	37,40,43,45
Outcomes of Leadership	Satisfaction	SAT	38,41

#### **4.5 Data Analysis**

The researcher using SPSS Software to calculate and analyzes data from MLQ.

##### **4.5.1 Descriptive Statistics**

At current section will explain on data collection, summarize on important and significant from the data it self. Data has been processed and treated to produce minimum, maximum, mean and standard deviation.

##### **4.5.2 Multiple Regressions (Inductive Statistics)**

Multiple regression models are used to measure the value of dependent variable using two or more independent variable. The researcher uses 3 methods to evaluate overall multiple regression models: R square, the adjusted R square and F. In multiple regression, the coefficient of multiple determination represents the proportion of the variation in dependent variable is explained by the set of independent variable (Levine, Stephan, Krehbiel & Berenson, 2011). Adjusted R square is used to compare two or more regression models that predict the same

dependent variable but have a different number of independent variables. F test use to determine whether there is a significant relationship between the dependent variable and the entire set of independent variable (Levine, Stephan, Krehbiel & Berenson, 2011).

#### **4.5.3 Collinearity (Inductive Statistics)**

Main potential problem when the researcher chooses multiple regression is collinearity. Collinearity refers to a situation in which two or more independent variables are highly correlated each other. It will be difficult to separate the effects of such variables on the dependent variable. VIF (variance inflationary factor) is a method to measure collinearity for each independent variable (Levine, Stephan, Krehbiel & Berenson, 2011).

VIF value equal to 1 mean, independent variable is not correlated each other, but if VIF value greater than 10, it means there is highly correlation between independent variable. (Levine, Stephan, Krehbiel & Berenson, 2011). VIF value still acceptable as long value lowers than 10.

**CHAPTER 5**  
**ANALYSIS AND RESULT**

**5.1 The Respondents Characteristics**

Data for respondents gathered from working experience in current position, gender, position, and education level. The following tables inform details on each characteristic.

**Table 5-1 Respondent by Gender**

<b>Gender</b>	<b>Frequency</b>	<b>Percentage</b>
Male	33	58.92
Female	23	41.08
Total	56	100%

Based on the above data between respondent male and female only have difference 10 persons or 17.84%. The data shown in PT. MUC employee composition between male and female has not much different, because in nature business of consulting company makes female more comfortable and well accepted than other business like engineering.



**Table 5-2 Respondent by Education Level**

<b>Education Level</b>	<b>Frequency</b>	<b>Percentage</b>
Senior High School (SMK)	1	1.79%
Diploma Three (D3)	16	28.57%
Bachelor Degree (S1)	38	67.85%
Master Degree (S2)	1	1.79%
Total	56	100%

Based on above data, most employees in PT. MUC have sufficient education level for consulting business (S1). Midrange education of level found in diploma three (D3). The most interesting data found when shown employee with SMK education background and small proportion for Master Degree education background.

**Table 5-3 Respondent by Position**

<b>Position Level</b>	<b>Frequency</b>	<b>Percentage</b>
Partner (Director)	1	1.79%
Manager	3	5.35%
Asst Manager / Supervisor	6	10.71%
Consultant	46	82.15%
Total	56	100%

Based on the data above, majority of employees of PT. MUC is consultant staff with composition 83.94% followed by assistant managers / supervisors.

**Table 5-4 Respondent by Years in Position**

<b>Years in Position</b>	<b>Frequency</b>	<b>Percentage</b>
0-1	33	58.93%
>1 – 2	16	28.57%
>2 – 3	4	7.15%
>3 - 4	3	5.35%
Total	56	100%

Based on the data above, the majority of employees in PT. MUC has held their current position for less than 1 year.

**Table 5-5 Respondent by Employment status**

<b>Employemnt Status</b>	<b>Frequency</b>	<b>Percentage</b>
Permanent	43	76.78%
Contractual	13	23.22%
Total	56	100%

Based on the data above, the majority of employees working in PT. MUC is permanent employees.

## 5.2 Descriptive Statistics

**Table 5-6 Descriptive Statistics for Leadership Behaviors in PT . MUC**

**Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
IACompute	56	,50	3,50	2,2500	,70550
IBCompute	56	,50	4,00	2,7188	,78344
IMCompute	56	,00	4,00	2,5893	,80259
ISCompute	56	,50	4,00	2,7054	,65904
ICCompute	56	,25	4,00	2,4643	,74837
CRCompute	56	,25	3,75	2,3661	,71185
MBEACompute	56	,25	4,00	2,6429	,69226
MBEPCompute	56	,00	2,25	1,2723	,55652
LFCompute	56	,00	2,75	,8929	,73524
Valid N (listwise)	56				

Category:

0.0 – 1.0 = Very Low

1.1 – 2.0 = Low

2.1 – 3.0 = High

3.1 – 4.0 = Very High

The minimum score, maximum score and mean score is shown in the table 5.6. The minimum score and the maximum score were produced from the average value of each sub item styles as mentioned in table 4.1. Based on the table above transformational and transactional leadership behaviors are more dominant with high value than passive avoidant laissez-faire. The highest mean value is Idealized Behavior (IB) which belongs to transformational leadership behavior. The lowest

mean value is laissez-faire (LF) which belongs to passive avoidant laissez-faire leadership behavior. The table also shows that IB behavior is a dominant factor in transformational leadership and MBEA behavior is dominant factor in transactional leadership. Where in passive avoidant laissez-faire dominated by MBEP.

**Table 5-7 Descriptive Statistics for Leadership Behaviors in Accounting Consultant Department at PT. MUC.**

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
IA	5	,75	3,50	2,0000	,98425
IB	5	2,25	4,00	3,1500	,72024
IM	5	1,75	4,00	2,9500	,92534
IS	5	2,50	4,00	3,3000	,59687
IC	5	1,50	4,00	2,7000	,92534
CR	5	2,00	3,50	2,6500	,67546
MBEA	5	2,00	4,00	2,9000	,76240
MBEP	5	,25	1,25	,7000	,37081
LF	5	,00	,25	,1500	,13693
Valid N (listwise)	5				

The minimum score, maximum score and mean score is shown in the table 5.7 for Accounting Consultant Department with 5 respondents. The minimum score and the maximum score were produced from the average value of each sub item styles as mentioned in table 4.1. Based on the table above transformational and transactional leadership behaviors are more dominant with high value than passive

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avoidant laissez-faire. The highest mean value is IS which belongs to transformational leadership behavior. The lowest mean value is laissez-faire (LF) which belongs to passive avoidant laissez-faire leadership behavior. The table also shows that IS behavior is a dominant factor in transformational leadership and MBEA behavior is dominant factor in transactional leadership. Where in passive avoidant laissez-faire dominated by MBEP.

