Increase Employee Morale through Transformational Leadership, Employee Relation, and Work Environment

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Abstract

This aims of this study is to determine the effect of transformational leadership, employee relations, and work environment on employee morale on employees of the Department of Trade, Cooperatives, and SMEs Magelang Regency. The type and design of research used in this study is quantitative research. Sampling in this study uses a saturated sampling technique and obtained a sample size that must be used is 130 employees. The analytical method used is the instrument test (validity and reliability), the classic assumption test, and the hypothesis test with the application of SPSS 22. Data collection methods using interviews, questionnaires, and literature studies. The results of this study indicate that three hypotheses were accepted. So it can be seen that transformational leadership has a positive and significant effect on employee morale. Employee relations have a positive and significant effect on employee morale. The work environment has a positive and significant effect on employee morale. Transformational leadership, employee relation, and work environment together has a positive and significant effect on employee morale.

INTRODUCTION

The growth of science and technology is increasingly rapidly in this century, making organizations both business organizations and public institutions are required to be able to make changes as a strategy to adapt to the environment in order to survive and sustainable organizations (Laksmana, 2014). Human resources are considered as one of the most important factors playing a major role in maintaining and maintaining organizational sustainability, credibility and creating public trust (Kalangi, 2015). Human resources are a challenge for management, because the success of management and others depends on the quality of human resources (Ranihuusna, 2010). Human resources in this case the employees are required to have a work spirit, so as to provide maximum performance for the company (Nazenin & Palupiningdyah, 2014). Human Resources (HR) that are superior with high quality are the demands of every organization to be able to achieve the goals set (Sudarma, 2012).

Employee morale is not a permanent potential, but rather is situational, one time up and one time down (Asnawi, 2000). This is in accordance with what is felt by an employee in the company. Therefore, fostering high morale must be considered a management responsibility that is permanent and continuous (Alwi, 2016). Therefore, the success of an organization is strongly influenced by the performance and employee morale (Fitriastuti, 2013).

Every organization, both business institutions and public institutions will always try to improve employee morale, the success of an
One of the leadership styles that can influence morale is transformational leadership. Transformational leadership is leadership that can inspire positive change to employees with full energy, enthusiasm, and passion to produce good performance for the company (Rawat, 2015). Therefore, transformational leadership needs to be owned by a leader, in order to increase the efforts of subordinates to achieve maximum results. The results of research conducted by Widiantari (2015) which says that leadership has a significant positive effect on employee morale. This shows that a leader can direct and influence subordinates to achieve company goals that have been determined, so that it will make employees work well and increase their morale. In contrast to research conducted by Ratnasari and Sutjahjo (2017) in his research it shows that transformational leadership has no effect on employee morale, meaning that existing transformational leadership is not in line with the expectations of its employees.

Furthermore, another factor that can affect employee morale is employee relations. According to Octanisa and Ariani (2018) an attempt by an organization to establish a relationship of employees (employee relations) can either be through a variety of activities such as recreation together, meetings, awards, and others. The relationship between employees has a function to manage cooperation between employees, especially to create effective communication within the company (Raharjo & Witiastuti, 2016).

The existence of employee relations will be very influential and lead to positive results, namely employees will feel valued and cared for by the leadership of the company, so they will be able to increase employee morale such as working wholeheartedly, highly disciplined, have loyalty to the company and employees are able to achieve effective work standards and efficient which will ultimately affect the quality of service or the delivery of services to customers. Therefore, the enthusiasm of work that exists in employees is very dependent on the relationship between employees one with other employees (Ruslan, 2014). Research conducted by Hillary (2018) states that employee relations have a positive and significant effect on morale, meaning that the better the relationship between employees (employee relations) in a company will increase employee morale.

In addition to transformational leadership factors and employee relations, there are factors that can affect employee morale, namely the work environment. The environment is one of the factors that influence employee morale (Widiantari, 2015). A good work environment will support employees to be happy with the workplace so that it can lead to a better morale. A pleasant work environment that provides satisfaction and security has a tendency to influence employee morale, because employees will not feel disturbed in carrying out their duties so that employees feel calmer, more serious and diligent in completing tasks.

