



**Proceedings of
4th International Conference
on Management, Finance and Entrepreneurship
ICMFE-2015**

**Garuda Plaza Hotel, Medan, Indonesia
April 11-12, 2015**



Ankara, Turkey



"PETRE ANDREI" of IASI, Romania



**SHINAWATRA
UNIVERSITY**

Bangkok, Thailand



NAM, Ukraine

Proceedings

4th International Conference on Management, Finance & Entrepreneurship

Medan, Indonesia

11 -12, April 2015

ISSN 2311-6269

Organized by

**International Foundation for Research and Development
(IFRD)**

Preface

Dear Distinguished Delegates and Guests,

The Conference Committee warmly welcomes our distinguished delegates and guests to the 2015 International Conference on Management, Finance and Entrepreneurship (ICMFE-2015) held on April 11-12 in Medan, Indonesia.

ICMFE-2015 is organized by International Foundation for Research and Development (IFRD). The conference is aimed at discussing with all of you the wide range of problems encountered in present and future issues in economies and Societies. ICESS-2015 is organized in collaboration with Universitas Islam Sumatera Utara, Medan, Indonesia, Yildirim Beyazit University, Turkey, Shinawatra International University, Thailand, PERTRE ANDERI of IASI, Romania and National Academy of Management, Ukraine where researchers from around the world presented their work. The conference committee is itself quite diverse and truly international, with membership around the world.

Proceeding records the fully refereed papers presented at the conference. Main conference themes and tracks are Management, Finance and Entrepreneurship. Conference aims to bring together researchers, scientists, engineers and practitioners to exchange and share their experiences, new ideas and research results about all aspects of the main conference themes and tracks and discuss the practical challenges encountered and the solutions adopted. The main goal of the event is to provide a scientific forum for exchange of new ideas in a number of fields that interact in depth through discussions with their peers from around the world.

Conference has solicited and gathered technical research submission related to all aspects of major conference themes and tracks. All the submitted papers have been peer reviewed by the reviewers drawn from the scientific committee, external reviewers and editorial board depending on the subject matter of the paper. Reviewing and initial selection were undertaken electronically. After the rigorous peer-review process, the submitted papers were selected based on originality, significance, and clarity for the purpose of the conference. Conference program is extremely rich, featuring high-impact presentations. The high quality of the program guaranteed by the presence of an unparalleled number of internationally recognized top experts. Conference will therefore be a unique event, where attendees will be able to appreciate the latest results in their field of expertise, and to acquire additional knowledge in other fields. The program has been struttred to favor interactions among attendees coming from many diverse horizons, scientifically, geographically, from academia and from industry.

We would like to thank the program chairs, organization staff, and members of the program committee for their work. We are grateful to all those who have contributed to the success of ICMFE-2015 especially our partners. We hope that all participants and other interested readers benefit scientifically from the proceedings and find it stimulating in the process. Finally, we would like to wish you success in your technical presentations and social networking.

We hope you have a unique, rewarding and enjoyable time at ICMFE-2015 in Medan.

With our warmest regards,

Conference Committee
April 11-12, 2015
Medan, Indonesia.

ICMFE-2015

Conference Committee

Conference Chair

Jumino Suhadi, Ph. D., Universitas Islam Sumatera Utara, Medan, Indonesia

Conference Co Chair

Dileep Kumar, M., Ph. D., University Utara Malaysia, Malaysia

Conference Convener

Dra. Hj. Hasrita, M.Pd. Ph. D., Universitas Islam Sumatera Utara, Medan, Indonesia

Members

Sisira R. N. Colombage, Ph. D., Monash University, Victoria, Australia

John C. Walsh, Ph. D., Shinawatra International University, Bangkok, Thailand

Nek Kamal Yeop Yunus, Ph. D., Univerisiti Pendidikan Sultan Idris , Perak, Malaysia

Alexandru Trifu, Ph. D., University, Petre Andrei, Iasi, Romania

Izah Mohd Tahir, Ph. D., University Sultan Zainal Abidin, Terengganu, Malaysia

Rishidaw Balkaran, Ph. D., Durban University of Technology, South Africa

Hamdan Said, Ph. D., Universiti Teknologi Malaysia, Johor Bahru Johor, Malaysia

Johan de Jager, Ph. D., Tshwane University of Technology, South Africa

Somnath Sen, Ph. D., University of Birmingham, United Kingdom

Chux Gervase Iwu, Ph. D., Cape Peninsula University of Technology, South Africa

Chandana Prasad Withana, Ph. D., Charles Sturt University, Sydney, Australia

Susantha Herath, Ph. D., St. Cloud State University, USA

Wei-Bin Zhang, Ph. D., Ritsumeikan Asia Pacific University, Japan

Katalin Jackel, Ph. D., Budapest Business School, Budapest, Hungary

R K Uppal, Ph. D., DAV College, Punjab, India

M. Saman Dassanayake, Ph. D., University of Colombo, Colombo, Sri Lanka

Ayhan Kapusuzoglu, Ph. D., Yildirim Beyazit University, Turkey

Ahasanul Haque, Ph. D., International Islamic University Malaysia (IIUM), Malaysia

Boubker Sbihi, Ph. D., I-shcool ESI, Rabat, Morocco

Pratibha Samson Gaikwad, Ph. D, Shivaji University of Pune, India

International Conference on Management, Finance & Entrepreneurship (ICMFE-2015)