**Table 5-8 Descriptive Statistics for Leadership Behaviors in Custom Consultant Department at PT. MUC.**

**Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
IA	3	,50	2,25	1,5000	,90139
IB	3	1,00	1,75	1,5000	,43301
IM	3	,00	2,50	1,5833	1,37689
IS	3	,50	2,00	1,3333	,76376
IC	3	,25	1,75	1,2500	,86603
CR	3	,25	1,75	1,1667	,80364
MBEA	3	,25	2,25	1,4167	1,04083
MBEP	3	1,25	2,25	1,7500	,50000
LF	3	,50	2,00	1,5000	,86603
Valid N (listwise)	3				

The minimum score, maximum score and mean score is shown in the table 5.8 for Custom Consultant Department with 3 respondents. The minimum score and the maximum score were produced from the average value of each sub item styles as mentioned in table 4.1. Based on the table above transformational and transactional leadership behaviors are more dominant with high value than passive avoidant laissez-faire. The highest mean value is IM which belongs to transformational leadership behavior. The lowest mean value is laissez-faire (LF) which belongs to passive avoidant laissez-faire leadership behavior. The table also shows that IM behavior is a dominant factor in transformational leadership and CR behavior is dominant factor in transactional leadership. Where in passive avoidant laissez-faire dominated by MBEP.

**Table 5-9 Descriptive Statistics for Leadership Behaviors in QA Department at PT. MUC.**

**Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
IA	6	1,75	3,25	2,6667	,56273
IB	6	2,25	3,50	3,0833	,46547
IM	6	1,50	3,75	2,8750	,78661
IS	6	2,50	3,75	3,2083	,43060
IC	6	2,25	4,00	3,0833	,71880
CR	6	1,50	3,75	3,0000	,80623
MBEA	6	2,25	4,00	3,1667	,64550
MBEP	6	,75	1,75	1,3333	,40825
LF	6	,00	1,50	,5833	,56273
Valid N (listwise)	6				

The minimum score, maximum score and mean score is shown in the table 5.9 is for QA Department with 6 respondents. The minimum score and the maximum score were produced from the average value of each sub item styles as mentioned in table 4.1. Based on the table above transformational and transactional leadership behaviors are more dominant with high value than passive avoidant laissez-faire. The highest mean value is IS which belongs to transformational leadership behavior. The lowest mean value is laissez-faire (LF) which belongs to passive avoidant laissez-faire leadership behavior. The table also shows that IS behavior is a dominant factor in transformational leadership and MBEA behavior is dominant factor in transactional leadership. Where in passive avoidant laissez-faire dominated by MBEP.

**Table 5-10 Descriptive Statistics for Leadership Behaviors in Tax Registered Department at PT. MUC.**

**Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
IA	31	,75	3,25	2,1935	,63150
IB	31	,50	3,75	2,5887	,83304
IM	31	,75	3,75	2,4919	,79447
IS	31	1,25	4,00	2,6290	,52389
IC	31	,75	3,75	2,3468	,58337
CR	31	,75	3,50	2,3548	,62174
MBEA	31	1,25	4,00	2,5726	,61979
MBEP	31	,25	2,25	1,3548	,57653
LF	31	,00	2,75	1,1774	,73085
Valid N (listwise)	31				

The minimum score, maximum score and mean score is shown in the table 5.10 is for Tax Registered Department with 32 respondents. The minimum score and the maximum score were produced from the average value of each sub item styles as mentioned in table 4.1. Based on the table above transformational and transactional leadership behaviors are more dominant with high value than passive avoidant laissez-faire. The highest mean value is IS which belongs to transformational leadership behavior. The lowest mean value is laissez-faire (LF) which belongs to passive avoidant laissez-faire leadership behavior. The table also shows that IB behavior is a dominant factor in transformational leadership and MBEA behavior is dominant factor in transactional leadership. Where in passive avoidant laissez-faire dominated by MBEP.

**Table 5-11 Descriptive Statistics for Leadership Behaviors in International Tax & TP Department**

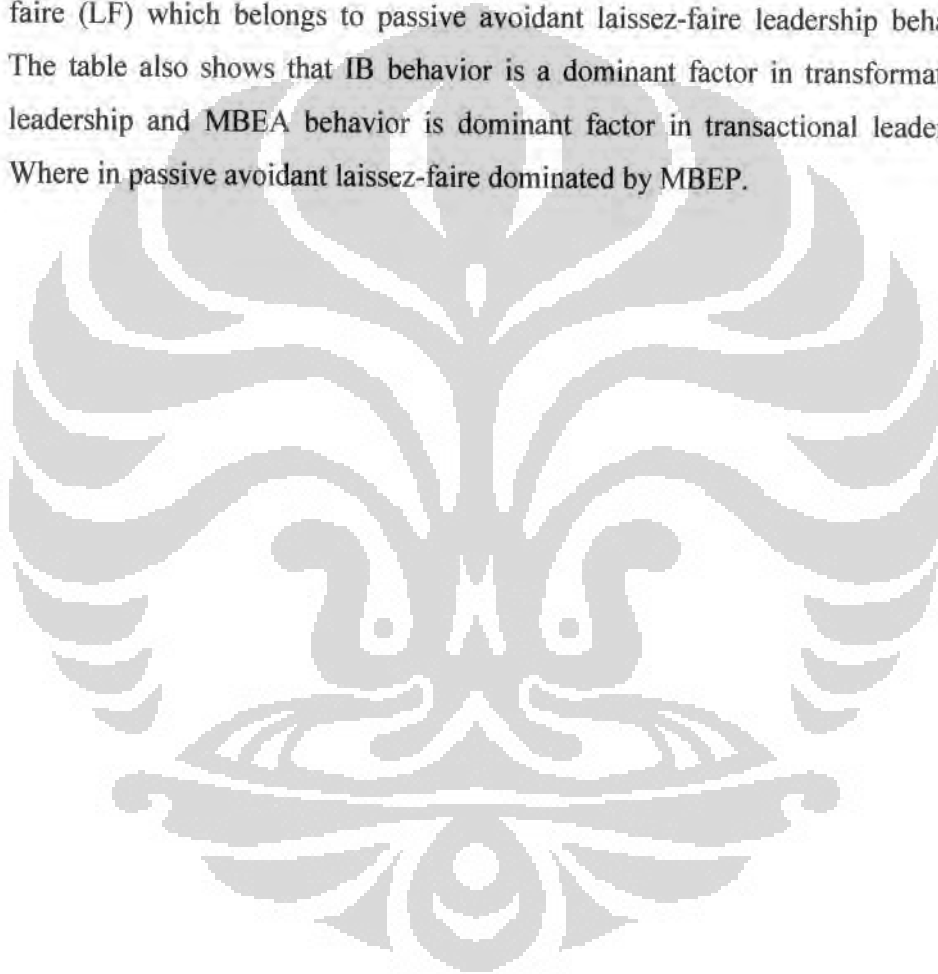
**Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
IA	9	1,50	3,50	2,4167	,64952
IB	9	2,75	3,75	3,1111	,35600
IM	9	2,75	3,25	2,8889	,22048
IS	9	1,50	3,50	2,8333	,57282
IC	9	1,75	4,00	2,8056	,73716
CR	9	1,50	3,25	2,2222	,56519
MBEA	9	2,25	3,50	2,8056	,37034
MBEP	9	,00	2,00	1,1667	,54486
LF	9	,00	1,00	,3889	,37731
Valid N (listwise)	9				

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The minimum score, maximum score and mean score is shown in the table 5.11 is for International Tax and TP Department with 9 respondents. The minimum score and the maximum score were produced from the average value of each sub item styles as mentioned in table 4.1. Based on the table above transformational and transactional leadership behaviors are more dominant with high value than passive avoidant laissez-faire. The highest mean value is Idealized Behavior (IB) which belongs to transformational leadership behavior. The lowest mean value is laissez-faire (LF) which belongs to passive avoidant laissez-faire leadership behavior. The table also shows that IB behavior is a dominant factor in transformational leadership and MBEA behavior is dominant factor in transactional leadership. Where in passive avoidant laissez-faire dominated by MBEP.