Work environment is not as expected employees will reduce employee morale in the work (Wolf et al., 2015). Therefore, a good work environment is needed to improve employee morale. In completing work an employee needs a comfortable work environment, no matter how skilled an employee is when placed in a dirty work...
environment, heat, and low light intensity, it will experience difficulties and reduce the excitement of work and enthusiasm to complete his work (Ghoniyah & Masurip, 2011). Poor working environment conditions will have a negative impact on employee health, employees are easily sick, easily stressed, difficult to concentrate on working and can reduce employee morale (Permana-sari, 2013). The results of research conducted by Damayanti (2015) and Alexander (2018) states that the work environment has a significant effect on employee morale, meaning that the more fulfilled work environment in a dining company will increase employee morale.

**Hypotheses Development**

Rawat (2015) states that transformational leadership is leadership that can inspire positive change to employees with full energy, enthusiasm, and passion to produce good performance for the company. Therefore, transformational leadership needs to be owned by a leader, in order to increase the efforts of subordinates to achieve maximum results (Sartika, 2014).

Ramnasari and Sutjahjo (2017) suggested that the better the transformational leadership of a leader, the higher the employee morale, and vice versa the worse the transformational leadership of a leader, the lower the morale of his employees. So with that a leader must be able to increase employee morale with a transformational leadership style, so as to be able to achieve the objectives of the company or organization effectively and efficiently. According to research conducted by Ashari (2009) and Widiantari (2015) which states that transformational leadership has a positive and significant effect on employee morale, meaning that the better the transformational leadership a leader has, the more employee morale will be.

H1: The better transformational leadership style will improve employee morale

Hillary (2018) states that employee relations is one of the activities of a company or organization that focuses on the relationship between the leadership of the organization and members of the organization. The existence of employee relations will be very influential and lead to positive results that can increase employee morale in the company, because employees will feel valued and cared for by the leadership. An effort that can be done by an organization to build good employee relations can be through various activities such as joint recreation, meetings, giving awards, etc (Octanisa et al., 2018). The activities carried out will ultimately be able to improve and build employee job satisfaction which will later be able to build employee morale in doing work (Baskoro, 2014). This is supported by previous research conducted by Hillary (2018) which states that employee relations have a positive and significant effect on employee morale, meaning that the better employee relations in the company will be able to increase employee morale.

H2: The better employee relation will improve employee morale

Utamajaya and Sriathit (2015) states that the work environment is where a company is located as an external factor that influences work morale. In this case, the physical condition of a work environment has a big influence on the level of performance and employee morale (Ratri & Palupiningdah, 2014). With high morale, employees will be able to work with a happy feeling so that they will participate in their work, besides that with the increase in employee morale, the work will be completed more quickly. The work environment is one of the factors that influence employee morale (Widiantari, 2015).

According to Alexander (2018) employees need a comfortable work environment, no matter how skilled an employee is when placed in a dirty, hot, and low-intensity work environment, it will experience difficulties and reduce work enthusiasm and enthusiasm for finish the job. A good work environment will support employees to be happy with the workplace so that it can lead to a better morale. This is consistent with previous research conducted by Damayanti (2015); Pasaribu (2015); and Alexander (2018) which states that the work environment has a significant effect on employee morale, meaning that the more filled work environment provided to employees in the company will increase employee morale. This can be seen with employee work facilities that are met in accordance with work needs.

H3: The better self-efficacy will improve employee morale

Employee morale is influenced by several factors including transformational leadership, employee relations, and the work environment. According to Rawat (2015) transformational leadership is leadership that can inspire positive change to employees with full energy, enthusiasm, and passion to produce good performance for the company. Therefore, transformational leadership needs to be owned by a leader, in order to increase the efforts of subordinates to achieve maximum results.
Then Hillary (2018) suggested another factor that influenced the ape spirit was employee relations, which is one of the activities of the company or organization that focused on the relationship between the leadership of the organization and members of the organization. Besides the work environment is one of the factors that influence employee morale (Widiantari, 2015). The work environment is everything that is around the employee and that can affect employees in carrying out the tasks that are charged (Nitisemito, 2018).

