

The Urgent Need for Transformational Leadership in the Globalizing World [A Study of Limited Liability Companies (PT) in Yogyakarta]

Mikhriani¹, Heru Kurnianto Tjahjono², Zainal Mustafa El Qodri³, Wisnu Prajogo⁴

¹Universitas Islam Negeri Sunan Kalijaga, Yogyakarta, Indonesia. E-mail: mikhriani1964@gmail.com

²Universitas Muhammadiyah Yogyakarta, Indonesia. E-mail: heruutilitas@yahoo.com

³Universitas Islam Indonesia, Yogyakarta, Indonesia. E-mail: Zet_meq@yahoo.com

⁴STIE YKPN, Yogyakarta, Indonesia. E-mail: wisnupurajogo@gmail.com

Abstract

The globalizing world has increasingly demanded the local elements to keep up with the rapid challenge of global development. Such local elements are organizations such as Limited Liability Companies (PT) located in the Special Region of Yogyakarta (D.I.Y), which are demanded to face the rapid challenge of global changes. By examining aspects of ORC (organization readiness for changes) of several Limited Liability Companies (PT's) in D.I.Y, through the field survey method, this study found that ORC is closely related to TL (transformational leadership) factors. TL is mainly resulted from three main components: Organization-Based Self-Esteem (OBSE), Collective Efficacy (CE), and Collective-Organizational Citizenship Behavior (COCB). A strong Transformational Leadership is an appropriate weapon for these PT's to face the global challenge.

Keywords: Limited Liability Companies (PT), TL, OBSE, CE, COCB, Yogyakarta.

INTRODUCTION

Globalization is a centre stage of competition, which not only provides opportunities but also pose threats for many countries across the globe, including Indonesia (Winarno, 2008). Like it or lump it, Indonesia is required to enter the free market arena of the global world (Hamid, 2004). Thus, it has no choice but to encourage competitiveness by utilizing intellectual capital and technology as a basis for innovation in companies (Hermana, 2004).

Indonesian government policy is a key trigger in the quest for global market challenge since it widely opens up the country towards global trade. Indonesia has actively liberated multi-lateral and uni-lateral trade under the supervision of the world trade organization (WTO), and in the regional area under the Asia-Pacific Economic Cooperation (APEC) and ASEAN Free Trade Area (AFTA) cooperation agreements. Economic liberalism becomes an umbrella for global market in Indonesia (Soesastro, 2004).

Some experts consider organization revitalization as the right strategy to deal with globalization. Such strategy is set to face the global market that is marked by fast, harsh, and uncompromising competition for weak

competitors. An organizational change must be based on the principle of business relationship (Hamsal, 1997).

In addition to establishing business relationships, companies may apply other alternative strategies, such as Global Competition with Broad Lines, Global Focus, National Focus, Protected Niche, External Environmental Analysis, Internal Environmental Analysis, Business Level Strategy, Company Level Strategy, Acquisition and Restructuring Strategy, International Strategy, and Leadership Strategy (Surjani, 2002).

Without a proper handle and a precise strategy in the face of change, an organization or institution is threatened to collapse and go bankrupt, including state institutions. At the national level, for example, the unhandled negative impact of globalization may threaten national integrity and disrupt the spirit of nationalism (Hendrastomo, 2007). Consequently, foreign cultural values may wipe out and replace local cultural values (Suneki, 2012).

The adverse impact of globalizing world in the field of global economy is the collapse of nationalism. Generally, the weakening nationalism often starts from the swelling of unemployment and high levels of poverty due to globalization. This tragic phenomenon is prevalent in developing countries, because

globalization only benefit the developed industrial countries but not the developing countries, such as Indonesia (Damanhuri, 2008).

Despite its risks, many countries has no choice but to enter global market mainly due to the state interest and government political policy. The state and the government have their own interests and policies related to globalization (Yuniarto, 2016). Thus, policyholders and decision makers play a significant role in bringing institutions or organizations into the wind of change to welcome the global challenge.