### 5.3 Corelation Leadership Style with Leadership Outcomes

#### 5.3.1 The Influence of Leadership Style to Extra Effort

Below table inform independent variables used to measure extra effort as leadership outcomes.

**Table 5-12 Variables Entered for Extra Effort Computation**

**Variables Entered/Removed<sup>b</sup>**

Model	Variables Entered	Variables Removed	Method
1	LFCompute, IACompute, ICCompute, CRCompute, MBEPCompute, IMCompute, MBEACompute, ISCompute, IBCompute	.	Enter

a. All requested variables entered.

b. Dependent Variable: EECompute

Based on the table 5.12 inform all independet variables involving on computation of extra effort as dependent variable.

**Table 5-13 Summary for Extra Effort Computation****Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,833 <sup>a</sup>	,693	,633	,49809

a. Predictors: (Constant), LFCompute, IACompute, ICCompute, CRCompute, MBEPCompute, IMCompute, MBEACompute, ISCompute, IBCompute

Based on the table 5.13 the model summary of extra effort shown R square or coefficient determination is 0.693 result of  $(0.833 \times 0.833)$ , which means 69.3% variance in extra effort could be explained by three leadership style behaviors (transformational, transactional and passive avoidant laissez-faire). Meanwhile the rest is  $(100\% - 69.3\% = 30.7\%)$  explained by other reasons. For a variable numbers more than two, its preferable to use adjusted R square. The greater number of adjusted R square is the better it is because it will increasingly be able to measure a dependent variable (in this case is the extra effort) by the independent variable. The SSE (Standard Error of Estimate) is 0.49809. The smaller value of SEE will make the regression model more precise in predicting the dependent variable, due to the smaller error of the model.

**Table 5-14 ANOVA Result for Extra Effort**

ANOVA<sup>b</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	25,792	9	2,866	11,551	,000 <sup>a</sup>
	Residual	11,412	46	,248		
	Total	37,204	55			

a. Predictors: (Constant), LFCompute, IACompute, ICCompute, CRCompute, MBEPCompute, IMCompute, MBEACompute, ISCompute, IBCompute

b. Dependent Variable: EECompute

Based on the able 5.14 consist about Analysis of Variance (ANOVA) with F result 11,551 with significane level result is 0.000. There're two hypotheses need to be tested by using ANOVA. The null hypotheses (H01) informing there no correlation and influence between leadership styles behaviors with extra effort. The alternative hypotheses (HA1) inform there is a relationship and influence between leadership styles behaviors with extra effort. Conclusion could be getting with comparison between correspondece hypotheses significant value ( $\alpha$ ) of 0.05.

If significance level result  $> 0,05$  then H01 accepted, but if significance level result  $< 0,05$  then H01 rejected. The significance level result is 0.000 whereas it less than level of significant for the test ( $\alpha$ ) of 0.05. Mean the null hypothese rejected (H01). This result inform and indicate there is significant relationship between transformational leasership, transactional leadership and passive avoidant laissez-faire leadership to extra effort.

Table 5-15 Coefficients Result for Extra Effort

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,631	,480		3,395	,001
	IACompute	,023	,066	,035	,349	,729
	IBCompute	-,292	,192	-,278	-1,516	,136
	IMCompute	,830	,179	,810	4,629	,000
	ISCompute	,060	,206	,048	,294	,770
	ICCompute	,049	,056	,084	,878	,384
	CRCompute	,041	,168	,036	,246	,806
	MBEACompute	-,034	,183	-,028	-,184	,855
	MBEPCompute	-,358	,172	-,242	-2,082	,043
	LFCompute	-,177	,150	-,158	-1,181	,244

a. Dependent Variable: EECompute

Based on the table 5.15 transformational leadership represented by IM has the most significant and positive influence with extra effort because significance value (0.000) less than correspondence value ( $\alpha$ ) of 0.05 and Beta value (0.810) higher compared with others. A positive influence means that an increase in Inspirational Motivation (IM) variable will also increase the extra effort variable. Inspiration Motivation (IM) one of transformational characteristic indicate leader show enthusiasm and optimism, providing both challenge and meaning to the work at hand. The leader make situation of commitment to goals and shared vision. Table 5.15 also informs negative Beta value means a negative influence

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for IB and MBEA. A negative influence means that decrease in IB and MBEA variable will also decrease the extra effort variable. Table 5.15 also informs negative Beta value for MBEP and LF. MBEP and LF behavior has negative effect on desired outcomes-opposite to what is intended by the leader-manager means that an increase MBEP and LF variable will decrease the extra effort.

**Table 5-16 Collenearity Test Result for Extra Effort**

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1,631	,480		3,395	,001		
	IACompute	,023	,066	,035	,349	,729	,659	1,517
	IBCompute	-,292	,192	-,278	-1,516	,136	,199	5,033
	IMCompute	,830	,179	,810	4,629	,000	,218	4,588
	ISCompute	,060	,206	,048	,294	,770	,245	4,086
	ICCompute	,049	,056	,084	,878	,384	,733	1,364
	CRCompute	,041	,168	,036	,246	,806	,314	3,183
	MBEACompute	-,034	,183	-,028	-,184	,855	,281	3,553
	MBEPCompute	-,358	,172	-,242	-2,082	,043	,493	2,027
	LFCompute	-,177	,150	-,158	-1,181	,244	,372	2,689

a. Dependent Variable: EECompute

Based upon result there no multi collinearity between all independent variables. The VIF result shown value below than 10. Computational shown extra effort has greatly influenced by transformational leadership (Inspirational Motivation) with more significant value than others.

### 5.3.2 The Influence of Leadership Style to Effectiveness

Below table inform independent variables used to measure effectiveness as leadership outcomes.

**Table 5-17 Variables Entered for Effectiveness Computation**

Variables Entered/Removed<sup>b</sup>

Model	Variables Entered	Variables Removed	Method
1	LFCompute, IACompute, ICCompute, CRCompute, MBEPCCompute, IMCompute, MBEACCompute, ISCompute, IBCompute	.	Enter

a. All requested variables entered.

b. Dependent Variable: EFFCompute

**Table 5-18 Model Summary for Effectiveness Computation****Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,924 <sup>a</sup>	,854	,825	,35127

- a. Predictors: (Constant), LFCompute, IACompute, ICCompute, CRCompute, MBEPCompute, IMCompute, MBEACompute, ISCompute, IBCompute

Based on the table 5.18 the model summary of effectiveness shown R square or coefficient determination is 0.854 getting from  $(0.924 \times 0.924)$ . Which means 85.4% variance in effectiveness could be explained by three leadership style behaviors (transformational, transactional and passive avoidant laissez-faire). Meanwhile the rest is  $(100\% - 85.4\% = 14.6\%)$  explained by other reasons.