Table of Contents

Description	Pages
Preface	ii
Conference Committee	iii
Table of Contents	iv
Papers	vi
Developing Islamic City through Network-of-Mosque (NoM), Abdul Rahman Ahmad Dahlan, Ammar Ihsan Nasution, Muhammad Iqbal Husaini, Mohamed Hassan Ahmed	1
The Influence of Job Market Factors and Parental Influence towards Accounting Students in Becoming Professional Accountants in Indonesia, Vina Arnita	15
Using the Social Network for Business Sustainability: Examining Start-up SME Firms in Malaysia, Ehsan Fansuree Surin, Ismail Ab. Wahab, Mohd. Hazman Fitri Hussin, Mohd Najib Saad, Mior Harris Mior Harun	19
Weekend Effect of Stock Returns in Indonesia: The Unconditional Method and the Conditional Method, Ika Pratiwi Simbolon	29
World Oil Price Movement And Stock Return on Some Capital Markets in Southeast Asia, Hersugondo, Robiyanto, Harjum Muharram	38
The Examination of Day of the Week Effect and Turn-of-Month Effect in Indonesian Stock Exchange using Garch Approach, Hersugondo, Robiyanto, Irene Rini D. P.	43
Minimalizing Agency Costs through Bonding Mechanism, Maya Indriastuti, Chrisna Suhendi	50
Fat to Fit – an Asian Obesity Management Program and the Malaysian Case Study, Dee Dee A. SALLE, Yii Bonn BONG, Abdul Majid MOHAMED, Asma Ahmad SHARIFF, Amir Feisal MERICAN	54
Entrepreneurship Education in Sports: Issues and Challenges, Payam Ansari, Solha Husin	60
Analyze on the Influence of Financing Risk, Capital Adequacy and Financing to Deposit Ratio to Profitability Islamic Bank in Indonesia, Osmad Muthaher, Sri Dewi Wahyundaru	67
The Effect of Characteristics and Behavior, Socialization and Perception, and Financing System of SMEs on Financing Distribution of Islamic Banking, Sri Dewi Wahyundaru, Osmad Muthaher	78
Role of Commitment in the Relationship between Islamic Leadership and Islamic Work Ethic on Employee Performance, Heru Sulisty	83
Fraudulent Financial Statement (Factors Analysis), Imam Setijawan, Yulfarida Listyo Pertiwi	90
Acceptance Analysis of Smart Transport Application Using Technology Acceptance Model Approach, Zuniati Hasiholan Sinaga, Ratih Hendayani	98
Dampak Tekanan Organisasional Terhadap Stres Kerja Pada Perawat Rumah Sakit Islam (RSI) Di Kota Semarang, Ardian Adhiatma, Yuka Windyaningtyas	105
Environmental Management Practices in Small Batik Industry in Kelantan, Malaysia, Mohd Rafi Yaacob, Nur Faizah Mat Zain, Mohd Nazri Zakaria, Muhammad Ismail	117
Individual Psychology as Component of Entrepreneurial Process: The Cognitive Perspective Contribution of the New Venture Creation among E-Commerce Entrepreneurs, Ahmad Firdause Bin MdFadzil, Mohd Rafi Bin Yaacob, Mohd Nazri bin Muhayiddin	125
The weak of control systems result in the emergence of a number of problems within the organization, Muhammad Jafar Shodiq	133
Factors Influencing Trends Against Fraud (Fraud): Employee Perceptions of District Kendal, Dedi Rusdi, Zulmina Kumalasari	134
Determinant Factors of Cooperative Capital Structure in Financial Perspective, Sugiyanto	144
How to Promote Franchisee Endurance in the Franchise System based on Entrepreneurial Orientation, Erlinda	153
Independent Value Creation: Concept, Activities and Implications, Yudi Sutarso	161
Model of Improvement Operational Performance Based on Quality Management, Creativity Innovation, Imitating and Role of Strategic Human Resources, Marno Nugroho	170
Improving New Product Performance through Market Intelligence Quality, Customer	179

Interaction Capabilities and Customer-Centric Commitment on Indonesia Micro Retail Fashions, Hendar, Tatiek Nurhayati	
Aggregate Economic Forces and Malaysian Equity Market: Equilibrium Time-Series Approach, Mohamed Ibrahim Mugableh	192
Pengaruh Right Issue Terhadap Kinerja Keuangan Pada Perusahaan Terbuka Sektor Perbankan Di Indonesia, Oleh, Ibnu Khajar	199
Female Fertility and Labour Force Participation for Asean-5: A Dynamic Heterogenous Panel Analysis, Thirunaukarasu Subramaniam, Nanthakumar Loganathan, Mazlan Majid	209
Corporate Social Responsibility and Airline Performance, Teguh I. Maulana	210
The Influence of Money Perception toward Unethical Behavior of Employee (A Study at the Supreme Court in Southeast Sulawesi), Moh. Ali Shahab, Ismanto	224
Improving Entrepreneurs Capability Models of the Creative Industry Through The Triple Helix and Anticipatory Learning, Tatiek Nurhayati, Mulyana	233
Change Management in the Higher Education Landscape: A Case of the Transition Process at a South African University, Renitha Rampersad, Vaneshree Govender	242
The Influence of Audit Committee Efektivity toward Earning Management Practices, Dista Amalia Arifah, Wahyu Agung Isriyani	243
The Improvement of Organizational Citizenship Behavior (OCB) Affected By Transactional Leadership Style, Abdul Hakim, Asnur	249
Entrepreneurial and Relationship Marketing toward Innovation and the Impact on Business Performance on Small Industries of Wearing Apparel in West Java, Sambudi Hamali, Yuyus Suryana, Nury Effendi, Yudi Azis	259
Credit Risk Influence on Systemic Risk in Indonesia Banking System, Alfiana, Erni Tisnawati Sule, Sutisna, Dian Masyita	267
Perception and Expectation of Marketing Mix on Customer Satisfaction and Confidence in Consumer Finance Branch Mandala Multifinance Poleang, Shouteast Sulawesi Province, Wuryanti K., Usman Nur U.	275
The Relationship between Environmental Management, Environmental Performance, and Company Performance at Small-Medium Enterprises, Budhi Cahyono	283
Entrepreneurial and Market Orientation towards Innovation and Marketing Mix Strategy, and their Impact on Business Performance on the Florist Business in Dki Jakarta Province, Cecep Hidayat, Yuyus Suryana, Faisal Afiff, M. Fani Cahyandito	291
Improvement of Human Resources Performance through Empowering Leadership, Intrinsic Motivation, Training and Employee Wellbeing, Mutamimah dan Haryana	292
Effect of Islamic Based Leadership Style to Motivate Creativity of Syariah Bank Employee, Muhammad Tafsir, Roziana Bt Shaari, Azlineer Bt Sarip	293
Analysis the Effectiveness of Cocoa Distribution Channel in the Province of Aceh, Indonesia, Syafruddin Chan, Rulfah M Daud, Fauziah Aida Fitrie	294
The Role of Marketing Environment Audit in Marketing Performance through Index Of Services Marketing Excellence (ISME) in Bandung Stars Hotel, Likewati W.O., Kartini, D., Ariawati, R., Sari D.	303
Financial Performance: Current Assets, Debt to Equity Ratio, Return on Assets, and Growth towards Dividend Payout Ratio, LeniSusanti	304
A Conceptual Model of Resonant Leadership, Dian Alfia Purwandari	315
The Impact of Consumer Animosity and Consumer Ethnocentrism on Intention to Purchase Foreign Products: The Case of Chinese Branded Household Appliances in Vietnamese Market, Nguyen ThiHuongGiang, Nguyen DinhKhoi	320
The Benefits of Financial Ratios' as the Indicators of Future Bankruptcy on the Economic Crisis, Setia Mulyawan	334
Neoclassical Growth Model: Application to the Analysis of Human Capital For Regional Development, Aulia A. Abdhy	342
The Role of External and Internal Factors in the Accuracy of Predicting Financial Distress, Pramudena Marti Sri	343
Knowledge Management System Role in Stock Investment Behaviour, Didi Sundiman, Ali Kesuma	350