Many studies reveal that an organization's ability to face challenges, including the effects of globalization, depends on the commitment and efficacy of organizational members. The commitment and efficacy of employees/members is a main factor to shape the organization's readiness to change (Storkholm, Mazzocato, Tessma, & Savage, 2018). Commitment and efficacy are also closely related to the problem of cognitive perception. Members' perception on readiness to change has an effect on organizational readiness. Even though perception is at the individual level (Maseleno et al., 2019), it supports analysis at the organizational level. As a result, commitment, efficacy and individual perception to change are the main supporters of the organization's readiness to change (Shea, Jacobs, Esserman, Bruce, & Weiner, 2014).

Naimatullah Shah et al., found that organizational readiness to change is closely related to the behavior and personality traits of employees in the organization (Niamatullah, Irani, & Sharif, 2017). Individual perceptions and behavior ultimately also affect the organization. Individuals who are confident and ready to change increases the organizational readiness to change. Sanders, et al., found that perceptions of perceptors are determining factors for an organization's readiness to change (Sanders, Wolcott, McLaughlin, D'Ostroph, Shea, & Pinelli, 2017).

In addition, Zayim and Kondakci who discussed organizational trust by examining public schools in Turkey found a very strong relationship between the ability of organizations to change and organizational trust (Zayim & Kondakci, 2015). Trust is only born from dedicated members/employees to the organization. As Carlsson and Wadensten revealed, succesful implementation of

change depends on the high dedication of work partners.

This paper looks at a number of Limited Liability Companies (PT) in Yogyakarta, as an organization and policy of the authorities of each institution. The leaders in these companies are able to keep on changing and innovating to improve the readiness of their organization in facing the global challenges and the demands of change.

Recent research highlights that Yogyakarta is not a mere Student City but also a city with great potential to be of one of the centers of national economic growth as seen from the economic activity of some regencies such as Bantul with its agriculture, forestry and fisheries sectors, Yogyakarta City with its processing industry sector, Sleman Regency with its transportation and warehousing sector, and Kulon Progo and Gunung Kidul with the agriculture, forestry and fisheries sectors (Saputro & Soebagyo, 2017).

The Yogyakarta Provincial Statistics Agency report on the number of large and medium size companies or industrial businesses, which are classified according to Indonesian business standards, reflects the magnitude of economic and business potential in Yogyakarta. In 2013, for example, the number of companies in the Food and Beverage Industry accounted to 40, Tobacco Processing was 7, Textile was 28, Garments were 39, Leather was 10, Wood or Wood and Cork products were 34, Printing and Recording Media were 20, Coal Products and Oil Mining / Chemicals / Pharmaceuticals / Traditional Medicines were 13, Rubber or Rubber and Plastic Goods were 8, Non-Metallic Goods were 39, Non-Machined Metal Items and Equipment were 8, Electrical Equipment was 7, Furniture was 49, and Other Processing Industries were 20 companies. Therefore, the total number of companies in Yogyakarta province was 322 (BPS, 2013).

Amidst the growing current of Yogyakarta towards an industrial city life, a number of Limited Liability Companies (PT) have increased their international competitiveness and are ready to face the global challenges. These companies are mainly led by authorities and policy holders who constantly look at the bright side of globalization as no longer a threat but a challenge. As a

challenge, they must prepare their organization to face global challenge. These companies' readiness to change is the main reason for their readiness to face global competition.

This study examines the characteristics of transformational leadership in a number of Limited Liability Companies (PT) in D.I Yogyakarta. On the one hand, transformational leadership is an accumulation of the characteristics and organizational elements, but on the other hand, transformational leadership is also the driving force of organizations. In general, companies in Yogyakarta which are prepared to face global challenges, mainly have three main characters; high self-esteem, strong collective efficacy, and consistent Collective Organizational Citizenship Behavior. These three main characteristics form one transformational leadership characteristic as the main characteristic of companies in Yogyakarta.

METHODOLOGIES

This research used the field survey method by directly sending questionnaires to the respondents. Kerlinger and Lee said that the advantages of survey methods lie in their ability to check the validity of survey data (Kerlinger & Lee, 2000). In this study, a survey was carried out on the sample data of thirty Limited Liability Companies (PT) in Yogyakarta Province.