Whereas for a variable number more than two, preferably to use adjusted R square. The greater number of adjusted R square, the better because it will increasingly be able to predict a dependent variable (in this case is the effectiveness) by the independent variable. SEE (Standard Error of Estimate) is 0.35127. The smaller value of SEE will make the regression model more precise in predicting the dependent variable, because the smaller error of the model.



**Table 5-19 ANOVA result for Effectiveness**ANOVA<sup>b</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	33,163	9	3,685	29,864	,000 <sup>a</sup>
	Residual	5,676	46	,123		
	Total	38,839	55			

a. Predictors: (Constant), LFCCompute, IACCompute, ICCCompute, CRCCompute, MBEPCCompute, IMCCompute, MBEACCompute, ISCompute, IBCompute

b. Dependent Variable: EFFCompute

Based on the table 5.19 consist about Analysis of Variance (ANOVA) with F result 29.864 with significane level result is 0.000. There're two hypotheses need to be tested by using ANOVA. The null hypotheses (H02) informing there no correlation and influence between leadership styles behaviors with effectiveness. The alternative hypotheses (HA2) inform there is a relationship and influence between leadership styles behaviors with effectiveness. Conclusion could be getting with comparison between correspondecé hypotheses significant value ( $\alpha$ ) of 0.05.

If significance level result  $> 0.05$  then H02 accepted, but if significance level result  $< 0.05$  then H02 rejected. The significance level result is 0.000 whereas it less than level of significant for the test ( $\alpha$ ) of 0.05. Mean the null hypothese (H02) rejected. This result inform and indicate there is significant relationship between transformational leadership, transactional leadership and passive avoidant laissez-faire leadership to effectiveness.

**Table 5-20 Coefficients Result for Effectiveness**

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,409	,339		1,208	,233
	IACompute	-,052	,047	-,077	-1,113	,271
	IBCompute	,245	,136	,228	1,804	,078
	IMCompute	,263	,126	,251	2,080	,043
	ISCompute	,079	,145	,062	,545	,589
	ICCompute	,076	,039	,127	1,931	,060
	CRCompute	-,129	,119	-,110	-1,091	,281
	MBEACompute	,461	,129	,379	3,572	,001
	MBEPCompute	-,069	,121	-,046	-,568	,573
	LFCompute	-,219	,106	-,191	-2,069	,044

a. Dependent Variable: EFFCompute

Based on the table 5.20 transactional leadership represented by management by exception-active (MBEA) value has the most significant influence and positive relationship with effectiveness because significance value (0.001) less than correspondence value ( $\alpha$ ) of 0.05 and Beta value (0.379) higher then others. A positive influence means that an increase in management-by-exception active (MBEA) variable will also increase the effectiveness variable. Management by exception-active (MBEA) one of transactional characteristic indicate the leader taking monitoring and correcting actions on follower's performance to ensure standard of working. Table 5.20 also informs negative Beta value means a negative influence for IA and CR. A negative influence means that decrease in IA

and CR variable will also decrease the effectiveness variable. Table 5.20 also informs negative Beta value for MBEP and LF. MBEP and LF behavior has negative effect on desired outcomes-opposite to what is intended by the leader-manager means that an increase MBEP and LF variable will decrease the effectiveness variable.

**Table 5-21 Collinearity Test Result for Effectiveness**

Model		Coefficients <sup>a</sup>					Collinearity Statistics	
		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Tolerance	VIF
		B	Std. Error	Beta				
1	(Constant)	,409	,339		1,208	,233		
	IACompute	-,052	,047	-,077	-1,113	,271	,659	1,517
	IBCompute	,245	,136	,228	1,804	,078	,199	5,033
	IMCompute	,263	,126	,251	2,080	,043	,218	4,588
	ISCompute	,079	,145	,062	,545	,589	,245	4,086
	ICCompute	,076	,039	,127	1,931	,060	,733	1,364
	CRCompute	-,129	,119	-,110	-1,091	,281	,314	3,183
	MBEACompute	,461	,129	,379	3,572	,001	,281	3,553
	MBEPCompute	-,069	,121	-,046	-,568	,573	,493	2,027
	LFCompute	-,219	,106	-,191	-2,069	,044	,372	2,689

a. Dependent Variable: EFFCompute

Based upon result there no multi collinearity between all independent variables. The VIF result shown value below than 10. Computational shown effectiveness has greatly influenced by transactional leadership (MBEA) with more significant value than others.

### 5.3.3 The Influence of Leadership Style to Satisfaction

Below table inform independent variables used to measure satisfaction as leadership outcomes.

**Table 5-22 Variables Entered for Satisfaction Computation**

Variables Entered/Removed<sup>b</sup>

Model	Variables Entered	Variables Removed	Method
1	LFCompute, IACompute, ICCompute, CRCompute, MBEPCompute, IMCompute, MBEACompute, ISCompute, IBCompute		Enter

a. All requested variables entered.

b. Dependent Variable: SATCompute

**Table 5-23 Model Summary for Satisfaction Computation****Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,883 <sup>a</sup>	,779	,736	,43038

a. Predictors: (Constant), LFCompute, IACompute, ICCompute, CRCompute, MBEPCompute, IMCompute, MBEACompute, ISCompute, IBCompute

Based on the table 5.23 the model summary of satisfaction shown R square or coefficient determination is 0.779 getting from  $(0.883 \times 0.883)$ . Which means 77.9% variance in satisfaction could be explained by three leadership style behaviors (transformational, transactional and passive avoidant laissez-faire). Meanwhile the rest is  $(100\% - 77.9\% = 22.1\%)$  explained by other reasons.

Whereas for a variable number more than two, preferably to use adjusted R square. The greater number of adjusted R square, the better because it will increasingly be able to predict a dependent variable (in this case is the satisfaction) by the independent variable. SEE (Standard Error of Estimate) is 0.43038. The smaller value of SEE will make the regression model more precise in predicting the dependent variable, because the smaller error of the model.

**Table 5-24 ANOVA result for Satisfaction**

**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	30,011	9	3,335	18,003	.000 <sup>a</sup>
	Residual	8,520	46	,185		
	Total	38,531	55			

a. Predictors: (Constant), LFCompute, IACompute, ICCompute, CRCompute, MBEPCompute, IMCompute, MBEACompute, ISCompute, IBCompute

b. Dependent Variable: SATCompute

Based on the table 5.24 consist about Analysis of Variance (ANOVA) with F result 18,003 with significane level result is 0.000. There're two hypotheses need to be tested by using ANOVA. The null hypotheses (H03) informing there no correlation and influence between leadership styles behaviors with satisfaction. The alternative hypotheses (HA3) inform there is a relationship and influence between leadership styles behaviors with satisfaction. Conclusion could be getting with comparison between correspondece hypotheses significant value ( $\alpha$ ) of 0.05.

