

## The Effect of Transformational Leadership and Organizational Culture on Lecturer Performance Through Innovative Work Behavior at Catholic Universities in Surabaya

Bernardus Aris Ferdinan<sup>1</sup>, Tuty Lindawati<sup>2</sup>

Widya Mandala Catholic University Surabaya<sup>1,2</sup>

Jl. Kalisari Selatan No.1, Kalisari, Kec. Mulyorejo, Kota SBY, Jawa Timur 60112

Correspondence Email: [ber.aris.fer.92@gmail.com](mailto:ber.aris.fer.92@gmail.com)

ORCID ID: <https://orcid.org/0000-0002-2184-9703>

### ABSTRACT

This paper aims to investigate the effect of transformational leadership and organizational culture on innovative behavior and work performance. The sample consisted of 204 lecturers from three catholic universities in Surabaya. The data were obtained from Google form and analyzed using Structural Equation Modeling (SEM) with LISREL program. The results of the study indicate that transformational leadership has a negative and significant effect on innovative work behavior, organizational culture has a positive and significant effect on innovative work behavior, innovative work behavior has a positive and significant effect on performance, transformational leadership has a negative and significant effect on performance, organizational culture has a positive effect and significant on performance, transformational leadership has a negative and insignificant effect on performance through innovative work behavior, and organizational culture has a positive and significant effect on performance through innovative work behavior. It suggests the university leaders apply appropriate leadership styles, maintain and enhance their organizational culture.

**Keywords:** Catholic Universities, Innovative Work Behavior, Organizational Culture, Performance, Transformational Leadership

**JEL Classification Codes:** M10, L20, L29

### INTRODUCTION

Higher education is the last stage of the Indonesian formal education process. Law No. 12 of 2012 concerning the National Education System, specifically states that "University is an educational unit that organizes higher education". Higher education is "The education after high school which consists of diplomas, bachelor, master and doctoral programs". In Indonesia, higher education can be polytechnics, academies, high schools, institutes, and universities.

According to the Law. The aim of higher education will be realized by systematic organizational systems and excellent teaching staff. Organizational systems can be

defined as a coordinated and structured formal system of several people collaborating to achieve a common goal. Lecturers, according to the Education Law no. 14 of 2005, are professional lecturers with the main task of transforming, developing, and disseminating science, technology, and art through education, research, and community service. As the front liner, they are indispensable. When lecturers do not have good performance in carrying out the tri dharma (education-teaching, research, and service) of higher education, are not convincing, do not inspire students, then it can be said that universities as producers of agents of community change fail to be realized" (Education Council and Higher Education Ministry of Education and Culture, Republic of Indonesia, 2017).

In the era of disruptive innovation in the 21st century, many sectors in human life face challenges, including the education sector. Disruptive innovation is the innovation that destroys existing innovations by giving rise to new market categories (Ferdinan & Elitan, 2020). This definitely presents its own challenges for university leaders. In particular, the challenge for leaders of private universities is to maintain the existence and performance of higher education lecturers.

In Surabaya, based on the Higher Education Database, there are 110 universities, consisting of 71 private universities, 6 state universities, 25 religious universities, and 8 special universities (Ferdinan, 2020). Among 71 private universities, there are only 3 Catholic Universities: Widya Mandala Catholic University Surabaya, Darma Cendika Catholic University, and St. Catholic College of Health Vincent de Paul. They have challenges to maintain their competitive advantage in the era of disruptive innovation. One determining factor is the performance of lecturers. Therefore, universities are challenged to heighten their lecturers' performance.

In this era of change, leadership, organizational culture, and innovative work behavior affect performance. Among several leadership models, transformational leadership enables a leader to motivate workers to work for the achievement of organizational goals and to achieve the needs of workers at a higher level (Rizki, Parashakti, & Sargih, 2019). Organizational culture is about values or characteristics upheld by an organization. Innovative work behavior deals with a series of occupational activities carried out through stages with the ultimate goal of developing and improving effective work (Khulaifi & Purba, 2020). Performance is the achievement of success in carrying out tasks and the ability to achieve predetermined work goals.