The researchers encountered some errors and weaknesses during the survey period in the form of non-response errors, the impact of bias, and administrative errors. Non-response errors were reduced by giving respondents early notice, motivating them, making interesting questionnaires, and checking the completeness of the questionnaire when receiving the questionnaire data. Errors resulted from interviewers' bias were reduced by improving the questionnaire through translation and back-translation of the research instruments.

This study involved sample respondents, instead of populations. Population is the total number of research objects, while sample is the selected number of the total population (Cooper & Schindler, 2013). The selection was done because the total number of companies as the research population in Yogyakarta amounted to 108 units. Therefore, 30 companies were selected to suffice

the sample, based on K. A. Bollen that the sampling guide is based on a ratio of 5 to 10 respondents for each parameter estimated (Bollen, 1989).

To analyze some of the sampled companies in this study and assess the readiness of these organizations to meet the global challenges, researchers used theoretical concepts related to the readiness of organizations to change as explained below:

1. Theory on Organizational Readiness for Change

Many experts and theorists define Organizational Readiness for Change (ORC). With different levels of analysis from the individual, organizational, supra-individual, macro-micro, to multi-level levels. At the individual level, an organization's readiness to change is defined as the readiness of an individual's perception of the work environment. If an individual sees his organization as ready to change, the organization is deemed ready to change (Eby, Adam, Russell, & Gaby, 2000).

At the organizational level, the readiness of the organization to change refers to the perception of the group members of the organization. If all groups or members of the organization are ready to change and implement it, their organization is considered ready to change. Thus, the definition refers to group attitudes or group perceptions as overall members of the organization (Weiner, Amick, & Lee, Conceptualization and Measurement of Organizational Readiness for Change: A Review of the Literature in Research Services and Other Fields, 2008).

At the supra-individual level, an organization's readiness to change is defined as a commitment of organizational members and their self-efficacy to change and implement organizational change. Member's commitment and sincerity to change is a reference an organizational readiness to change. Commitment is related to the intention in our heart (Weiner, Debate: A Theory of Organizational Readiness for Change, 2009).

At the macro-micro level, an organization's readiness to change is defined as the beliefs, attitudes and intentions associated with the success of change, failure, and implementation of

organizational change. Such failure can happen if it is linked to the inability of an organization to provide its members with awareness of processes or stages before attempting to make changes (Blackman, O'Flynn, & Ugyel, 2013).

Finally, at the multilevel aspect, organizational readiness to change is defined as work group change and a sense of preparedness to welcome organizational changes resulted from cognition, and influence other individuals because of the process of social interaction. Then it manifests into a greater collective movement (Rafferty, Jimmieson, & Armenakis, 2013).

Based on several theories to assess an organizational readiness to change, researchers selected thirty limited liability companies in Yogyakarta that met the criteria. These companies were able to provide space for awareness and stages of awareness of their organizational members to understand the importance of change in order to welcome the global challenges and free trade competition.

In terms of their dimensions, organizational readiness to change consist of two types; cognitive beliefs, and emotional responses. Cognitive beliefs mean the beliefs of organizational members about the need for the changes they want and their ability to implement those changes. Whereas emotional responses refers to positive feelings about today's change towards positive feelings in the future when the changes have actually taken place (Rafferty, Jimmieson, & Armenakis, 2013). This affirms that perception is a determining factor for an organization's readiness to change (Sanders, Wolcott, McLaughlin, D'Ostroph, Shea, & Pinelli, 2017).

2. Theory of Organization-Based Self-Esteem

In addition to the readiness of organizational members to change, another factor of no less important is organization-based self-esteem (OBSE). This type of self-esteem or OBSE is defined as a member's belief about himself after conducting a self-evaluation stage. The evaluation presents knowledge as well as satisfaction for members about themselves who have contributed to the organization or their workplace (Korman, 1976).

In other words, self-esteem in an organization is a reflection of the value of each member based on their respective roles in their organization. It is noteworthy that members with low self-esteem tend to be more reactive than members of high self-esteem (Ganser & Schaubroeck, 1991).