If significance level result  $> 0.05$  then H03 accepted, but if significance level result  $< 0.05$  then H03 rejected. The significance level result is 0.000 whereas it less than level of significant for the test ( $\alpha$ ) of 0.05. Mean the null hypothese (H03) rejected. This result inform and indicate there is significant relationship between transformational leadership, transactional leadership and passive avoidant laissez-faire leadership to satisfaction.

**Table 5-25 Coefficients Result for Satisfaction**

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,356	,415		3,266	,002
	IACompute	,094	,057	,141	1,646	,107
	IBCompute	-,074	,166	-,069	-,443	,660
	IMCompute	,543	,155	,521	3,507	,001
	ISCompute	,040	,178	,031	,223	,825
	ICCompute	,096	,048	,162	2,000	,051
	CRCompute	-,072	,145	-,061	-,496	,622
	MBEACompute	,115	,158	,095	,731	,469
	MBEPCompute	-,369	,148	-,245	-2,486	,017
	LFCompute	-,284	,129	-,250	-2,194	,033

a. Dependent Variable: SATCompute

Based on the table 5.25 transformational leadership has the most significant influence and positive relationship with satisfaction because significance value (0.001) less than correspondence value ( $\alpha$ ) of 0.05 and Beta value (0.521) higher than others. Inspirational Motivation (IM) one of transformational characteristic indicate leader show enthusiasm and optimism, providing both challenge and meaning to the work at hand. The leader make situation of commitment to goals and shared vision. Table 5.25 also informs negative Beta value means a negative

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variable will also decrease the satisfaction variable. Table 5.25 also informs negative Beta value for MBEP and LF. MBEP and LF behavior has negative effect on desired outcomes-opposite to what is intended by the leader-manager means that an increase MBEP and LF variable will decrease the satisfaction variable.

**Table 5-26 Collinearity Test Result for Satisfaction**

Model		Coefficients <sup>a</sup>					Collinearity Statistics	
		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Tolerance	VIF
		B	Std. Error	Beta				
1	(Constant)	1,356	,415		3,266	,002		
	IACompute	,094	,057	,141	1,646	,107	,659	1,517
	IBCompute	-,074	,166	-,069	-,443	,660	,199	5,033
	IMCompute	,543	,155	,521	3,507	,001	,218	4,588
	ISCompute	,040	,178	,031	,223	,825	,245	4,086
	ICCompute	,096	,048	,162	2,000	,051	,733	1,364
	CRCompute	-,072	,145	-,061	-,496	,622	,314	3,183
	MBEACompute	,115	,158	,095	,731	,469	,281	3,553
	MBEPCompute	-,369	,148	-,245	-2,486	,017	,493	2,027
	LFCompute	-,284	,129	-,250	-2,194	,033	,372	2,689

a. Dependent Variable: SATCompute

Based upon result there no multi collinearity between all independent variables. The VIF result shown value below than 10. Computational shown



Based upon result there no multi collinearity between all independent variables. The VIF result shown value below than 10. Computational shown satisfaction has greatly influenced by transformational leadership (Inspirational Motivantion) with more significant value than others.

#### **5.4 Discussion on Leadership Behaviors and Leadership Outcomes**

Based on the table 5.6 show transformational leadership behaviors is more dominant than other leadership style. Follow with transactional and passive avoidant laissez-faire leadership behaviors. The data on the table 5.6 show transformational leadership behaviors all mean value has put in high range value along with transactional leadership behaviors mean value. However, transformational leadership behaviors has greater number than transactional leadership behaviors.

Based on the table 5.13, 5.14, 5.15 and 5.16 the regression analysis inform and conclude that the subordinates willing to extra effort has the most significance and positively related to transformational leadership with behaviors inspirational motivation (IM). Because in transformational leadership leader inspires followers to go beyond their own self-interest and extra effort for the good of organization and have profound and extraordinary effect on their followers (Robbins, 2006). The regressions model table the 5.13 explained 69.3% the total variance in extra effort could be explain by three leadership behaviors. The regressions also conclude and inform there is significant correlation between three-leadership style (transformational, transactional and passive avoidant laissez-faire) with explaining in significance value result is 0.000, which is less than corespondence value ( $\alpha$ ) of 0.05. The most significance and positive behaviors with extra effort is inspirational motivation (IM) with the highest Beta value. Table 5.16 concludes there is no correlation between all independent variables. VIF value result show all value below 10.

Based on the table 5.18, 5.19, 5.20 and 5.21 the regression analysis inform and conclude that the subordinate willing to effectiveness has the most

significance and positively related to transactional leadership with behaviors management by exception-active (MBEA). As (Kreitner & Kinicki, 2008) transactional leadership encompasses the fundamental managerial setting goals, monitoring progress toward goal achievement, and rewarding and punishing people for their level of goal accomplishments (Antokanis & House, 2002). The regression model table 5.18 explained 85.4% the total variance in effectiveness could be explain by three leadership behaviors. The regressions also conclude and inform there is significant correlation between three-leadership style (transformational, transactional and passive avoidant laissez-faire) with explaining in significance value result is 0.000, which is less than correspondence value ( $\alpha$ ) of 0.05. The most significance and positive behaviors with effectiveness is management by exception-active (MBEA) with the highest Beta value then others. Table 5.21 concludes there is no correlation between all independent variables. VIF value result show all value below 10.

Based on the table 5.23, 5.24 5.25 and 5.26 the regression analysis inform and conclude that the subordinates willing to satisfaction has the most significance and positively related to transformational leadership (IM). As transformational leader, they can produce significant organization change and result because this form of leadership fosters higher level of intrinsic motivation, trust, commitment, and loyalty from followers than does transactional leadership. Transformational leaders also transform followers by creating changes in their goals, values, needs, beliefs, and aspirations. They accomplish this transformation by appealing to follower's self-concepts namely their values and personal identity (Kreitner & Kinicki, 2008). The regression model table 5.23 explained 77.9% the total variance in satisfaction could be explain by three leadership behaviors. The regressions also conclude and inform there is significant correlation between three-leadership style (transformational, transactional and passive avoidant laissez-faire) with explaining in significance value result is 0.000, which is less than correspondence value ( $\alpha$ ) of 0.05. The most significance and positive behaviors with satisfaction is inspirational motivation (IM) with the highest Beta value then others. Table 5.26 concludes there is no correlation between all independent variables. VIF value result shown value below 10.

The research result is similar and strengthens with CPA Journal report on March 2010 as mentioned on the table 5.27. Research for 50 state CPA societies with respondents 266 result show 64% respondent select transformational leadership as the most responsive.

**Table 5-27 CPA Journal Report on March 2010**

<b>Leadership Response</b>	
Which best describes your personal style of leadership	
Transactional	34%
Transformational	37%
Servant	29%
Which style of leadership would you be most responsive to	
Transactional	14%
Transformational	64%
Servant	23%
Which best describes your immediate supervisor	
Transactional	62%
Transformational	15%
Servant	14%
Which best describes your firm	
Transactional	56%
Transformational	26%
Servant	18%

CPA Journal Report on March 2010

## CHAPTER 6

### CONCLUSION AND RECOMMENDATION

#### 6.1 Conclusion

Based on research conducted and analysis has some conclusion on PT MUC Global as follows:

Based on descriptive statistics result on table 5.6, there are three leadership in PT. MUC Global, transformational leadership, transactional leadership and passive-avoidant laissez-faire leadership. The transformational leadership style is more dominant than the transactional leadership style and passive avoidant laissez-faire leadership style. Descriptive statistics shown transformational and transactional mean value rated in high area then passive avoidant laissez-faire in low area. However transformational has greater value than transactional leadership.

