

# CHAPTER 1 INTRODUCTION

## 1.1 Background of Research

Many organizations today need to change rapidly to maintain their competitive edge. Actually, the rapid change requires that an organization must has employees and leaders who are adaptive, work effectively, constantly improve systems and processes and make a profit in carrying out an enterprise. So the great leaders are needed which those that get results within time frames that are considered appropriate for their industries and stakeholders which is great leaders will move us. The leader should ignite our passion and inspire the best in us to leading the organization. Actually the great leader must have a good charisma, visioner, and have good influences. Most of us know we would rather work with a leader that engages us, values us and treats us with respect.

There is no leader without follower which followers has a big influence to the company, because follower help organization work, without follower there is no organization. Leadership might be viewed in terms of the role of the leaders and their ability to achieve effective performance from others. Leadership as leaders inducing followers to act for certain goals that represent the values and the motivations, the wants and needs, the aspirations and expectations of both leaders and followers (Shadare & Hammed. 2009). Each leader has a different leadership style, style of leadership means influencing the way leader's subordinates to be able doing working activity in order to achieve organizational goals (Ogbonna, Harris, & Lloyd C. 2000).

Nowadays charismatic leadership theory has its roots in Weber's (1947) theory of charisma in which he incorporates the leader (who possesses or is seen as possessing exceptional qualities), the followers (who are attracted to the leader and attribute charisma to him) and the situation (which is one of crisis or need); thus delineating a social process of leadership in which all three elements interact (Beyer & Browning, 1999: 486; Trice & Beyer, 1991: 151). Charisma, as an extraordinary quality attributed to a person is conceptualized to cope with extraordinary situations rather than with the normal course of life. It can therefore be argued that according to Weber (1947) charisma is a rare and not a common phenomenon. More comprehensive theories have been developed (Bass 1985; Bass and Avolio, 1993; Conger and Kanungo, 1987, 1998; Conger, 1989; Shamir et al., 1993) which in turn have encouraged empirical studies (e.g., Agle and Sonnenfeld, 1994; Bass and Yammarino, 1988; Conger and Kanungo, 1992, 1994; Conger et al., 1997; House et al., 1991; Howell and Frost, 1989; Podsakoff et al., 1990; Puffer, 1990; Shamir, 1992; Shamir et al., 1998).

While theoretical work has tended to focus principally upon the behavioral dimensions of charismatic leaders, the existing theories do predict certain follower effects. For example, it has been hypothesized that charismatic leadership produces higher performance levels among followers as well as more motivated and satisfied followers (Bass, 1985; Conger and Kanungo, 1988). There is three key elements are important to leaders: charisma, personality, and competence (Bateman, 2011). For followers, however, integrity and leadership values seem more important (Bateman, 2011). Indeed, distrust and discontent may trigger a

disaster if followers have negative leadership experiences (Greyvenstein & Cilliers, 2012).

Thus, to some extent, followership is the mirror image of leadership. In a review of empirical investigations of charismatic and transformational leadership, Shamir et al. (1993), found that charismatic leadership was indeed positively correlated with follower performance and satisfaction. According to (Conger and Kanungo 1987, 1998; Conger, 1989) charismatic leadership is an attribution based on follower perceptions of their leader's behavior. On the basis of the current theories of charismatic leadership, several possible follower effects were identified. It is hypothesized that followers of charismatic leaders could be distinguished by their greater reverence, trust, and satisfaction with their leader and by a heightened sense of collective identity, perceived group task performance, and feelings of empowerment.( Conger, J.A., Kanungo, R. N., & Menon,S.T.2000).

Base on description above, researcher interested in doing research about Analysis of the relationship between charismatic leadership and follower effects. This research will conduct in PT KUNANGO JANTAN GROUP with the leaders of that company as research objects which in this research the researcher want to know about the charismatic leadership that leader has in using distinguished by their greater reverence, trust, and satisfaction with their leader and by a heightened sense of collective identity, perceived group task performance, and feelings of empowerment.( Conger, J.A., Kanungo, R. N., & Menon,S.T.2000).

The leader in PT. Kunango Jantan group have a good charisma based on employee preception before, which he run the company with succesfull.



PT KUNANGO JANTAN GROUP is the largest steel manufacture and trading in West Sumatera wich's Kunago Jantan was founded in 1993.

## 1.2 Problem Statement or Research Question

Based on the background of the issues that have been raised, then it can be identified some of the following:

- a. How does charismatic leadership positively related to sense of reverence?
- b. How does charismatic leadership positively related to trust?
- c. How does charismatic leadership positively related to satisfaction with the leader?
- d. How does charismatic leadership positively related to work group collective identity?
- e. How does charismatic leadership positively related to goup task performance?
- f. How does charismatic leadership positively related to feelings of empowerment?

## 1.3. Research Objectives

Based on the problem statement that already made and identified, so the objectives of the research are:

- a. To analyze the relationship between charismatic leadership and sense of reverance.
- b. To analyze relationship between charismatic leadership and trust.
- c. To analyze relationship between charismatic leadership and satisfaction with the leader.

- d. To analyze relationship between charismatic leadership and work group collective identity.
- e. To analyze relationship between charismatic between leadership and group task performance.
- f. To analyze relationship between charismatic between leadership and feelings of empowerment.

#### **1.4 Benefits of Research**

Expected benefits of this research are as follows:

- a. This study expected to be a reference for future studies.
- b. This study is expected a leader know about the benefit of being charismatic leadership.

#### **1.5 The Scope of Research**

- a. Based on topics the researcher is research about the corelation between charismatic leadership and follower effects (reverence, trust, satisfaction with leader, work group collective identity, group task performace and feelings of empowerment).
- b. Based on variables and concept researcher is focused about charismatic leadership and followers effect.
- c. This research focused on permanent employees in PT. Kunango Jantan Group.
- d. The company that used to be sample is PT. Kunango Jantan Group company as the steel manufacture.

## 1.6 Systematics Writing

Discussion of the study will be divided into 5 chapters with systematically in following:

CHAPTER I An introduction which consists of background of research, problem statement or research question, Research objectives, scope of research, systematics writing.

CHAPTER II A theoretical basis that discusses theory relevant to the research to be conducted. Theory tells about leadership, charismatic leadership, followership and theoretical frame work of this research.

CHAPTER III Is a research method that contains a research design and object, population and sample research, data, variable and measurement, operation definition and analysis of data.

CHAPTER IV A discussion that includes the characteristics of the respondents, a the respondents' answers, the results of data analysis and measurement and discussion of research.

CHAPTER V On this chapter will explain about conclusion of research, suggestions of research, limitation of the location of research and recommendation for further research.

