Skill, Transformational Leadership, And Competitiveness: Relationships In A Love Triangle

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Abstract:
This study aims to see the extent to which transformational leadership plays a role in mediating the relationship between personal skills and the competitiveness of private employees in the Karimun district. The total population used was 75 respondents selected based on random sampling techniques. Data analysis techniques use Smart PLS, and the results of this study are: 1) Skills have a direct and significant effect on competitiveness; skills possessed by employees can help increase the competitiveness of companies in a competitive market. 2) Skills have a significant influence on transformational leadership. Good skills can help a leader to set a good example, provide clear direction, motivate the team, solve problems, and build good relationships with his team members. 3) Transformational leadership has a significant positive impact on the company’s competitiveness. Transformational leadership can help increase productivity, drive innovation, increase employee satisfaction, and improve company reputation and competitiveness. 4) Skills have a direct and significant effect on competitiveness through transformational leadership. Skills can help increase productivity, drive innovation, increase employee satisfaction, improve a company's reputation, and enhance a company's overall competitive ability.

Keywords: Transformational, Leadership, Skill, Competitiveness

Abstrak:
Penelitian ini bertujuan untuk melihat sejauh mana kepemimpinan transformasional berperan dalam memediasi hubungan personal skill dengan daya saing pegawai swasta di Kabupaten Karimun. Total populasi yang digunakan adalah 75 responden yang dipilih berdasarkan teknik random sampling. Teknik analisis data menggunakan Smart PLS, dan hasil penelitian ini adalah: 1) Keterampilan berpengaruh langsung dan signifikan terhadap daya saing; keterampilan yang dimiliki oleh karyawan dapat membantu meningkatkan daya saing perusahaan di pasar yang kompetitif. 2) Keterampilan berpengaruh signifikan terhadap kepemimpinan transformasional. Keterampilan yang baik dapat membantu seorang pemimpin untuk memberikan contoh yang baik, memberikan arahan yang jelas, memotivasi tim, memecahkan masalah, dan membangun hubungan yang baik dengan anggota timnya. 3) Kepemimpinan transformasional berpengaruh positif signifikan terhadap daya saing perusahaan. Kepemimpinan transformasional dapat membantu meningkatkan produktivitas, mendorong inovasi, meningkatkan kepuasan karyawan, serta meningkatkan reputasi dan daya saing perusahaan. 4) Keterampilan berpengaruh langsung dan signifikan terhadap daya saing melalui kepemimpinan transformasional. Keterampilan dapat membantu meningkatkan produktivitas, mendorong inovasi,
Human resource capacity building is a core activity that every organization must strive to outperform its competitors regarding product quality, customer service, and new product development. Many researchers are interested in the paradigm shift of companies from human resources to human capital to maintain a competitive advantage (Bontis & Fitz-enz, 2002; Melton & Meier, 2017). Human resource is a combination of knowledge, skills, innovations and the ability of each company employee to perform existing tasks. (Bontis & Fitz-enz, 2002). To develop human resources internally or obtain human resources from the external labor market, the company uses human resource management (HR) practices, particularly staffing, training, performance evaluation and awards (Chapman, Sisk, Schatten, & Miles, 2018; Garavan, 2007; Jacobs, 2017). These practices are widely seen as investments in the development of human resources, where the company can increase its economic value. In this sense, Drucker (2002, p. 71) describes the development of human resources as a necessary condition for competition in the knowledge economy. Since suitable investments in human capital improve the organization's financial performance and productivity, such investments inevitably provide certain benefits to employees, such as creating human resources among employees (Lamptey, Marsidi, Usman, & Ali, 2020).

Human resources or employees are one of the vital resources of the business and are often referred to as pioneers in achieving company goals (Al-Ayed, 2019; Bracco et al., 2018). Therefore, the company needs human resources or high-performing employees to be able to achieve the goals that the company has set. One of the critical factors in improving employee performance is a leader who can influence subordinates and actively involve them in achieving these goals through the right leadership style (Song et al., Hanh, Cuc, & Tiep, 2020). Subordinate relationships produce a harmonious situation that promotes cooperation in achieving company goals. For this reason, organizations need reformist leaders who can drive change (transformation) to build good partnerships between leaders and followers (Hermundsdottir & Aspelund, 2022).