There are three leadership outcomes to measure (extra effort, effectiveness and satisfaction). Based on the regression result on MLQ 5X show there is most significant influence and positive relationship between transformational leadership with extra effort. The result represent with inspirational motivation (IM) which is behaviors of transformational leadership.

For effectiveness, MLQ 5X regression result show there most significant influence and positive relationship between transactional leadership with effectiveness. The result represent with management by exception-active (MBEA) which is behaviors transactional leadership.

The last regression result MLQ 5X show there most significant influence and positive relationship between with satisfaction. The result represent with inspirational motivation (IM) which is behaviors of transformational leadership.

Based on the table 5.27 at CPA Journal Report on March 2010 research for 50 state CPA societies with respondents 266, the researcher found similarity with

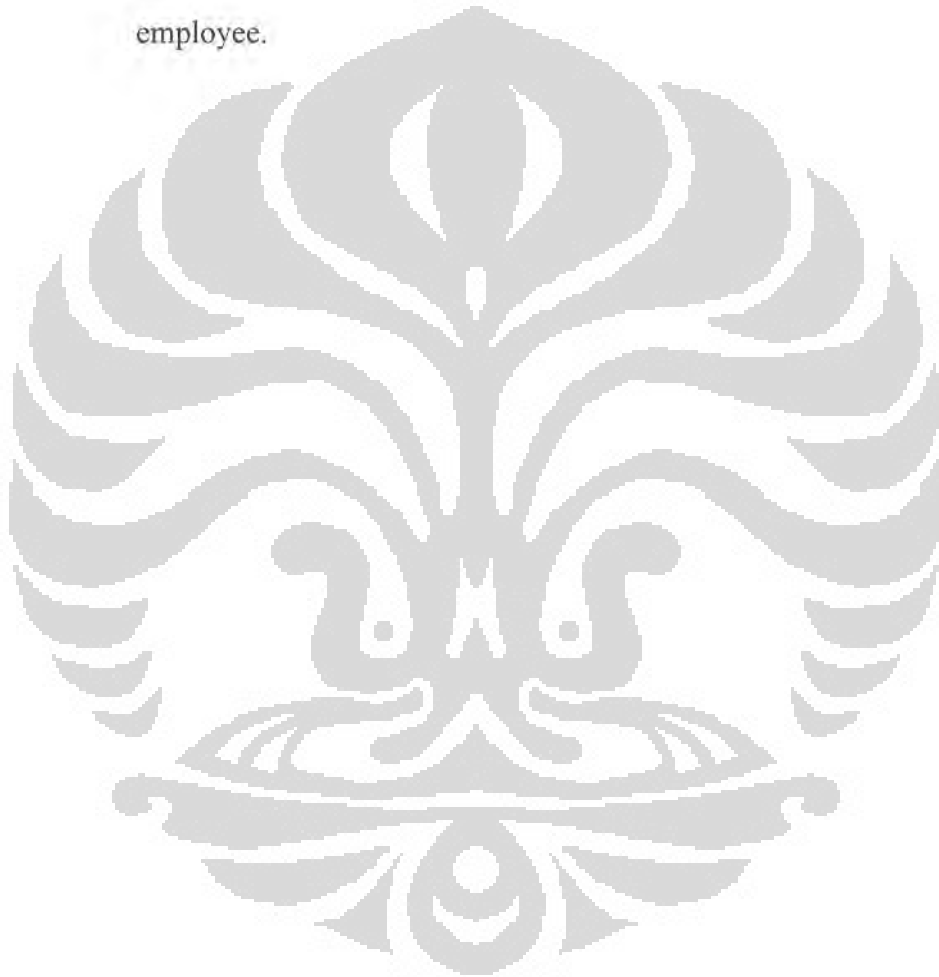
research result on PT. MUC Global. CPA Journal reported 56% respondent describe the best describe leader of the firm is transactional leadership. Because the nature business of accounting firms to being effective the leader, need to monitor the progress to achieve the goal with rewarding and punishment for the follower. The report correlated with research result in PT. MUC Global where to being effective the subordinate describe the leader style in the company is transactional leadership.

## 6.2 Recommendation

Based on the research conclusion above, there are some recommendations for PT. MUC need to be consider:

1. Based on nature business of consulting firm, PT. MUC need to increase effectiveness with transformational and transactional leadership. But, transactional leadership style as first priority to enhance competitive advantage with another accounting company. With effectiveness the company can desire more improvement of service quality, reduce of cost and at the end will increase revenue with increasing of sales on services. The Company should give attentions on management by exception-active and contingent reward. Regarding with management by exception-active, the leader of the company need to ensure current standard of working is reliable and up to date to monitor follower performance and minimize rework and corrective actions. Performance review of subordinates and follower with KPI would make fairly adjustment. Regarding with contingent reward, the leader need to have reward on success assignment and concerned with career path promotion would build a positive relationship between the leader and follower. The company also recommended to held certification program such ISO to follow International standard. Another suggestion is to improve for superior and superior skills in process to become more effective like Six Sigma training program.