It implies that lecturers need leaders able to transform and support the organizational culture improving innovative work behavior and performance. The transformational leadership model is believed to further improve the lecturer's performance. In addition, it is expected to increase the innovative work behavior of lecturers to be creative in improving their performance. On this basis, leadership transfer requires organizational culture on the performance of lecturers through innovative work behavior.

Transformational leadership comes from two different words, leadership and transformational. The word transformational is derived from 'to transform', which means changing something into another different form (Jufrizen, 2017). Purnomo and Saragih (2016:12) reveal that transformational leadership is a process in transforming individuals to change and maximize their self-potential, which involves motives and fulfillment of their needs. Transformational leadership evolves on a leader who serves as a motivator and a direction giver for subordinates to complete tasks so that organizational goals are achieved (Zeindra & Lukito, 2020). Transformational leadership inspires followers to go beyond their self-interest to achieve organizational benefits (Robbins & Judge, 2018, p. 261). Bass and Avolio in Purnomo and Saragih (2016, p. 13) specifically proposed four dimensions of transformational leadership, frequently referred to as "the four I's". They are Idealized influence (charisma), inspiration motivation, intellectual stimulation, and individualized consideration.

Organizational culture is a key factor affecting the performance of workers. A positive organizational culture will bring a positive effect on employees. Similarly, a negative organizational culture will bring a negative effect on employees. Shein and Luthan in Tawal, Adolfina, Pandowo, Melinda, Tawas (2017, p. 19) stated that organizational culture is a pattern of basic assumptions, which are created, developed, or discovered by individuals or groups based on external or internal adaptation experiences, since they are believed to bring a good impact, eventually taught to others as a way of understanding, feeling, or thinking about the problem. Robbins and Judge (2018, p. 355) argued that organizational culture is a system for sharing applied by organizational members to distinguish it from other organizations. Robbins (2006) in Pati (2019), explains that measuring organizational culture to translate how employees view the organization, increase initiative, value innovation, and encourage teamwork. Robbins and Judge (2018, pp. 355-356) suggested seven positive or main characteristics of organizational culture, including innovation and risk-taking, attention to small things or details, result orientation, personal orientation, team orientation, aggressiveness, and stability.

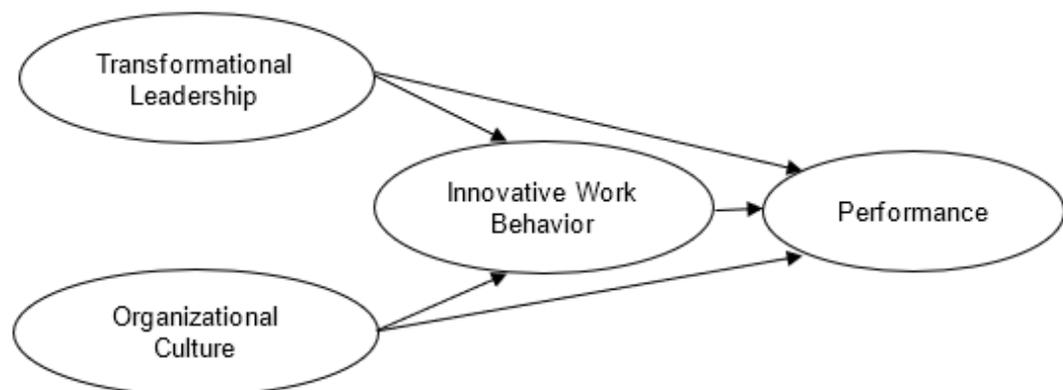
Behavior refers to one's acts focused on goals. In general, behavior is based on motivation from a certain desire to achieve certain goals. With regard to the word innovative, it cannot be separated from the word innovation. Innovation is related to ideas, processes, or products stated by individuals to have novelty. Innovation, according to West and Farr in Ancok (2012, p. 34), is the intentional application and introduction of new ideas, processes, procedures, or products for profit. The various explanations conclude that innovative work behavior is related to innovation.