H4: The better transformational leadership, employee relations and work environment will improve employee morale.

![Research Model](image)

**Figure 1. Research Model**

**METHOD**

The population used in this study were employees of the Department of Trade, Cooperatives, and SMEs Magelang Regency with a total of 130 people. The sampling technique uses saturated samples so that all populations in this study serve as research samples. Data collection techniques through questionnaires are distributed to all employees. Data analysis techniques used descriptive analysis and hypothesis testing using SPSS version 22. The variables in this study are transformational leadership, employee relations, work environment and employee morale.

**Validity Test**

Validity test is used to get the level of validity of the instrument and get the accuracy between the data that actually occurs on the object with the data collected by researchers (Ghozali, 2013). A questionnaire is said to be valid if the question or statement on the questionnaire is able to reveal something that will be measured by the questionnaire. An item statement is said to be valid if r arithmetic > r table (0.1723). The validity test in this study was processed using SPSS version 22. In this study tested 56 statements, where the transformational leadership variable consisted of 15 statements, employee relations consisted of 18 statements, the work environment consisted of 11 statements, and morale consisted of 12 statement items.

The results of the validity test on transformational leadership variables indicate that 15 statement items have r count> r tables. Item statement for transformational leadership variable is taken from an article Seval Donmez & Yonca Toker (2007) with example as follows: "Leaders make the workplace feel like a family environment". This can be said that 15 items of statements about transformational leadership are declared valid and can be used in subsequent data collection.

The results of the validity test on employee relations variable showed that 17 statement items had the value of r count> r table and 1 item statement had a value of r count < r table so that 1 item statement was invalid. Statement items for employee relations variables are taken from the article Gill & Meyer (2013) and Biggs (2013) with the following example "A harmonious culture of work communication exists within this organization". This can be said that 17 items statement about employee relations declared valid and 1 item statement declared invalid. There fore valid items can be used in subsequent data retrieval.

The results of the validity test on work environment variables indicate that 11 statement items have the value of r count> r table. Statement items for work environment variables are taken from the article Razak et al. (2016) with the following example "My workplace is comfortable and clean". This can be said that 11 items of statement about the work environment are declared valid and can be used in subsequent data collection.

The results of the validity test on morale variable showed that 12 items of the statement had the value r count> r table. Statement items for the morale variable were taken from Azwar (2007) with the following example "Able to complete tasks according to time set by the organization". This can be said that 12 items statement about morale is declared valid and can be used in subsequent data collection.
Realibility Test

A variable is said to be reliable (reliable) if it has a Cronbach Alpha value > 0.700. The reliability test in this study was processed using the SPSS version 22 program.

Based on the results of the SPSS output shows that the Cronbach Alpha value for transformational leadership variable is 0.895 > 0.700, Cronbach Alpha value for employee relations variable is 0.933 > 0.700, Cronbach Alpha value for work environment variable is 0.830 > 0.700, and Cronbach Alpha value for morale variable is 0.875 > 0.700. Then it can be concluded that all variables in this study have a Cronbach Alpha value greater than 0.700. This means that transformational leadership variables, employee relations, work environment and work morale are said to be reliable.

RESULT AND DISCUSSION

Respondents in this study were 130 employees of the Magelang Regency Office of Trade, Cooperatives and SMEs from 9 positions, namely the employment staff of 12 people, the finance department for 11 people, the program section for 10 people, the market sector for 12 people, the trade sector for 14 people, the UMKM sector as many as 15 people, the field of cooperatives as many as 12 people, the field of metrology as many as 14 people, and the PHD (Daily Implementing Service) as many as 30 people.

Descriptive Analysis

This analysis was conducted to determine the general perception of respondents regarding the variables studied. This analysis was carried out using index number analysis techniques to illustrate respondents’ perceptions of the questions raised (Ferdinand, 2014). This study uses independent variables, namely transformational leadership, employee relations, and work environment and the dependent variable morale. Based on the research that has been done, the analysis results obtained in the description in Table 1.