In the workplace, the concept of self-esteem of every member of the organization has a major impact on the process and results. Self-esteem and performance are closely related to each other. An employee who has high self-esteem, for instance, will consider himself as an important person, influential, and beneficial to his organization (Pierce, Gardner, Cummings, & Dunham, Organization-Based Self-Esteem Construct Definition, Measurement, and Validation, 1989), and vice versa.

Organization-Based Self-esteem (OBSE) plays an important role in the formation of organizational structure. Therefore, organizations can make appropriate considerations regarding the capabilities, contributions, and competencies of members of the organization. That way, self-esteem can support the formation of organizational systems, both open systems and organic systems (Gardner & Pierce, 1998). The formation of an efficient structure, which is able to face and respond to the challenges of the rapidly changing globalization, ultimately depends on the OBSE.

3. Theory of Collective Efficacy

Efficacy means a person's confidence in his ability to organize and carry out a series of activities to produce something as his liabilities. Collective Efficacy (CE) means a group's confidence in their ability to work together to organize and run certain programs and activities, which are directed to achieve some targets (Bandura, 1997).

The theory of collective efficacy is related to organizational readiness to change in aspects of member beliefs (Zayim & Kondakci, 2015). That way, organizational members believe that they are able to help well and synergize with other members to achieve organizational goals. The efficacy of one individual will interact with the

efficacy of another individual, mutually influencing each other, giving birth to the belief that they as members of the organization are able to implement changes that occur in their organization (Holt, Armenakis, Feild, & Harris, 2007).

The social interaction must take place because all members in one organization observe each other; learn and observe the behavior of their coworkers. This mutual understanding gives birth to shared beliefs or collective efficacy to change (Wood & Bandura, 1989). As a result, efficacy is both individual and collective beliefs that are useful for building organizational readiness to change. This efficacy theory can be used to analyze the commitment and confidence of employees and managers of Limited Liability Companies (PT) in the Special Region of Yogyakarta. The most recent research reveals that employee commitment and efficacy are factors that contribute to an organization's readiness to change (Storkholm, Mazzocato, Tessma, & Savage, 2018). phenomenon (Rafferty, Jimmieson, & Armenakis, 2013).

4. Theory of Collective-Organizational Citizenship Behavior

The Organizational Citizenship Behavior (OCB) is a theoretical concept about the contribution of employees or members of the organization that exceeds the duties of their formal position (Smith, Organ, & Near, 1983). Whereas the Collective-Organizational Citizenship Behavior (COCB) is the employee's contribution in supporting the organization's success with effective behavior. There are five dimensions of COCB: altruism (the behavior of employees who provide help to their colleagues outside their own duties and responsibilities), conscientiousness (voluntary behavior of employees that exceeds organizational expectations), sportsmanship (employee behavior that tolerates his organization without raising objections), courtesy (employee behavior that avoids conflicts between co-workers), and civic virtue (responsibility for the organization) (Organ, Podsakoff, & MacKenzie, 2006).

Organizational readiness to change depends on the contributions and high dedication of employees (Carlsson & Wadensten, 2018).

Carlsson and Wadensten's thesis concluded that organizations with high COCB would be far more able to withstand changes, including responding to the challenges of globalization and free market competition. COCB is a reflection of the commitment and support of organizational members to the organization in improving organizational performance (Bagheri, Matin, & AMighi, 2011).

The Theory of Collective Organizational Citizenship Behavior or employee contributions to the organization is essential because to analyze employee contributions in various Limited Liability Companies (PT) in Yogyakarta as the current research object. Employee behavior contributes greatly to an organization's readiness to change (Niamatullah, Irani, & Sharif, 2017). This justifies the thesis of Budhiraja highlighting that the readiness of employees to change is integral to the readiness of the organization to change (Budhiraja, 2019).

5. Transformational Leadership Theory

A leader shall be responsible for communicating collective values, managing prototypes, controlling the perception of employees or groups, to depend on his/her direction (Hogg, 2001). As previously explained, employee perceptions play an important role for implementing organizational change (Shea, Jacobs, Esserman, Bruce, & Weiner, 2014). Leadership is the ability to mediate groups to achieve a vision or set of specific goals, while transformational leadership (TL) is defined as a style or model of leadership that inspires members or followers to put aside their personal interests (Robins & Judge, 2008). Another view comes from Jones who defines TL as an idea of leadership that is able to transform groups or members of an organization from one level to the next, to produce significant positive changes (Jones, 2006, 1).