De Jong and Den Hartog (2010: 24) stated that innovative work behavior is a variety of behavior arising from the creativity creating more innovative organizational behavior. In addition, Javed et al. in Kamae, Indrayano, and Darmawati (2020) defined innovative work behavior as the exploration of opportunities and the preparation of new processes, ideas, procedures, or products to bring about change, find new solutions, or improve processes. As attested by Zaltman et al. and Axtel et

al. in Ancok (2012:35,) innovative behavior consists of two processes, idea generation and idea implementation. According to De Jong and Den Hartog (2010), innovative work behavior is classified into three stages, idea generation, idea promotion, and idea realization.

Performance is vital in an organization as it serves as a benchmark reflecting the occupational achievement level of organizational members (Irmayanthi & Surya, 2020). Performance refers to the output of the occupational assessment within a certain period (Zeindra & Lukito, 2020). Armstrong (2014, p. 226) defines performance as the result of work that is related to organizational goals, customer satisfaction, and influence economic contributions. Stolovitch and Keeps in Sundari (2019, p. 9) defined performance as a set of results obtained and referring to action and the implementation of the requested work. Sutrisno (2010, p. 176) proposed factors that affect performance: effectiveness and efficiency, authority and responsibility, discipline, and initiative. On this basis, we suggest the conceptual model as illustrated in Figure 1.

**Figure 1.** Conceptual Model



Also, the hypotheses are:

- H1. Transformational leadership has a significant effect on innovative work behavior;
- H2. Organizational culture has a significant effect on innovative work behavior;
- H3. Innovative work behavior has a significant effect on performance;
- H4. Transformational leadership has a significant effect on performance;
- H5. Organizational culture has a significant effect on performance;
- H6. Transformational leadership has a significant effect on performance through innovative work behavior;
- H7. Organizational culture has a significant effect on performance through innovative work behavior.

## RESEARCH METHOD

The design of this research is explanatory research, specifically explaining the relationship between variables from research through hypothesis testing. The data is quantitative, obtained from primary data sources by distributing questionnaires to lecturers at Catholic Universities in Surabaya. The Catholic universities in question are Darma Cendika Catholic University, Widya Mandala Catholic University Surabaya, and St. Catholic College of Health Vincent. The sample comprises 204 respondents. The data were by Structural Equation Modeling (SEM), aided with LISREL (Linear Structural Relationship) version 8.80.

## RESULTS AND DISCUSSION

Table 1 shows that the majority of respondents have a working period of >15 years (43.1%), are postgraduates (72%), and are female (60.8%).

**Table 1.** Description of Respondent Profile

No.	Deskription	Total	Percentage
1.	Respondent		
	a. Widya Mandala Catholic University Surabaya	164	80,4%
	b. Darma Cendika Catholic University	25	12,3%
	c. Catholic Health College of St. Vincentius a Paulo	15	7,4%
2.	Years of Service		
	a. 1-5 year	49	24,1%
	b. 6-10 year	41	20,1%
	c. 11-15 year	26	12,7%
	d. >15 year	88	43,1%
3.	Educational background		
	a. Undergraduate degree	4	2%
	b. Postgraduate	147	72%
	c. Doctoral	53	26%
4.	Sex		
	a. Male	80	39,2%
	b. Female	124	60,8%

Source: Processed Data (2021)

**Table 2.** Multivariate Normality Test

Skewness			Kurtosis			Skewness & Kurtosis	
Value	Z-Score	P-Value	Value	Z-Score	P-Value	Chi-Square	P-Value
1358.667	59.661	0.000	3701.185	20.037	0.000	3960.937	0.000

Processed data (2021)

Based on Table 2, the p-value is less than 0.05. Therefore, the analysis was continued by using the asymptotic covariance matrix/ACM (Yamin & Kurniawan, 2009a, p. 131).

An indicator has good validity when the t value of the resulting factor loading is greater than the critical value, which is  $>1.96$ , or  $>2.00$ , and has a standardized factor loading of 0.7 (Yamin & Kurniawan, 2009b, p. 36). However, if the standard factor loading value of  $<0.50$  is 0.30, the variable is considered not to be deleted (Wijayanto, 2008, p. 139). Based on the results of data processing, it is known that the value of the standardized loading factor (SLF) of all indicators is 0.30, and the T-values of all indicators are 1.96. These signify all indicators are valid.