<table>
<thead>
<tr>
<th>No</th>
<th>Variable</th>
<th>Index</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Transformational Leadership</td>
<td>72.75</td>
<td>High</td>
</tr>
<tr>
<td>2</td>
<td>Employee Relation</td>
<td>67.87</td>
<td>Medium</td>
</tr>
<tr>
<td>3</td>
<td>Work Environment</td>
<td>68.28</td>
<td>Medium</td>
</tr>
<tr>
<td>4</td>
<td>Employee Morale</td>
<td>69.88</td>
<td>Medium</td>
</tr>
</tbody>
</table>

Hypothesis Test

Statistical Test T

Ghozali (2013) revealed that the statistical test t was used to show how far the independent variable was in explaining one dependent variable. In this study, regression analysis is used to determine the correlation of independent variables, namely transformational leadership, employee relation, and work environment to the dependent variable, namely employee morale. This test is performed using a significance level of 0.05 (5%).

Subsequent tests were conducted to determine whether there is an influence between variables that have been hypothesized before. The test results can be seen in Table 2.

Table 1. Descriptive Analysis Results

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>7.877</td>
<td>2.733</td>
</tr>
<tr>
<td>Transformational Leadership</td>
<td>0.080</td>
<td>0.036</td>
</tr>
<tr>
<td>Employee Relation</td>
<td>0.218</td>
<td>0.027</td>
</tr>
<tr>
<td>Work Environment</td>
<td>0.468</td>
<td>0.068</td>
</tr>
</tbody>
</table>

Equation: Employee Morale = 7.877 + 0.080 Transformational Leadership + 0.218 Employee Relation + 0.468 Work Environment
Hypothesis testing is done by comparing the t-statistic value for each latent variable with t-table (1.97897), which is said to be significant if the latent variable t-statistic is greater than 1.97897. Having done the research and analyzed to test the hypothesis, the results indicate that: H1: Leadership transformational effect on employee morale. Based on the value of t count 2.129 > t table 1.97897 and the significance value of transformational leadership on morale is 0.028 < 0.05 which means that transformational leadership has a positive and significant effect on employee morale. H2: Employee relations affect employee morale. Based on the value of t count 8.162 > t table 1.97897 and the significance value of employee relations to morale is 0.000 < 0.05 which means that employee relations has a positive and significant effect on employee morale. H3: Work Environment influences employee morale. Based on the value of t count 6.885 > t table 1.97897 and the significance value of the work environment on work morale is 0.000 < 0.05 which means that the work environment has a positive and significant effect on employee morale.

Statistical Test F

The F test or the simultaneous test aims to find out whether there is an influence of the transformational leadership variables, employee relations, and work environment together on employee morale and how much influence. Decision making criteria if the calculated F value is greater than the F table and the significance value is less than 0.05. This test uses SPSS 22 program assistance

<table>
<thead>
<tr>
<th>Model</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>654.165</td>
<td>69.746</td>
<td>0.000</td>
</tr>
<tr>
<td>Residual</td>
<td>9.379</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 3 shows that the significance value of 0.000 < 0.05 and the calculated F value of 69.746 which shows that the F count is greater than the F table (2.68) so that the fourth hypothesis or H4 is accepted. It can be concluded that there is a positive and significant influence between transformational leadership, employee relations, and work environment together on employee morale.

CONCLUSION AND RECOMMENDATION

Based on the results it can be concluded that the transformational leadership can improve employee morale Department of Trade, Cooperatives and SMEs Magelang. This means that the higher the level of transformational leadership will increase employee morale in the organization, conversely the lower the transformational leadership will decrease employee morale. The findings in this study indicate that the employee relations can improve employee morale. High employee morale can be created when a good relationship exists and there is cohesiveness between employees with their leaders and between employees and fellow colleagues. The findings in this study indicate that the work environment can increase the morale of the employees of the Magelang Regency Office of Trade, Cooperatives and SMEs. High employee morale can be created when the atmosphere of the workplace is pleasant, there is a good relationship with colleagues, and the facilities available are able to support the work of employees.

Suggestions for future research are expected to be able to conduct research on the same aspects to test the consistency of the results of this study by expanding the sample so that research results are more generalized. In addition, future research is expected to be able to conduct research on work spirit with objects in different fields, as well as expand the research sample.

REFERENCES