The Improvement of Organizational Citizenship Behavior (OCB) Affected By Transactional Leadership Style

Abdul Hakim, Asnur
Sultan Agung Islamic University (UNISSULA), Semarang, Indonesia
ahakim_gholib@yahoo.com

Abstract: The purpose of this research is to examine the improvement of organizational citizenship behavior (OCB) which is influenced by the transactional leadership style through teacher trust and motivation to work in the state high school in Wawotobi. Data are collected by distributing questionnaires to the respondents of all state high school teachers in Wawotobi. Samples of this research are 82 high schools teachers in Wawotobi. This research uses descriptive analysis to determine the characteristics of respondents and distinguish respondents for each indicator variable. The instrument used to test the correlation among variables is SEM methods and analyzed by PLS (Partial Least Square). The results show that: (1) trust has a significant positive effect on organizational citizenship behavior (OCB) (2) work motivation has a significant positive effect on organizational citizenship behavior (OCB) (3) transactional leadership style has a significant positive effect on trust (4) transactional leadership styles has a significant positive effect on work motivation(5) transactional leadership styles does not have significant positive effect on organizational citizenship behavior (OCB).

Keywords: *Organizational Citizenship Behavior (OCB), Transactional Leadership Style, Trust, Work Motivation*

1. Introduction

Human activities, collectively, are always in need of leadership to create a planned and systematic business. Similarly, it happens within organization consisting of a group of people who work together to achieve certain goal, it is important for leaders as central driving of the organization seek to know the desire of employees or members. A teacher who has *Organizational Citizenship Behavior (OCB)* is highly influenced by the role of the school principal, so that, this research may contribute to the theory of *Organizational Citizenship Behavior (OCB)*. According to Robbins (2006), *Organizational Citizenship Behavior (OCB)* is a behavioral choice that is not part of the formal labor obligations of employees, but to support the functioning of the organization effectively. A school principal and teachers with *Organizational Citizenship Behavior (OCB)* will exhibit a high assist voluntarily outside their duty or obligation.

Trust in leaders has a positive correlation with various outcomes such as organizational behavior, performance and satisfaction of members. It is known that trust is a decisive importance factor of satisfaction with the leader because it comes from the affective state (e.g. admiration for leaders) and cognitive state (e.g. leaders have high confidence because of the ability or attributes), not derived from the behavior observed by leadership (Conger et.al, 2000: 34 Untung & Bagus, 2007). Trust can be interpreted as wishes to rely on the others and hope that the other parties reply if the parties cooperate with. The ability to compete is important for leader in order to gain trust between leaders and employees in an organization because employees is not possible to build trust against their leader unless they believe that the leader is able to fulfill his leadership role.

Motivation is a set of attitudes and values that influence individuals to achieve specific things in accordance with individual goals. There are 3 sources of motivation, those are; the possibility to evolve, type of work, and whether they feel proud to be part of the company they work for (sense of belonging). Besides, there are several aspects that influence employee motivation, such as; a sense of security in work, fair and competitive salary, a pleasant working environment, high performance reward and fair treatment from management (Riva, 2009). According to Fuad Mas'ud (2004), motivation is a driving force in a person to act, to be able to carry out tasks and work well. Motivation is the driving forces of one's heart to do or achieve purposes. Motivation can also be regarded as a plan or desire for success and avoid failure of life. In other words, motivation is a process to achieve a goal. A transactional leadership is a style of leadership that emphasis group to be adherence to the leader because of the reward if successful or sanctions if fails. In other words, people come to work or carry out the rules because they want to get a reward or because they are afraid of sanctions or punitive action by their

leaders for failing to carry out the task. This form of reward or sanction is expressly provided in the agreement or transaction between leaders and members.

Alan M. Barnett (2003) reveals that transactional leadership is hypothesized to occur when there is a simple exchange of one thing with another. Moreover, Burns (1978) argues that transactional leadership occurs when someone takes the initiative to make contact with other for the purpose of exchanging value. In this connection, the leader and the employees exchange services to meet the needs and personal goals (*independent*). Based on the explanation above, the purpose of this research is 1) to analyze the effect of trust on Organizational Citizenship Behavior (OCB); 2) to analyze the effect of motivation to work on Organizational Citizenship Behavior (OCB); 3) to analyze the effects of transactional leadership style on the trust; 4) to analyze the effects of transactional leadership style on work motivation; 5) to analyze the effects of transactional leadership style on Organizational Citizenship Behavior (OCB).

2. Literature Review

Organizational Citizenship Behavior (OCB): The term *Organizational Citizenship Behavior* (OCB) is created by Organ at the beginning of the 1980s. However, Bernard (1936); in Budiharjo (2004), uses similar concepts *Organizational Citizenship Behavior* (OCB) and call it as a willingness to cooperate. In 1964, Katz uses similar concepts and refers to it as an innovative and spontaneous behavior. *Organizational Citizenship Behavior* (OCB) may improve the effectiveness of team-work, such as improving coordination and allowing team members to adapt more effectively to the changing environment. This benefit is advantageous in multidisciplinary teams where there are a variety of characters. On *in - role* style, it is usually associated with *rewards* and sanctions (punishment), while in the *extra-role*, it is usually free of *reward* and behavior by individuals that is not organized in *reward* and it will be accepted and there is no additional incentive provided when individuals behave *extra-role* (Morrison , 1994 and Dyne *et al*, 1994).

Understanding *Organizational Citizenship Behavior* (OCB) is actually re-conceptual explanation of the nature of citizenship as a political philosophy (Dyne *et al*, 1994). According to Katz (1964), in Konvsky and Pugh, (1994), one of the behaviors that support the effectiveness of the organization is *Organizational Citizenship Behavior* (OCB). When employee feels good on organizational treatment, they will respond and improve job performance exceeds the minimum demand by helping others and the organization, on the contrary if the organization sees employees in the short term, they will respond by simply doing the jobs as they are and minimize *citizenship* behavior (Dyne and Ang , 1998). While according to Organ (1988), *Organizational Citizenship Behavior* (OCB) is the behavior of employees who exceed their formal duties and contribute to the effectiveness of the organization, which is implicated in four dimensions: 1) *sportsmanship*; 2) *Civic Virtue*; 3) *Conscientiousness*; 4) *Altruism*.