A transformational leader shall meet four criteria. First, he must be an influential by way of providing clear vision and mission, instilling pride in the hearts of his members, and being highly respected and trusted. Secondly, he must be an inspiring person. In this way, he is able to inspire his members, communicate the organization's high expectations using brief and simple language.

Third, he must be a challenging person. In this way, he shall be able to stimulate intelligence, rationality, and accuracy in solving problems. Last, he must be engaging, that is directly involved, by giving special and private attention to employees, treating employees according to position, providing training and advice (Jones, 2006, 1).

The role of transformational leadership is to create a management system approach, such as identification, understanding, and regulation of interrelated processes, to improve organization effectiveness and efficiency in achieving its objectives. This is done through the media that encourage the enthusiasm of organizational members to change. Transformational leadership is able to understand the needs of each member/employee to achieve the best potential of each individual (Bass & Avolio, 1995).

This Transformational Leadership Theory can be used to see the policy actions of the authorities in several Limited Liability Companies in D.I Yogyakarta, to ensure the their organizational readiness to change, innovate, and respond well to the global challenges. This Transformational Leadership Theory can define the characteristics of employees, leaders, and organizations that are ready to change and implement a policy of change.

RESULTS AND DISCUSSIONS

1. Profile of Limited Liability Companies (PT) in The Special Region of Yogyakarta

The Special Region of Yogyakarta has 30 (Thirty) Limited Liability Companies (PT) that reflect Transformational Leadership (TL). These companies were located in Sleman Regency, Yogyakarta City, Kulon Progo, and Bantul. Sleman has 10 industries with different sectors. Some companies working in the Craft Sector were PT. Bhumi Prama Cipta, PT. Homeware International Indonesia, PT. Dowa Hannandy Utama, PT. Talaindo Interior, and PT. Dian Mandala. Some companies in the plastics sector were PT. Sport Glove Indonesia, PT. Starlight Prime Thermoplas, PT. Supratik Suryamas, and PT. Anwid Graha, while in the Metal and Electronics sector there was PT. Kalalan Mega Andalan.

On the other hand, 5 companies located in the city of Yogyakarta were all engaged in the craft sector, namely: PT. Bina Yasa Adhi Persadha, Trans Zone, Gunung Mas Persada, Walser Automotive Textiles, and PT. Green Living Indonesia. In Bantul Regency, the handicraft sector was driven by PT. Eastren Living International, Habib Leather & Craft, Harp Inti Mandiri, Martini Leather Handicraft, Brask Bagaskara, Nine Square Indonesia, Dewi Mahasadu, Surya Palem Sewu, Rumindo Pratama, Timboel, Tashinda Putra Prima, Out of Asia, and PT. Merapi Mas Abadi. While those engaged in the plastics sector, one of them was PT. Maesindo Masanusa. Finally, the company located in Kulon Progo Regency was PT. Sung Chang Indonesia which was engaged in the handicraft sector.

This data point out that the handicraft industry sector dominates the industry in Yogyakarta. That way, the craft sector is the most prepared in facing the global changes in Yogyakarta. In fact, the percentage of the handicraft industry in Yogyakarta as the research respondents was far greater than that of other industries. It is no wonder because since 1986, the Minister of Industry has reported the handicraft sector as a labor-intensive industry with a percentage of 46.24%, followed by the plastic industry with 32.26%, the metal and electronics industry with a percentage of 21.50% (SK Minister of Industry No.19 / M / I / 1986).

The aforementioned data pinpoint that the limited liability companies of handicraft industry was the most predominant respondents in this study with labor intensive categories. There were 43 workers in the craft sector, followed by the plastic industry with 30 workers, all of whom gave their opinion as the research respondents.