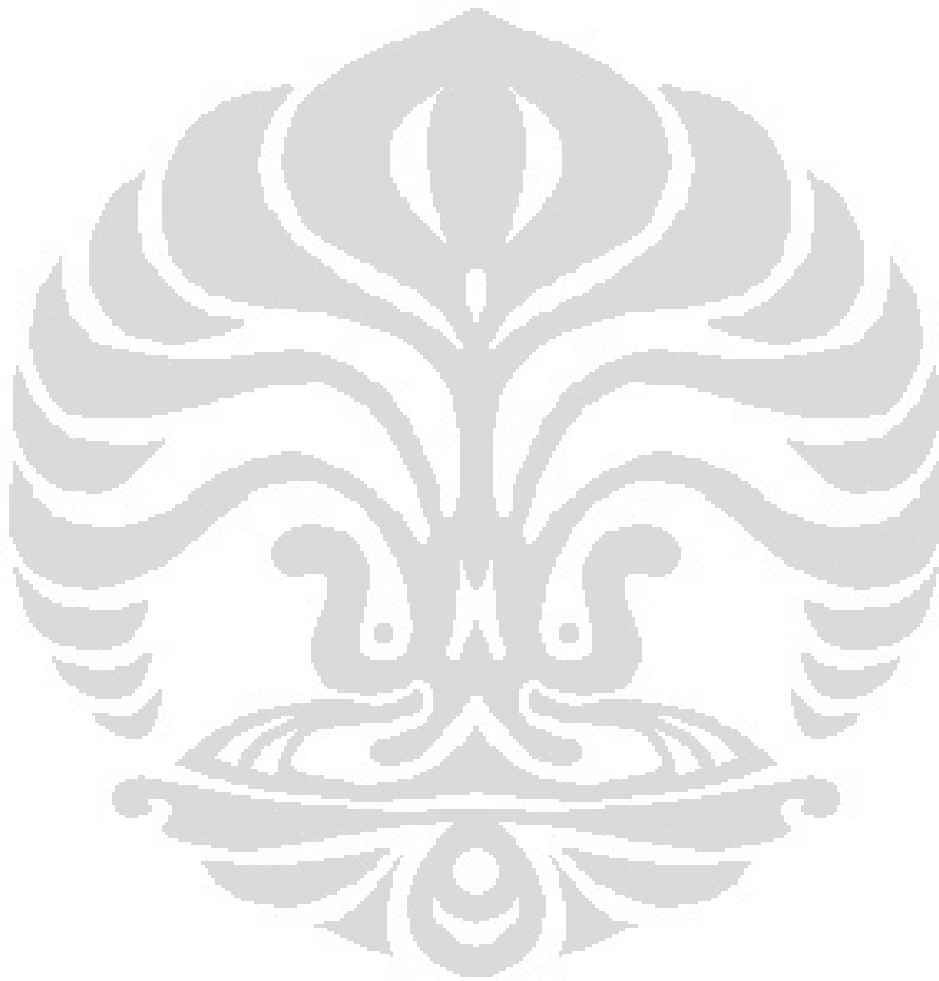
2. Regarding with extra effort and satisfaction. The company need to give more attentions on inspirational motivation behavior of the leader. The company needs to hold regularly internal program to create and find best talent of the leader that could inspire the follower by handling their heart/feeling and mind. The outcomes of the program would create the leader that could increase trust, loyalty and commitment of the follower. Indirectly, the program also includes identifying the next future leader of the company and will create mapping on talented employee.



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## Appendix 1. Questionnaire

1. Kuesioner ini dibuat untuk menggambarkan gaya kepemimpinan yang berada di perusahaan. Kami mengharapkan kesediaan Anda untuk kuesioner ini demi pengembangan perusahaan dimasa yang akan datang.

Nama pimpinan: .....

Jabatan: .....

Divisi: .....

Kuesioner ini diharapkan dapat menggambarkan bagaimana gaya kepemimpinan dari orang yang Anda sebut diatas. Tidak ada jawaban salah dan benar dalam kuesioner ini, maka dari itu kami mengharapkan jawaban yang sejujur jujurnya dari Anda sekalian.

### **Petunjuk pengisian**

Dibawah ini telah tersedia 45 pernyataan. Pilihlah satu jawaban saja yang paling menggambarkan sikap pimpinan Anda dengan penilaian sebagai berikut:

- |   |                     |
|---|---------------------|
| 0 | : Tidak sama sekali |
| 1 | : Jarang            |
| 2 | : Kadang – kadang   |
| 3 | : Sering            |
| 4 | : Selalu            |

(Continued)

1. Memberi saya bantuan sebagai imbalan atas upaya upaya saya	0	1	2	3	4
2. Menguji kembali asumsi asumsi kritis untuk mempertanyakan apakah asumsi-asumsi tersebut sesuai	0	1	2	3	4
3. Tidak turut campur sebelum masalah menjadi serius	0	1	2	3	4
4. Memusatkan perhatian pada berbagai ketidakwajaran, kekeliruan, kelainan, dan penyimpangan dari suatu standar	0	1	2	3	4
5. Menghindar untuk terlibat jika suatu persoalan penting muncul	0	1	2	3	4
6. Membicarakan mengenai nilai nilai dan keyakinan paling penting yang dipegangnya	0	1	2	3	4
7. Tidak ada pada saat diperlukan	0	1	2	3	4
8. Mencari perspektif yang berbeda ketika memecahkan berbagai masalah	0	1	2	3	4
9. Berbicara secara optimis mengenai masa depan	0	1	2	3	4
10. Menanamkan kebanggan pada saya karena adanya keterkaitan dengan dia	0	1	2	3	4
11. Mendiskusikan secara spesifik siapa yang bertanggungjawab dalam mencapai sasaran kinerja.	0	1	2	3	4
12. Menunggu sampai kejadian salah sebelum mengambil tindakan	0	1	2	3	4
13. Berbicara dengan penuh semangat mengenai apa yang harus diselesaikan.	0	1	2	3	4

**(Continued)**

14. Menjelaskan pentingnya memiliki kesadaran yang kuat terhadap suatu tujuan.	0	1	2	3	4
15. Meluangkan waktu untuk mengajar dan melatih.	0	1	2	3	4
16. Menyatakan secara jelas apa yang dapat diharapkan untuk diterima oleh seseorang apabila tujuan-tujuan kinerja dapat tercapai.	0	1	2	3	4
17. Menunjukkan bahwa dirinya sebagai penganut sejati terhadap paham “Jika sesuatu tidak rusak, jangan memperbaikinya”	0	1	2	3	4
18. Lebih mengutamakan kepentingan kelompok dari kepentingan pribadi.	0	1	2	3	4
19. Memperlakukan saya secara individual bukan hanya sekedar anggota dari sebuah kelompok.	0	1	2	3	4
20. Bersikap bahwa berbagai masalah harus menjadi kronis dahulu sebelum mengambil tindakan.	0	1	2	3	4
21. Bertindak dengan cara yang membangkitkan rasa hormat saya.	0	1	2	3	4
22. Memusatkan perhatiannya secara penuh dalam mengatasi berbagai masalah, keluhan, dan kegagalan.	0	1	2	3	4
23. Mempertimbangkan konsekuensi moral dan etika dari berbagai keputusan.	0	1	2	3	4
24. Mencermati semua kesalahan kesalahan	0	1	2	3	4
25. Memperlihatkan suatu rasa berkuasa dan percaya diri.	0	1	2	3	4
26. Mengartikulasikan gambaran masa depan secara meyakinkan.	0	1	2	3	4