Trust: Mayer *et al*. (1995) defines trust as a willingness to grant others to do the desires based on the hope that it will take certain actions to them, regardless of ability to control the other parties. Doney *et al*. (1998) defines trust as something expected from honesty and cooperative behavior based on mutual shared norms and the same values. Das and Teng (1998) define trust as a stage to which an individual believes to put a positive attitude toward the good desire and the reliability of others to believe in changing circumstances and risk. Bhattacharya *et al*. (1998) defines trust as the condition in an environment of uncertainty and risk, trust reflects an aspect of the possibility that is a hope. According to Shaw (1997), there are four elements that are necessary to measure the level of trust in teams or organizations. The objective to do measurement in *exhibiting* trust level is to determine the current level of existing trust (*currently exist*) on a team or an organization which include: 1) The delegation of authority; 2) Working collaboratively; 3) being open-minded to change; 4) freedom to express ideas.

The findings of Mayer and Gavin (2005) show that several levels (top management) are positively related to the performance, the ability also has a positive relationship with *Organizational Citizenship Behavior* (OCB). In a research of workers in China, in the state-owned company conducted by Wong *et al*. (2006), show that trust in the organization is positively related to *organizational Citizenship Behavior* (OCB). A recent research by Singh and Srivastava (2009) reveal that interpersonal trust is positively related to *organizational Citizenship Behavior* (OCB). It is implied that the development at the level of interpersonal trust may be used as one of the strategies to motivate employees and improve the performance of individuals and organizations (Hassan, Masoodul; Semerciöz, Fatih,

2010). Rubin, S. *et al.* (2010) find that trust is positively related to *organizational Citizenship Behavior* (OCB). Therefore, the hypothesis proposed is as follows:

H1: There is an effect of trust on *organizational citizenship behavior* (OCB).

Work Motivation: Gibson (1997) states that motivation is a concept that describes the forces that exist within the employees who initiate and direct behavior. According to Robbins (2006), motivation is a process that acts on the intensity, direction, and duration of ongoing individual efforts towards the achievement of targets. The keys contained in the definition above are intensity, purpose and perseverance. The intensity is related to how hard someone tries. This is the element that receives the most attention of motivation. Intensity level should also be directed earnestly to desired direction in order to produce expected results. While the persistence of someone employee is a measure of how long a person can maintain his efforts in achieving the goal. One's motivation to work depends on the receipt of *reward* and *punishment* that will be experienced later (Arep Isaac & Cape Hendri, 2003) as a strengthening factor to be used by a leader to improve or maintain individual-specific response. So, according to this theory, people's motivation to work depends on the award received and the result of what is going to happen later. This theory states that the behavior of a future is shaped by the result of the current behavior.

The concept of motivation is often emphasized in the literature stimuli that arise from someone either from within himself (motivation intrinsic), or from outside himself (extrinsic motivation). Intrinsic factors are internal factors associated with satisfaction, such as; success in achieving something in career, the recognition obtained from institutions, the nature of the work performed, in career advancement, and the professional and intellectual growth experienced by someone. According to Kinman *et al.* (2001), the elements of intrinsic motivation are: (1) interest on the job; (2) The desire to evolve; (3) Happy at work; (4) Enjoy the work. Conversely, sometimes employees are not satisfied with their work. The emergence of dissatisfaction is generally attributed to extrinsic factors or external source such as organizational policies, administrative services, and supervision of the supervisor, relationships with co-workers, working conditions, salary earned, and peace in the workplace (Cooke, 1999). According to Kinman *et al.* (2001), the elements of extrinsic motivation including: (1) competition, (2) evaluation, (3) status, (4) Money and other awards, (5) Avoiding punishment from managers. Motivation of someone is originated from the need, desire and urge to act to achieve the needs and goals. This indicates how strong encouragement, effort, intensity, and willingness to sacrifice for the attainment of the objectives are. In this case the stronger the encouragement or motivation, the higher the *Organizational Citizenship Behavior* (OCB) will be. The research by David J. (2000) explains that there is a positive influence of work motivation toward *Organizational Citizenship Behavior* (OCB). Furthermore, the research conducted by Kim Sangmook (2006) finds that the higher the perceived motivation of employees is, the higher the level of *Organizational Citizenship Behavior* (OCB) will be. Therefore, the hypothesis proposed is as follows:

H2: There is an effect of work motivation on *organizational citizenship behavior* (OCB).

Transactional Leadership Style: According to Yukl (2000) transactional leadership is an affecting process that emphasizes on the relationship of transactions, bargaining and economic exchanges between leaders and employees. A transactional leader puts more emphasis on rewards to motivate employees. Gibson *et al.* (1996) defines transactional leadership as the ability to identify the leader and the employees' desire to help to achieve a higher level of achievement by providing a satisfying reward. According to Burns (1978), on transactional leadership, the relationship between leaders and employees are based on a series of bargaining between them. Clearly, the characteristics of transactional leadership are *contingent reward* and *management by - exception*. *Contingent reward* could be in the form giving reward of leadership because the task has been carried out; this reward is usually in the form of a bonus or increase in income or facilities. It is intended to reward and praise for the employees to his efforts. In addition, leaders usually have transactions with employees by focusing on aspects of the mistakes made by them, delaying decisions or avoiding issues that may influence the occurrence of errors. Meanwhile, *management by - exception* emphasizes on management function as a control. Leaders only see and evaluate whether there is an error to be corrected, and also, provide intervention if the standard is not met by subordinates (employees). Practically, in *management by - exception*, leaders delegate responsibility to subordinates and follow up by giving whether subordinates can be commended for encouragement and also the prize if the report made by them meets the standards. According to Bycio *et al.* (1995), transactional leadership is a leadership style in which a leader focuses on attention to interpersonal transactions between leaders and employees involving the exchange relationship. The

exchange is based on an agreement on the classification of targets, work standards, assignments, and awards.

In transactional leadership leader and employees act as a principal bargaining chip in a process that involves the exchange of rewards and punishment. The main idea of transactional approach is the presence of an exchange; the leader wishes to what the followers possess and leaders, in return, will give what the followers want. Thus, transactional leaders motivate subordinates to act in accordance with expectations through the establishment of reward and punishment. Transactional leadership has three dimensions which include: (a) Remuneration (*contingent reward*); (b) Active, leaders supervise and look for irregularities on various rules and standards, and take corrective action; (C) Passive, leader intervenes only when the standard is not achieved (Pounder, 2001). According to Podsakoff *et al.* (1984), the components of transactional leadership are *contingent reward*, as an example, a leader praises employees when they do a better job at above average, and, *contingent punishment*, for example, leader shows displeasure when employees work under the established standards. Gillespie, Nicole A; Mann, Leon (2004) find that transactional leadership is positively related to trust. Rubin, S. *et al.* (2010) finds that *contingent reward* is significant and positive on trust but *contingent punishment* is not. Therefore, the hypothesis proposed is as follows:

H3: There is an effect of transactional leadership style on trust.