Based on the education level of the respondents, it is conclusive that some limited companies in DIY are held by educated people with graduate and undergraduate degrees, even though some are also held by high school graduates. PT. Mega Andalan Kalasan was a company led by a director with a master degree and 25 years work experience as director. Meanwhile, PT. Bhumi Prama Cipta, Sport Glove Indonesia, Talaindo Interior, Maesindo Masanusa, Nine Square Indonesia, Harp Inti Mandiri, Gunung Mas Persada, Walser Automotive Textiles, Out of Asia, Tashinda Putra Prima, Bina

Yasa Adhi Persadha, Sung Chang Indonesia and PT. Green Living Indonesia were led by a director with an undergraduate degree.

On the other hand, those who graduated from Diploma 3 hold positions as middle managers, as in the case of PT. Trans Zone, PT. Habib Leather & Craft, and PT. Martini Leather Handicraft. However, there were some undergraduates who held the position of an Associate Manager, such as PT. Dian Mandala, PT. Starlight Prime Thermoplas, PT. Dowa Hannandy Utama, PT. Homeware International Indonesia, PT. Rumindo Pratama, PT. Surya Palem Sewu, and PT. Eastren Living International. While the high school graduates only hold positions as supervisors or assistant managers, as in the case of PT. Bagaskara Brite, Dewi Mahasadu, Merapi Mas Abadi, Anwid Graha, Supratik Suryamas, and PT. Timboel.

The trend indicates that people with a bachelor's degree are far more dominant than those who have a high school diploma. Top positions such as Director / Manager are held by graduates or at least diploma graduates (D3). Whereas those with high school / equivalent certificates only hold supervisors and assistant manager positions. This is one of the reasons why Limited Liability Companies (PT) in Yogyakarta have global competitiveness, are able to innovate, and are ready to change to meet the global challenges. These company leaders who are intellectual, academic, scientific and critical thinkers have played their important role by building organizational culture based on scientific and academic reasoning.

2. The Organization-Based Self-Esteem of Limited Liability Companies in Yogyakarta

The Organization-Based Self-Esteem of Limited Liability Companies in Yogyakarta is apparent from the self-esteem of employees and their leaders. As Korman highlighted that self-esteem (OBSE) is defined as confidence in the self after having evaluation (Korman, 1976). Thus, the self-esteem of companies in Yogyakarta is also reflected in the confidence of employees/leaders over themselves. One of the confidence parameters is apparent from their

profile and work experience because work experience of a leader can foster the self-esteem towards the organization (Brutus, Ruderman, Ohlott, & McCauley, 2000).

The length of service of a respondent was divided by time span and category. Those who worked for less than 5 years were called juniors, totaling 16 from the total sample of this study. Those who work for between six and ten years were called young workers with a total of 47 people; those with a term of service for 11 to 15 years were called middle with a total of 11 people, those with a term of service of 16-20 years were called a senior with a total of 10 people, and those who work for more than 20 years were called a main senior with a total of 9 people.

In the handicraft sector, no one worked under 5 years, either in a position as supervisor, assistant manager, middle manager, main manager, or director. Respondents showed that 26 people had a range of tenure of 6-10 years, 11 people with a period of 11-15 years, and 6 people had work experience for 16-20 years.

Similar trend occurred in the plastic industry sector, where no one had the work span under 5 years. There were 19 people whose work tenure was in the range of 6-10 years, 9 people with 11-15 years, and 2 with 16-20 years. The metal and electronics industry also had no one with work span under 5 years. There were 11 people whose tenure was about 6-10 years, 4 people who had 11-15 years of work span, 3 people who had 16-20 years, and 2 people who had more than 20 years working in the metal and electronics sector.

The tables on position and work experience of respondents indicate that Limited Liability Companies (PT) in Yogyakarta are deemed ready to change and to face global challenges. These companies were led by experienced workers with at least diploma of higher education. Work experience and education background are the main capital to form the Self-Esteem of Limited Liability Companies in all D.I Yogyakarta.