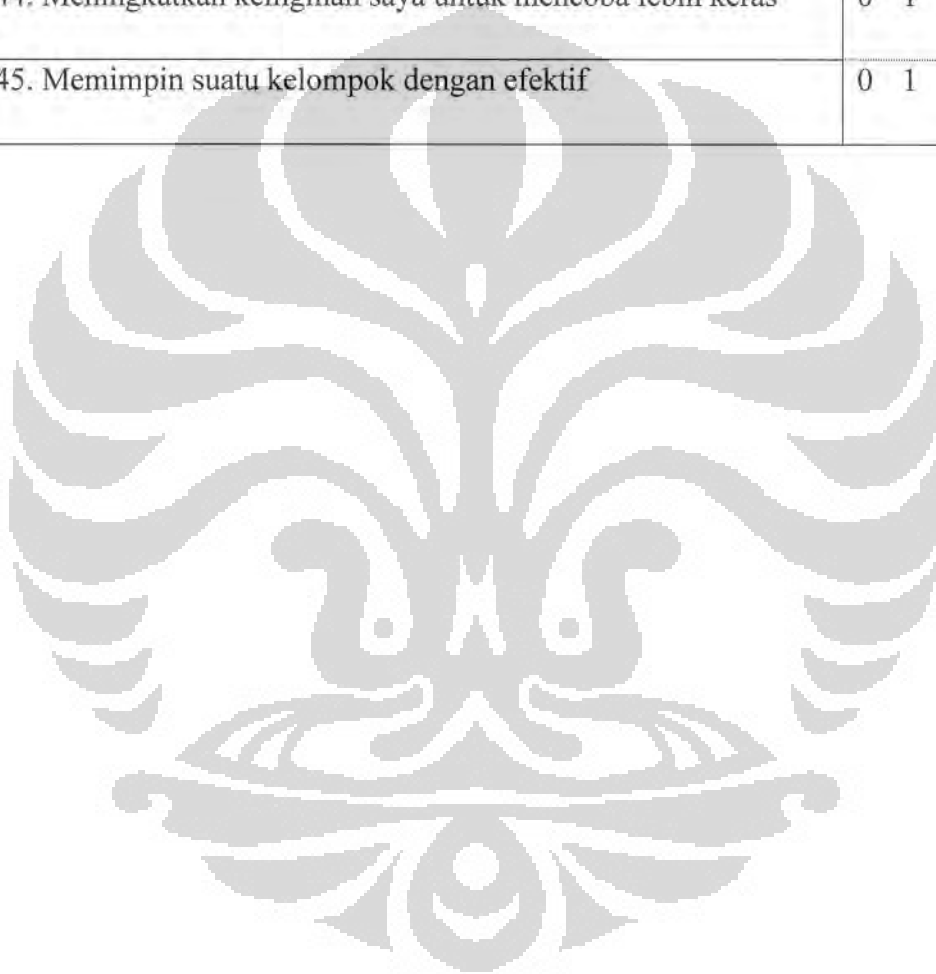
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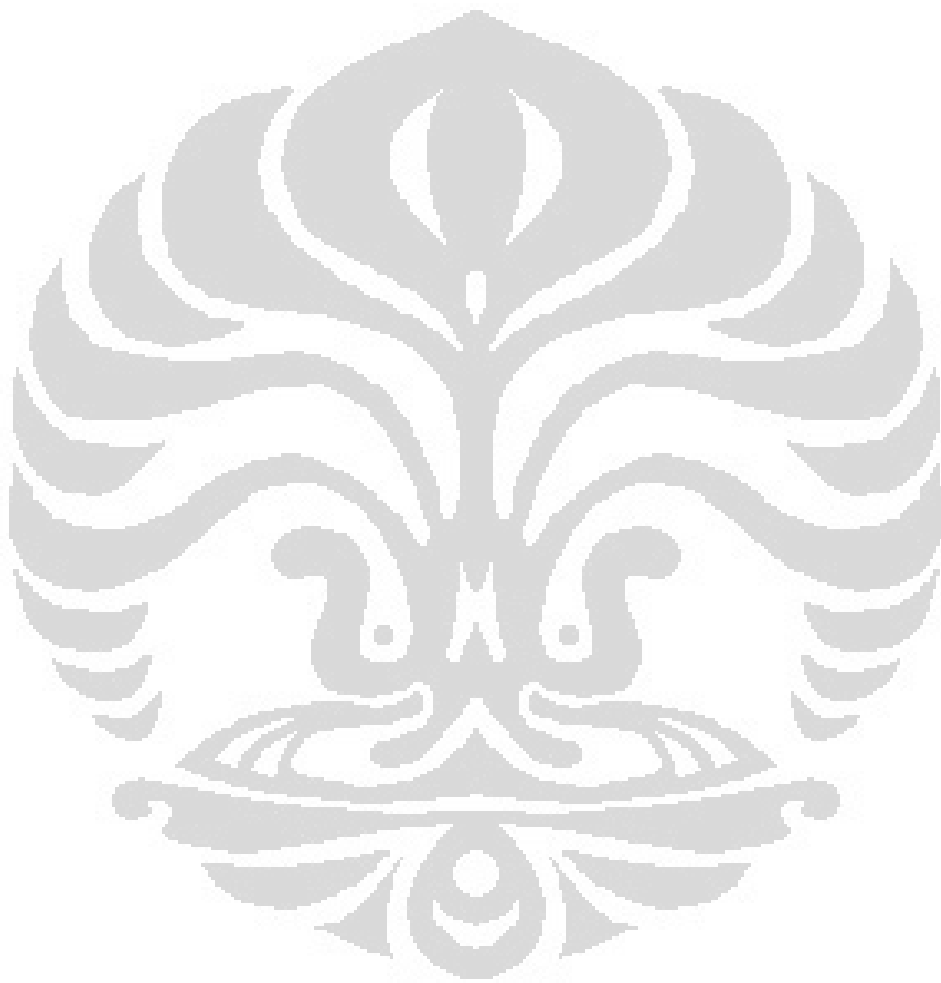
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27. Mengarahkan perhatian saya terhadap berbagai kegagalan agar saya mengacu pada standar.	0	1	2	3	4
28. Menghindar untuk membuat keputusan.	0	1	2	3	4
29. Mempertimbangkan bahwa saya memiliki kebutuhan, kemampuan, dan aspirasi yang berbeda dari yang lainnya.	0	1	2	3	4
30. Mangajak saya untuk melihat berbagai masalah dari banyak sudut pandang yang berbeda.	0	1	2	3	4
31. Membantu saya untuk mengembangkan kekuatan saya.	0	1	2	3	4
32. Menyarankan cara pandang baru dalam hal menyelesaikan masalah.	0	1	2	3	4
33. Menunda untuk memberikan tanggapan terhadap berbagai pertanyaan yang penting (urgent)	0	1	2	3	4
34. Menekankan pentingnya memiliki rasa kebersamaan dalam suatu misi.	0	1	2	3	4
35. Mengungkapkan kepuasan ketika saya memenuhi sejumlah harapan	0	1	2	3	4
36. Menunjukkan keyakinan bahwa berbagai tujuan akan tercapai	0	1	2	3	4
37. Efektif dalam memenuhi berbagai kebutuhan saya yang berkaitan dengan pekerjaan.	0	1	2	3	4
38. Menggunakan berbagai metode kepemimpinan yang memuaskan .	0	1	2	3	4
39. Membuat saya untuk melakukan lebih banyak daripada yang diharapkan terhadap diri saya	0	1	2	3	4

**(Continued)**

40. Efektif dalam mewakili saya di otoritas yang lebih tinggi.	0	1	2	3	4
41. Bekerja bersama saya dengan cara yang memuaskan.	0	1	2	3	4
42. Meningkatkan tekad saya untuk meraih keberhasilan.	0	1	2	3	4
43. Efektif dalam memenuhi persyaratan organisasional	0	1	2	3	4
44. Meningkatkan keinginan saya untuk mencoba lebih keras	0	1	2	3	4
45. Memimpin suatu kelompok dengan efektif	0	1	2	3	4





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## **Multifactor Leadership Questionnaire**

**Instrument (Leader and Rater Form)**

**and Scoring Guide  
(Form 5X-Short)**

**English and Indonesian (Rater Form only)  
versions**

**by Bruce Avolio and Bernard Bass**

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