According to Bass (1985, 1990), a transactional leader motivates employees by way of exchange remuneration for work or task which has been implemented, for example, with awards, raise wages to the employees who do high performance. But otherwise, he will give a penalty (*punishment*) to employees who have underperformance or are in below the target. According to Bass (1990) and Hughes, *et al.* (2002) *contingent reward* (Transactional leadership), will affect the motivation of employees and influence the performance of and employees satisfaction. Exchange about *contingent reward* is based on agreement on the tasks that must be implemented. Transactional leader always encourage his employees to achieve a level of performance that has been agreed. Therefore the hypothesis proposed is as the following:

H4: There is an effect of transactional leadership style on work motivation.

Finding by Vigoda (2006) shows that there is a significant and negative correlation of transactional leadership and *Organizational Citizenship Behavior (OCB)*, there is a significant and positive correlation of transformational leadership with *Organizational Citizenship Behavior (OCB)*. Moreover, a research by Rubin, S. *et al.* (2010) figures out that the transactional leadership has a significant and positive correlation with *Organizational Citizenship Behavior (OCB)*. Khan, Naveed R *et al.* (2013) concludes that the transactional leadership has a significant and positive correlation on *Organizational Citizenship Behavior (OCB)*. However, the findings by Ali *et al.* (2013) concludes that the *contingent reward* and *management by - exception active* (transactional leadership dimensions) has a significant and positive correlation with *Organizational Citizenship Behavior (OCB)*, but *management by - exception passive* (transactional leadership dimensions) has no significant correlation with the dimensions of *Organizational Citizenship Behavior (OCB)*. Therefore, the next hypothesis proposed is as follows:

H5: There is an effect of transactional leadership style on *organizational citizenship behavior (OCB)*.

3. Methodology

This research is an explanatory quantitative approach, because this research describes the correlations of the variables through hypothesis testing and, generally, the data is presented in the form of figures and calculated by statistical tests. The population in this research is all high school teachers in the State High School of Wawotobi, consisting of 82 respondents. In details, 54 respondents are from SMA Negeri 1 Wawotobi and 28 respondents are from SMAN 2 Wawotobi.

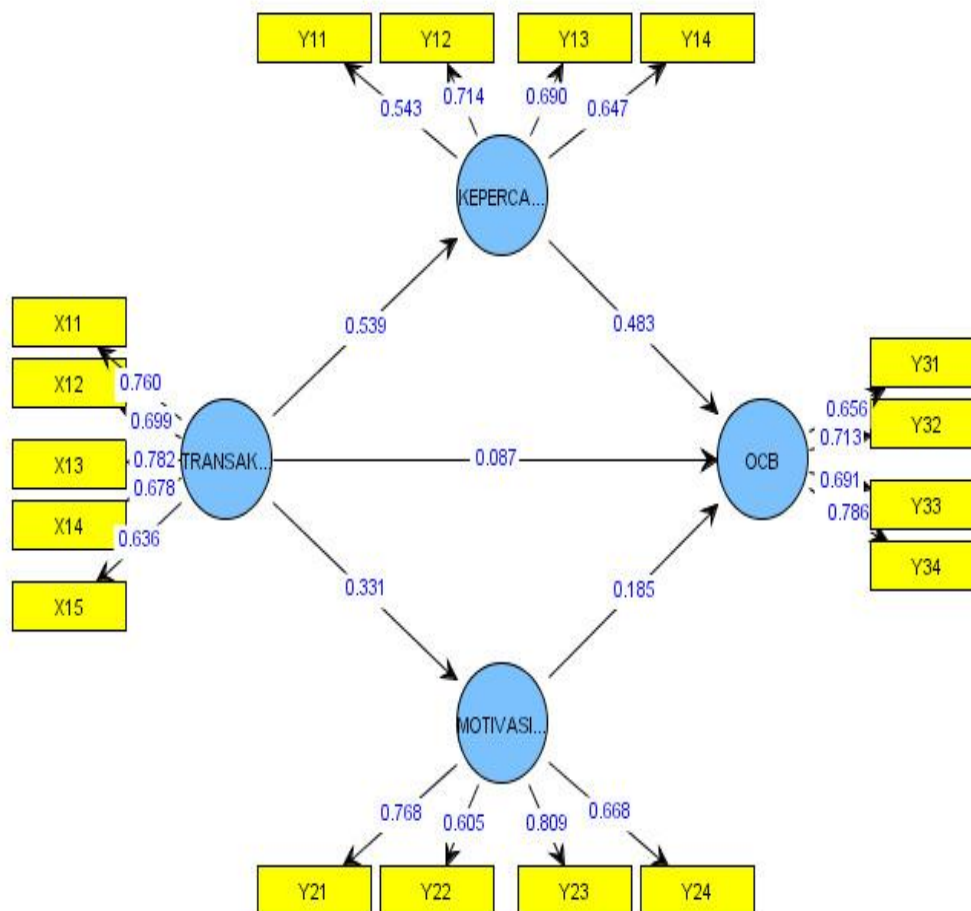
Research Variables and Measurement: Independent variable in this research is transactional leadership style (X1) with indicators: 1) rewards (*contingent reward*); 2) punishment (*contingent punishment*); 3) supervision; 4) take corrective action; 5) intervention. Measurements are accomplished by the use of *Likert* scale of 1-5 where 1 shows strongly disagree attribute levels, while 5 shows strongly agree intervals and is given a score or value. The intervening variable in this research is the trust (Y1) with indicators of: 1) the delegation of authority; 2) working collaboratively; 3) open to change; 4) free to

express ideas. Measurements are accomplished with the use of *Likert* scale of 1-5 where 1 shows strongly disagree attribute levels, while 5 shows strongly agree intervals and is given a score or value. The next intervening variable in this research is the work motivation (Y2) with indicators of: 1) interest in the work; 2) the desire to evolve; 3) happy on the job; 4) enjoy the work. Measurements are accomplished with the use of *Likert* scale of 1-5 where 1 shows strongly disagree attribute levels, while 5 shows strongly agree intervals and is given a score or value. The dependent variable in this research is organizational citizenship behavior (Y 3) with indicators of: 1) *sportsmanship*; 2) *civic virtue*; 3) *conscientiousness*; 4) *altruism*. Measurements are accomplished with the use of *Likert* scale of 1-5 where 1 shows strongly disagree attribute levels, while 5 shows strongly agree intervals and is given a score or value.

Data Analysis: The analysis technique in this research uses the concept of *Structural Equation Model (SEM)* with a *Partial Least Square (PLS)* program. Analysis of *Partial Least Square (PLS)* is a powerful analytical method because it does not have to assume the data with a particular measurement, it can be applied to all data scale, and it does not require a lot of assumptions and sample size. This research uses *Smart PLS* program assistance (Ghozali, 2011).