**Table 3.** Reliability Test

Variable	CR	Cut off	EV	Cut off	Result
Transformational Leadership	0,932	0,70	0,542	0,50	Reliable
Organizational Culture	0,957	0,70	0,531	0,50	Reliable
Innovative Work Behavior	0,953	0,70	0,659	0,50	Reliable
Performance	0,941	0,70	0,575	0,50	Reliable

Source: Processed Data (2021)

Table 3 illustrates that all variables have a minimum standard of Construct Reliability (CR) of 0.70, and a minimum standard of Extracted Variance (EV) of 0.50. This signifies all variables' reliability, enabling them to be used in the measurement of latent variables, and feasible for further analysis.

**Table 4.** Good Fit Model Test

Goodness of Fit Index	Cut off Value	Result	Description
NNFI	$\geq 0,95$	0,97	Good fit
RMR	$\leq 0,05$	0,04	Good fit
RMSEA	$\leq 0,08$	0,08	Good fit
CFI	$\geq 0,90$	0,97	Good fit
NFI	$\geq 0,90$	0,95	Good fit
AGFI	$\geq 0,90$	0,51	Not fit
IFI	$\geq 0,90$	0,97	Good fit

Source: Processed Data (2021)

Based on Table 4, among 7 assumptions of the research, 6 assumptions have good fit criteria, 1 assumption has no fit criteria. The results of the compatibility test imply that this research has good fit criteria and is feasible to proceed due to its fulfillment predetermined assumption test.

**Table 5.** Hypothesis Test

Hypotheses	Variable Relationship	T-Value	Cut off	Description
H1	Transformational Leadership → Innovative Work Behavior	-2,89	1,96	Accepted
H2	Organizational Culture → Innovative Work Behavior	6,87	1,96	Accepted
H3	Innovative Work Behavior → Performance	5,56	1,96	Accepted
H4	Transformational Leadership → Performance	-0,21	1,96	Rejected
H5	Organizational Culture → Performance	2,12	1,96	Accepted
H6	Transformational Leadership → Innovative Work Behavior → Performance	-2,57	1,96	Accepted
H7	Organizational Culture → Innovative Work Behavior → Performance	4,53	1,96	Accepted

Source: Processed Data (2021)

The hypotheses are accepted if the t-values are higher than 1.96.

#### **The Effect of Transformational Leadership on Innovative Work Behavior**

Based on the results of hypothesis testing (see Table 5), transformational leadership has a negative and significant effect on innovative work behavior (t-values = -2.89). This indicates that transformational leadership does not necessarily have a positive and significant effect on innovative work behavior since the leadership model is not be associated with innovation, yet in moderate conditions (Rosing, Frese, & Bausch, 2011). Basu and Green (1997) argued that transformational leadership in certain situations hinders innovative behavior. Leadership style does not affect innovation in the organization (Farid et al, 2020). Innovation behavior is hindered since transformational leadership can censor views and critical ideas, trigger followers' dependence, increase emotional attachment, and hinder innovation. In addition, the high vision possessed of transformational leadership does aim to create good performance, it can however create stress for workers who are unable to cope with pressure.

Innovation is a complex matter (Anderson et al., Bledow et al., King, Schroeder et al., & Van de Ven et al. in Rosing et al., 2011), which is influenced by abundant external and internal factors. As it is highly influenced by intellectuality, family, culture, education, and economy, people have innovation within themselves. Also, leadership is the external factor affecting individual innovation.

#### **The Influence of Organizational Culture on Innovative Work Behavior**

Table 5 also concludes that organizational culture has a positive and significant influence on innovative work behavior (t-values = 6.87). Catholic universities

promote the growth of a positive organizational culture. In addition, the Tridharma of Higher Education, education-teaching, research, and community service, brings a positive motivational influence to lecturers. It could not go unfulfilled due to the absence of novel creativity and innovation.