Quantitatively, the probability value of Limited Liability Company in the Special Region of Yogyakarta (OBSE) reaching 0.66 is above 0.05. This number indicates that the OBSE measurement is valid and fit. The analysis reveals that all OBSE indicators are above the minimum factor value criteria with a magnitude of 0.4 (Tabanick & Fidell, 1996). This study used OBSE

indicators of living consciously, accepting, responsibility, assertiveness, purposefulness, and integrity. All employees in these companies accept and possess these characteristics.

3. Collective Efficacy of Yogyakarta Limited Liability Companies

Collective efficacy (CE) is defined as the trust of all members of an organization to complete a series of activities and tasks in order to achieve a change and implement it (Bandura, 1997). The Collective Efficacy of Limited Liability Companies in Yogyakarta can be seen from the experience and tenure of the respondents. Based on the work tenure table, 50.54% of employees are included in the 'Young Associate' category or 6-10 years work period.

Robins and Judge articulated that work span can be a variable that influences the exposure or rejection of change. The agents of change, in terms of both employees and leaders, are those who have worked in the range of 6 to 10 years, namely a period of time that is neither too long nor too short. Conversely, those who had a work spans that are too short or too long tend to reject change and are not ready to change (Robins & Judge, 2008).

The large number of agents of change who hold the high positions in the limited liability companies in the Special Region of Yogyakarta, which was 50.54% of the total respondents, is the reason why these companies are far more able to change and implement plans for change. With a work span of 5 years, these middle managers are confident that they will be able to carry out more innovative activities in the future in the face of the next few years to come. They could learn from experience over the past 5 years that increases their confidence or collective efficacy (CE) in the organization they lead.

As seen from quantitative aspect, the probability value of Collective Efficacy (CE) of Limited Liability Companies in D.I Yogyakarta is 1 and this number is above 0.05. In other words, the Collective Efficacy measurement of these companies in Yogyakarta is fit and valid. Some CE indicators such as readiness to act on behalf of the group (perceived efficacy to take action as a group), belief in the ability of group members (perceived efficacy to other community

members), and belief in the ability to overcome problems together (perceived efficacy to solve problems as a group) can be accepted and run effectively.

4. Collective Organizational Citizenship Behavior of Limited Liability Companies in Yogyakarta

Collective Organizational Citizenship Behavior is defined as an effective contribution of employees to the organization, even if it exceeds their own obligations and responsibilities (Organ, Podsakoff, & MacKenzie, 2006). The ideal behavior of collective limited liability companies throughout Yogyakarta is obvious from the collective tolerance of members of the organization to maintain good relations between members, so that organizational performance is increasing rapidly.

In terms of quantitative aspect, the probability value of Collective Organizational Citizenship Behavior (COCB) of Limited Liability Companies in Yogyakarta is 0.423. This number is above 0.05 and indicates that COCB of Limited Liability Companies in Yogyakarta are fit and valid. Various indicators are related to this COCB, including the importance of others (altruism), respect and courtesy, sportsmanship, caution and conscientiousness, and the value of civic virtue to be well received by all members of the organization. Employees of Limited Liability Companies in Yogyakarta are proven to prioritize values that lead to the principle of Collective Organizational Citizenship Behavior (COCB).

5. Transformational Leadership of Limited Liability Companies in Yogyakarta

Limited Liability Companies in Yogyakarta are said to have a prototype of transformational leadership that is defined as a style or model of leadership that inspires members or followers to put aside their personal interests (Robins & Judge, 2008). The transformational leadership is assessed from the probability of TL that reaches 0.362 above 0.05, which indicates that the TL measurement is fit and valid. All indicators that support TL are valid and accepted by all respondents. These indicators include the

influences of leaders (influencing), the ability of leaders to inspire subordinates and their employees (inspiring), the ability of leaders to provide challenges to change (challenging), and the ability of leaders to provide personal assistance and a warm approach to employees (engaging).

All respondents' perceptions of each research variable and its dimensions can be summarized as follows. First, for the OBSE variable, the minimum value is 4.00 with a maximum value of 6.00. Second, for the CE variable, the minimum value is 3.00 and the maximum value is 6.00. Third, for the COCB variable, the minimum value is 3.40 and the maximum is 6.00. Fourth, for the TL variable, the minimum value is 3.50 and the maximum is 6.00. Fifth, for the ORC variable, the minimum value is 3.50 and the maximum is 6.00. These values are classified in high category.