4. Findings

The results of the PLS analysis in this research include confirmatory factor analysis for construct with the indicator of reflection to examine the validity of each indicator and the reliability of the construct in which the validity of the criteria are measured by *Convergent* and *Discriminant Validity*. While, reliability construct is measured by the *Composite Reliability*. In details, it is figured out below:



Test on Validity

Table 1: Results For Outer Loadings

Indicator	Loading Value	T Statistics	Criteria
Transactional Leadership Style			
X.1.1	0.760	11.191	Valid
X.1.2	0.699	5.717	Valid
X.1.3	0.782	9.296	Valid
X.1.4	0.678	8.109	Valid
X.1.5	0.636	5.950	Valid
Trust			
Y.1.1	0.543	3.186	Valid
Y.1.2	0.714	6.576	Valid
Y.1.3	0.690	6.190	Valid
Y.1.4	0.647	5.148	Valid
Work Motivation			
Y.2.1	0.768	10.574	Valid
Y.2.2	0.605	5.101	Valid
Y.2.3	0.809	12.080	Valid
Y.2.4	0.668	5.128	Valid
Organizational Citizenship Behavior (OCB)			
Y.3.1	0.656	5.332	Valid
Y.3.2	0.713	7.958	Valid
Y.3.3	0.691	6.849	Valid
Y.3.4	0.786	18.382	Valid

Source: PLS Data Output, 2014

Test on Reliability

Table 2: Composite Reliability

Variables	Composite Reliability	Criteria
Transactional Leadership Style	0.837	0.70
Trust	0.745	0.70
Work Motivation	0.807	0.70
Organizational Citizenship Behavior (OCB)	0.805	0.70

Source: PLS data processed, 2014

Test on Structural Model (Inner Model)

Table 3: Result for the inner weight

	Original estimate	sample Mean of subsamples	Standard deviation	T-Statistic
Transactional -> Trust	0.539	0.546	0.093	5.785
Transactional -> Work Motivation	0.331	0.344	0.101	3.280
Transactional -> OCB	0.087	0.074	0.129	0.673
Trust -> OCB	0.483	0.476	0.119	4.056
Work motivation -> OCB	0.185	0.208	0.090	2.051

Source: Data processed of PLS, 2014

Table 4: R. Square

	R-Square
Transactional Leadership Style	
Trust	0.291
Work Motivation	0.110
Organizational Citizenship Behavior (OCB)	0.391

Source: Data processed of PLS, 2014

Discussion

Hypothesis I: Table 3 shows that the correlation of the variables of trust and *organizational citizenship behavior* (OCB) is explained by the value of t statistics of 4.056. This value is greater than t-table of 1.99 ($\alpha=0.05$ and $df=78$) or t-statistic ($4.056 > T\text{-table}$ (1.99)). The hypothesis test result shows that the correlation of trust and *organizational citizenship behavior* (OCB) is significant. The first hypothesis proposed in this research is "there is an effect of trust on the *organizational citizenship behavior* (OCB)". Therefore, this hypothesis is supported. The value of *the original sample estimate* shows a positive value of 0.483 which indicates a positive direction of the correlation of trust and *organizational citizenship behavior* (OCB) with a coefficient level of 48.3%. Based on the *loading factor* as found in Table 1, it shows that the highest *loading factor* values for the variables is in the second indicator of trust that is on working together collaboratively by 0.714. In addition, the variable of *organizational citizenship behavior* (OCB) has the highest *loading factor* values on the fourth indicator that is *altruism* by 0.786. The highest *loading factor* value of each indicator show how strong the correlation of indicators to variable is. The meaning of that value is if a teacher does a collaborative cooperation with other colleagues who then will exhibit more help to fellow teachers voluntarily and outside duty and obligation, so that, Teaching and learning process effectiveness in school can run well. The results of this research support the previous research conducted by Wong *et al.* (2006) and Rubin, S. *et al.* (2010) who conduct a research on the correlation of trust and *organizational citizenship behavior* (OCB) which states that the trust is positively related to *organizational citizenship behavior* (OCB).

Hypothesis II: Table 3 shows that the correlation of the variables of work motivation and *organizational citizenship behavior* (OCB) has the value of t statistics of 2.051. This value is greater than t table 1.99 ($\alpha=0.05$ and $df=78$) or t-statistic ($2.051 > T\text{-table}$ (1.99)). Hypothesis test result shows that the correlation of work motivation on the *organizational citizenship behavior* (OCB) is significant. The second hypothesis proposed in this research is "there is an effect of motivation to work on *organizational citizenship behavior* (OCB)". Therefore, this hypothesis is supported. The value of *the original sample Estimate* shows a positive value of 0.185 which indicates the positive direction of the correlation of work motivation and *organizational citizenship behavior* (OCB) with coefficient of 18.5%. Based on the *loading factor* as found in Table 1, it shows that the highest *loading factor* values for the variables of work motivation is in the third indicator that is pleased to work at 0.809. As for the variable of *organizational citizenship behavior* (OCB), the highest *loading factor* value is on the fourth indicator that is *altruism* by 0.786. The highest *loading factor* value of each of indicator shows how strong the correlation of indicators and variable is. The meaning of the value is if an employee is happy in a job, he will be happy to help other fellow teachers voluntarily although not the duties and obligations. The results of this research supports the previous research conducted by David J (2000), it is found that there is a positive influence of work motivation on *Organizational Citizenship Behavior* (OCB). Moreover, it also strengthens the research conducted by Kim Sangmook (2006) which finds that the higher the perceived motivation of employees is, the higher the level of *Organizational Citizenship Behavior* (OCB) will be.

Hypothesis III: Table 3 shows that the correlation of transactional leadership style and trust variable has t-statistics value about 5.785. The value is greater than t table 1.99 ($\alpha=0.05$ and $df=78$) or t-statistics ($5.785 > t\text{-table}$ (1.99)). The result of hypothesis test shows that the correlation of transactional leadership style toward trust has a significant effect. The third hypothesis proposed in this research is "there is an effect of transactional leadership style toward trust". Therefore, this hypothesis is supported. Original sample estimate value shows positive value of 0.539 that indicates to have positive direction of the correlation of transactional leadership style and trust with coefficient of 53.9%. Based on loading factor value as elaborated on table 1, the value indicates that the highest loading factor value for variable of transactional leadership style can be found on third indicator that is supervision at 0.782. While the highest loading factor value of trust variable can be found on second indicator that is work collectively at 0.714. The highest loading factor value of each indicator indicates how strong the correlation of those two indicators toward variable is. It means, if a leader controls employees' duties, the leader will strengthen employees to collaborate each other for achieving goals targeted. This research result supports the previous one conducted by Gillespie, Nicole A; Mann, Leon (2004). They discover that transactional leadership has positive correlation on trust. Besides, it strengthens Rubin, S. *et al.*'s research (2010) which finds that contingent reward is significant and positive toward trust. But, contingent punishment is not significant on trust.