Organizational culture is a peculiar nature of an organization that is identical with values, norms, habits, and regulations. Organizational culture is the spirit of organizations delivering energy to them. It has a great influence on their member performance.

#### **The Influence of Innovative Work Behavior on Performance**

The hypothesis testing results show that innovative work behavior has a positive and significant influence on lecturer performance (t-values = 5,56). Innovation is affected by a number of internal and external factors. The internal factors are creativity (Heye in Sultika & Hartijasti, 2017) and self-leadership (DiLiello & Houghton in Sultika & Hartijasti, 2017). Self-leadership is a skill that drives one's innovation (Carmeli, Meitar, & Weisberg, 2006). It can be improved when personal effectiveness is increased through self-awareness and feelings of competence (Neck & Manz, 1996). These conclude that the lecturers at Catholic universities in Surabaya have the provision of creativity and self-leadership.

#### **The Influence of Transformational Leadership on Performance**

Table 5 indicates that transformational leadership has a negative and insignificant effect on lecturer performance (t-values = -0,21). Transformational leadership has a negative effect. The transformational leadership model emphasizes government regulations on education, rather than its actual dimensions. The emphasis on the output of transformational leadership ultimately makes the performance of the lecturers have no effect. The high vision of transformational leadership burdens lecturers. Routine tasks, such as lecturer certification, teaching, research, and publications elevate their workload. They already have knowledge of the results to achieve, in which their motivation does not depend on the figure of a transformational leader.

#### **The Influence of Organizational Culture on Performance**

The results of hypothesis testing show that organizational culture has a positive and significant influence on lecturer performance (t-values = 2,12). Organizational culture is a peculiarity of an organization identical to values, norms, habits, and regulations, delivering energy to the organization. Thus, organizational culture has a great influence on the performance of each member of the organization.

#### **The Influence of Transformational Leadership on Performance Through Innovative Work Behavior**

Based on the results of hypothesis testing, transformational leadership has a negative and significant effect on lecturer performance through innovative work behavior (t-values = -2,57). Currently, the lecturers are highly preoccupied with routine administrative tasks, managing functional positions, and professional

certification, which may hinder their innovative behavior. In addition, increasingly stringent regulations can prevent them from improving innovative behavior. The grand vision built by transformational leadership on the one hand has a positive impact on the direction of the institution. However, it simply adds burdens on them, ultimately decreasing their performance. Therefore, leadership declines creativity (Bogar, 2019).

Dependence also decreases performance through innovative work behavior (Basu & Green, 1997). Transformational leaders positively drive lecturer's complacent and dependent on the leader figure, decreasing their innovative work behavior. This highly will decline their performance.

### **The Influence of Organizational Culture on Performance Through Innovative Work Behavior**

Table 5 implies that organizational culture has a positive and significant influence on lecturer performance through innovative work behavior (t-values = 4,53). The organizational culture of the universities is the asset to maintain the lecturer's positive performance. The universities need to adapt their organizational culture to disruptive innovation. This will help educators to maintain their positive performance.

## **CONCLUSIONS**

Our analysis concludes that: 1) Transformational leadership has a negative effect on innovative work behavior; 2) Organizational culture has a positive effect on the innovative work behavior; 3) Innovative work behavior has a positive effect on lecturer performance; 4) Transformational leadership has no effect on lecturer performance; 5) Organizational culture has a positive effect on lecturer performance; 6) Transformational leadership has a negative effect on lecturer performance through innovative work behavior; 7) Organizational culture has a positive effect on lecturer performance through innovative work behavior.

These findings make suggestions that the university leaders do not push excessively lecturers to work more creatively as it could decrease the lecturer's innovative work behavior. The leaders who serve more than two terms could also decrease innovative work behavior because it creates attachment and dependence. To maintain their innovative work behavior, training, workshops, and comparative studies are necessary to stimulate the creative ideas. Informative measures of occupational success along with rewards for those who show high performance are of importance. Also, a clear strategy for the lecturer's career planning and comfortability are essential.

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