The data above indicate some noteworthy points. First, the average value of Organization-Based Self-Esteem (OBSE) is relatively high, reaching 5.1755, which is on the scale of 1-6. Second, the average value of Collective Efficacy (CE) is relatively high, reaching 5.0099 in the scale of 1-6, which proves that members of limited liability companies in Yogyakarta tend to have high collective efficacy. Third, the average value of Collective Organizational Citizenship Behavior (COCB) is also high, reaching 5.0391 in the scale of 1-6. This shows that employees in limited liability companies in Yogyakarta tend to exhibit Collective Organizational Citizenship Behavior. Fourth, the average value of Transformational Leadership (TL) is also high, reaching 5.2530 on a scale of 1-6. Finally, the average value of Organizational Readiness for Change (ORC) was also high, reaching 5.1203 on a scale of 1-6.

Effects of OBSE, CE, and COCB on TL

To develop the hypotheses, this study found that Organization-Based Self-Esteem (OBSE), Efficacy (CE), Ideal Behavior (COCB) have a significant impact on Transformational Leadership (TL). Pierce said that self-esteem plays a major role in transformational leadership in its position as member self-evaluation (Pierce, Gardner, Cummings, & Dunham, Moderation by

Organization-Based Self-Esteem of Role Condition-employee Response Relationship, 1993). Thus, OBSE is vital to support TL.

Meanwhile, TL also requires collective efficacy (CE). Fitzgerald and Schutte highlighted that a transformation leader with self-efficacy can have a positive impact on improving employee and organizational performance (Fitzgerald & Schutte, 2010). Conversely, leaders who do not have self-efficacy will find it difficult to influence subordinates and the organizations they lead. In other words, CE has a significant influence on the formation of TL characters.

Finally, Collective Organization Citizenship Behavior (COCB) also influences the formation of Transformational Leadership (TL). Shin considered that ethical leadership in the CEO is positively related to the formation of employee perceptions of ethical climate in the company. Therefore, this ethical climate has a significant influence on the collective ideal behavior. Weak ethical climate in a company will affect the Collective Organizational Citizenship Behavior of the company's employees (Shin, 2011).

The data revealed that OBSE, CE, and COCB in the companies throughout The Special Region of Yogyakarta proved to have an effect on the formation of TL. The significance level of influence is presented in the following table scheme. First, the effect of OBSE on TL is shown by a P value of 0.012, with the direct effect of 0.255. Second, the effect of CE on TL is indicated by a P value of 0.045, with the direct effect of 0.200. Third, the effect of COCB on TL has a P value of 0.040, with the direct effect of 0.178.

The above table scheme points out that Organization-Based Self-Esteem has a significant effect on Transformational Leadership (TL), with a P value = 0.012. P value <0.05 indicates the hypothesis demonstrating that OBSE has an effect on TL is valid and fit. Thus, it is implied that the higher the OBSE, the higher TL.6.00. These values are in the high category.

In addition, CE also has a significant effect on TL, with a value of $p = 0.045$. P value <0.05 indicates that the hypothesis indicating that CE has an effect TL is confirmed. The implication is, the higher the CE, the higher the TL. Finally, the data above also shows that COCB has a significant impact on TL, with a value of $p = 0.040$. P value <0.05 confirmed the hypothesis

highlighting that the influence of COCB on TL is fit and valid. Thus, it is implied that the higher the COCB, the higher TL.

Conclusion

This research concludes that the thirty limited liability companies throughout the Special Region of Yogyakarta are ready to change. The most well-prepared organization is the companies in the handicraft industry. That is because these organizations are led by a strong and important figure as characterized by Transformational Leadership (TL). Transformational Leadership (TL) of various limited liability companies in Yogyakarta is resulted from several other important elements, such as organization-based self-esteem (OBSE) of the employee, high collective efficacy or employee confidence (CE), and positive behavior of the employee (COCB). As a result, these companies are motivated to be ready to change and improve their competitiveness in the face of global challenge. TL is urgently needed to prepare the company readiness to change.

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