Hypothesis IV: Table 3 indicates that the correlation of transactional leadership style and work motivation has t statistics value of 3.280. This value is greater than t table 1.99 ($\alpha=0.05$ and $df=78$) or t-statistic ($3.280 > t\text{-table}(1.99)$). This hypothesis test results that transactional leadership style and work motivation has significant effect. Therefore, Fourth hypothesis proposed in this research that “there is an effect of transactional leadership style toward career motivation” is supported. Original sample estimate value indicates positive value of 0.331 which directs to positive correlation of transactional leadership style and work motivation with coefficient of 33.1%. Based on loading factor value as elaborated on table 1, the highest loading factor value for variable of transactional leadership style is on third indicator, controlling at 0.782. Meanwhile, for work motivation variable, it has highest loading factor value on third indicator, pleased to work at 0.809. The highest loading factor value of each indicator indicates how strong the correlation of those indicators and variable is. It means, whether principle as leader controls duties of teachers, the principle will improve motivation of teachers of state senior high school in Wawotobi, so that they will feel fun for doing school duties assigned by their principle. The principle always motivates teaching staffs to achieve the goals by describing their roles and duties. Giving rewards to motivate teachers is really needed. As leader, a principle should be able to identify what teachers want and how to help them to improve their achievement to be better by giving appropriate rewards. Besides that, leader communicates to his employees by focusing on their mistakes, declining decision, or eluding the possible causes of the mistakes. Moreover, leader delegates responsibility to employees in order to take action whether they can get rewards or punishment after finishing their duties. Thereby, principle should motivate teachers in order to work well. This research results strengthens the previous one conducted by Bass (1990) and Hughes, *et al.*(2002) which describes that *contingent reward* (transactional leadership) will affect employee’s motivation. Then, it will affect their work Pleasants.

Hypothesis V: Table 3 indicates that the correlation of transactional leadership style and organizational citizenship behavior (OCB) has t-statistic value of 0.673. This value is less than t table 1.99 ($\alpha=0.05$ and $df=78$) or t-statistic ($0.673 < t\text{-table}(1.99)$). The hypothesis test results that transactional leadership style and *organizational citizenship behavior* (OCB) do not have any significant effect. Therefore, the fifth hypothesis proposed in this research that “there is an effect of transactional leadership style toward organizational citizenship behavior (OCB)” is not supported. Original sample estimate value shows positive value of 0.087 that indicates a positive correlation of transactional leadership style and organizational citizenship behavior (OCB) with coefficient of 8.7%. This research result contradicts with the previous one conducted by Khan, Naveed R. *et al.* (2013) which concludes that transactional leadership has positive correlation on Organizational Citizenship Behavior (OCB). Besides that, it contradicts with previous research conducted by Vigoda (2006) which concludes that there is a negative correlation of transactional leadership and Organizational Citizenship Behavior (OCB). Based on loading factor value elaborated on table 1, it indicates that the lowest value of loading factor for variable of transactional leadership style can be found on fourth indicator, doing intervention at 0.636. While for variable of organizational citizenship behavior (OCB), it has the lowest loading factor value on first indicator, Sportsmanship of 0.656. The lowest loading factor value of each indicator indicates that principle still does not believe employees’ (teachers of state senior high school in Wawotobi) work result. It indicates that the principle still needs intervention to prepare teaching administration besides learning activity conducted by teachers. When principle casts a lot with teachers to finish teaching complements, teachers will feel their sincerity is reduced. Rewards (*contingent reward*), Punishment (*contingent punishment*), monitoring, and correction of principle for teachers who cannot do their duties well do not affect their organizational citizenship behavior (OCB) improvement. Thereby, teachers of state senior high school in Wawotobi must do their duties and help their colleagues’ works although they are not their main responsibility. They do the duties merely for their students in order that learning process can run effectively.

5. Conclusion

To answer problems in this research as elaborated above, the results of this research can be concluded as follow:

1. There is an effect of trust on organizational citizenship behavior (OCB). It means that the better or the higher the trust is, the better or the higher the organizational citizenship behavior (OCB) of teachers of state senior high school in Wawotobi will be.
2. There is an effect of work motivation on organizational citizenship behavior (OCB). It means that the better or the higher the work motivation is, the better or the higher the organizational citizenship behavior (OCB) of teachers of state senior high school in Wawotobi will be.

3. There is an effect of transactional leadership style on trust. It means that the better or the higher the transactional leadership style is, the better or the higher the trust of teachers of state senior high school in Wawotobi will be.
4. There is an effect of transactional leadership style on work motivation. It means that the better or the higher the transactional leadership style is, the better or the higher the work motivation of teachers of state senior high school in Wawotobi will be.
5. There is no effect of transactional leadership style and organizational citizenship behavior (OCB). It means that the better or the higher the transactional leadership style is, it does not improve organizational citizenship behavior (OCB) of teachers of state senior high school in Wawotobi.

Managerial implication: Managerial implications given in this research are:

1. Transactional leadership side needs to be improved through giving intervention to teachers who cannot finish their duties well in order that learning process can run effectively.
2. Trust needs to be improved in order that teachers are facilitated to collaborate with colleagues, so that, their duties can be well-finished.
3. Work motivation of teachers needs to be improved to develop their qualities to achieve better education qualities by feeling fun with their duties.
4. Organizational citizenship behavior (OCB) needs to improve sportsmanship through altruism, so that, attitude of teachers gets changed to be better.

Limitations of Research

1. What respondents have answered on open questions is not suitable with real condition.
2. Transactional leadership style is not significant to organizational citizenship behavior (OCB). Therefore, the next research related to this research results is needed.

Future Research Agenda

1. Based on R-square value of each construct, the next research should add other variables such as professionalism and Islamic career attitude.
2. There are limited answers given by respondents through questionnaire in this research. For the next research is suggested to use qualitative approach through direct interview to respondents in order to get more information in the field of research. This research also can be conducted in other region.

References

- Andreas Budihardjo. 2004. *Mengenal Organizational Citizenship Behaviour (OCB)*. Forum Manajemen Prasetya Mulya. Tahun ke-XVIII, No.82.
- Arep Ishak & Tanjung Hendari. 2003. *Manajemen Motivasi*. Jakarta: PT Gramedia Widiasarana Indonesia.
- Barnett, Alan M. 2003. *The Impact of Transformational Leadership Style of the School Principal on School Learning Environments and Selected Teacher Outcomes: A Preliminary Report*. University of Western Sydney, Australia.
- Bass, B.M. 1985. *Leadership and Performance Beyond Expectations*, The Free Press, New York.
- Bass, B.M. 1990. *From Transactional to transformational Leadership: Learning to Share the Vision*, Organizational Dynamic.
- Bhattacharya, R., Devinney, T.M., Pillutla, M.M., 1998, *A Formal Model of Trust Based on Outcomes*, Academy of Management Review, 23(3), 459-472.
- Burns, J.M. 1978. *Leadership*. Harper and Row, Publishers, New York.
- Bycio, P., Hackett, R. D., & Allen, J. S. 1995. *Further assessments of Bass conceptualization of transactional and transformational leadership*. Journal of Applied Psychology Vol 80, Hal 468-478.
- Cooke, Ernest F., 1999, *"Control and Motivation in Sales Management through The Compensation Plan"*, Journal of Marketing Theory and Practise
- Das, T.K. and Teng, B.S., 1998, *Alliance Constellations: A Social Exchange Perspective*, Academy of Management Review, 23(3), 445-457.
- Doney, P.M., Cannon, J.P., Mullen, M.R. 1998. *Understanding the Influence of National Culture on the Development of Trust*. Academy of Management Review, 23(3), 601-620.
- Dyne, L.V., Graham, J.W., and Dienesch, R.M. 1994. *Organizational Citizenship Behaviour : Construct Redefinition, Measurment, and Validatio*. Academy of Management Journal, Vol. 37, pp. 765-802
- Dyne, L.V., and Ang, S. 1998. *Organizational Citizenship Behaviour of Contigent Workes in Singapore*. Academy of Management Journal, Vol. 41, No.6 pp. 692-703.

- Fuad Mas'ud. 2004. *Survai Diagnosis Organisasional*. Semarang: Badan Penerbit Universitas Diponegoro.
- Gibson, et al. 1997. *Organisasi : Perilaku, Struktur, Proses. Edisi 5 Jilid 1*. Jakarta: Erlangga.
- Gillespie, Nicole A; Mann, Leon. 2004. *Transformational Leadership And Shared Values: The Building Blocks Of Trust*. *Journal of Managerial Psychology*; 2004; 19, 6; ABI/INFORM Research
- Masoodul Hassan; Fatih Semerciöz. 2010. *Trust In Personal And Impersonal Forms Its Antecedents And Consequences: A Conceptual Analysis Within Organizational Context*. *International Journal of Management and Information Systems*; Second Quarter 2010; volume 14, Number 2;
- Houston, David. J. 2000. *Public Service Motivation : Amultivariate-Test*. *Jornal of Public Administration Research and Theory*.
- Hughes, Richard L, et all, 2000. *Leadership: Enhancing the Lessons of Experience*, McGraw-Hill Companies Fourth Edition.
- Imam Gazhali. 2011. *Structural Equation Modeling Menggunakan PLS*. Semarang: Badan Penerbit Universitas Diponegoro.
- Khan, Naveed R; Ghouri, Arsalan Mujahid; Awang, Marinah, PhD. 2013. *Leadership Styles And Organizational Citizenship Behavior In Small And Medium Scale Firms*. *International Refereed Research Journal Vol.- IV, Issue - 2, April 2013*
- Kinman, G; Kinman, R. 2001. *The role of motivation to learn in management education*. *Journal of Workplace Learning* 13 (4), 132-144.
- Konovsky, M.A. & Pugh, D.S. 1994. *Citizenship Behavior and Social Exchange*. *Academy of Management journal*. Vol.37, No. 3, pp.656-669.
- Mayer, R. C, Davis, J. H., & Schoorman, F. D. (1995). *An integrative model of organizational trust*. *Academy of Management Review*, 20, 709-734.
- Mayer, R., & Gavin, M. (2005). *Trust in management and performance: Who minds the shop while the employees watch the boss?*. *Academy of Management Journal*, 48(5), 874-888.
- Morrison, W.E. 1994. *Role Defination and Organizational Citizenship Behaviour : The Importance Of Employees' Perspective*. *Academy of Management Journal*, Vol. 37, pp.1543-64
- Organ, D.W. 1988. *Organizational Citizenship Behavior: The Good Soldier Syndrome*. Lexington Books, Lexington, MA.
- Pounder, James S., 2001, "New Leadership" and University Organizational Effectiveness: Exploring the Relationship, *Leadership & Organization*. *Development Journal*, 22/6, pp.281-290
- Podsakoff, P.M., MacKenzie, S.B., Moorman, R.H. and Fetter, R. (1990). *Transformational leader behaviours and their effects on followers' trust in leader, satisfaction, and organizational citizenship behaviours*. *Leadership Quarterly*, Vol. 1 No. 2, pp. 107-42.
- Rubin, R. B., Bommer, W. H., & Bachrach, D. G. (2010). *Operant Leadership and Employee Citizenship: A Question of Trust?* *Leadership Quarterly*, 21(3), pp. 400-408.
- Robbins, Stephen P. 2006. *Perilaku Organisasi*. Jakarta: PT. Indeks Kelompok Gramedia. Edisi Bahasa Indonesia. Edisi 10.
- Sangmook, Kim 2006. *Public Service Motivation And Organizational Citezenship Behavior In Korea*. *International Journal Of Manpower* Vo. 27 No. 8.
- Shaw, R.B. 1997. *Trust in the Balance*. Jossey-Bass Inc. San Francisco, California.
- Singh, U. & Srivastava, K.B.L. (2009). *Interpersonal Trust and organizational citizenship behavior*. *National Academy of Psychology (NAOP) India Psychological Studies* 54:65-76
- Untung Sriwidodo; Bagus Sugito. 2007. *Pengaruh Kepemimpinan, Kepercayaan dan Kepuasan Kerja terhadap Kinerja Karyawan*. *Jurnal Manajemen Sumberdaya Manusia* Vol. 2 No. 1 Desember 36 2007 : 35 - 43
- Usma Ali and Shaista Waqar. 2013. *Teachers' Organizational Citizenship Behavior Working Under Different Leadership Styles*. *Pakistan Journal of Psychological Research*, 2013, Vol. 28, No. 2, 297-316.
- Veithzal Rivai. 2009. *Islamic Human Capital: Dari Teori ke Praktik Manajemen Sumber Daya Islam*. Jakarta: PT Rajagrafindo Persada.
- Vigoda, E. 2006. *Leadership Style, Organizational Politics and Employees Perfomance*. *Personel Review*. Vol.36, No.5, pp.661-683.
- Yukl, G. 2000. *Leadership In Organization*. *Alih Bahasa: Udaya Yusuf. Kepemimpinan Dalam Organisasi*. Jakarta: Prenhallindo.