Leadership is the central and determining point of activities to be carried out in an organization (Damen, 2011; Di Miceli & Donaggio, 2018). Leadership is the activity of influencing others to achieve specific goals. Leadership drives the resources and tools available to companies/organizations (Yeganegi & Zadeh, 2020). Leadership can happen anywhere as long as a person demonstrates his ability to influence the behavior of others to achieve specific goals. Leadership is the ability of a person to influence others (his subordinates) in a way that others are willing to do as the leader wishes, even if he does not like it this way. The role
of a leader in an organization or business comes in three forms, interpersonal, informational and decision-making (Anbu, 2019; Engelbrecht, Heine, & Mahembe, 2017; Guzmán, Muschard, Gerolamo, Kohl, & Rozenfeld, 2020; Laukka, Huhtakangas, Heponiemi, & Kanste, 2020).

The impact of transformational leadership on employee skills and competitiveness can be explained through its role in directing subordinates (Alrowwad, Abualoush, & Masa’deh, 2020). Transformational leaders often have a strong vision of growth opportunities in the team communicated to employees (Miller & Miller, 2020). Employees are encouraged to think critically about change initiatives, their confidence to adapt to change is strengthened, and the importance of skills is emphasized while looking beyond the interests of one’s team (Calvo & Reio, 2018). Due to this leadership style, employees are more likely to respond positively to changes in attitudes and behaviors. For example, Herold, Fedor, Caldwell and Liu (2008) report a positive relationship between transformational leadership of employee commitment to change. Similarly, Detert and Burriss (2007) provide evidence that change-oriented (i.e., transformational) and skill-oriented leadership can predict job performance at the unit level. Recent research shows that transformational leadership can directly affect performance, skill and competitiveness (Jiang, Zhao, & Ni, 2017; Eliyana & Ma’arif, 2019; Ritonga & Ganyang, 2020; Katim & Wiliyawati, 2016) or indirectly through performance in the sense of work (Fried, Wang & Oh, 2018); job satisfaction (Prabowo, Noermijati & Irawanto, 2018).

Transformational Leadership research shows that transformational leadership can be defined as a leadership style that engages and encourages employees of an organization to achieve business goals (Carter, Armenakis, Feild, & Mossholder, 2013). Transformational leaders can improve competitiveness and performance by motivating individuals to work together to achieve the company’s goals to a higher level (Alrowwad et al., 2020; Hoai, Hung, & Nguyen, 2022). Meta-analytical research also shows that transformational leaders influence outcomes at the team and company levels (Fernandes & Awamleh, 2011; Nolan, 2013). Therefore, it is helpful to investigate further the mechanisms by which Transformational Leadership can improve skills and competitiveness at the lower level (Wang et al., 2011).

Competitiveness has developed throughout history, moving from static concepts and dependence to other concepts of effective competition with comparative advantages and positioning to dynamic, global, complex, multidimensional and systematic concepts that also take into account human capacity and require human and technological balance in organizations (Bettiol et al., 2021; Gryzunova et al., 2020). In this regard, companies and universities have widely studied competitiveness in different sectors, countries and continents (Adewale, 2013; Hermundsdottir & Aspelund, 2022). However, technological competitiveness, understood as the ability to compete and show competence under the auspices of technology, is rarely studied. Especially in developing countries such as Latin America, this competitiveness is still being studied to explain the appropriate vital elements, but the understanding is limited (Acur et al., 2010; Castillo et al., 2016; Yoon et al., 2017).
Skills education and training positively impact the broader economy as these institutions produce a trained and highly skilled workforce better prepared to face challenges and opportunities in the modern workplace to increase productivity and drive broader economic growth (Sriruecha & Buajan, 2017). Currently, workforce competitiveness is a crucial issue in the Industrial 4.0 era. The workforce’s competitiveness is generally interpreted as a workforce with adaptability, problem-solving skills and technical knowledge, which is the output of educational institutions and skills training (Stanfield, 2020; Van Laar, van Deursen, van Dijk & de Haan, 2020).

The concepts of skills, transformational leadership, and competitiveness are also relevant in the context of employees in Islamic education. As is the case in student education, employees also need to develop skills and good leadership and have high competitiveness to contribute to the Islamic educational institution where they work positively. Employee skills in Islamic education include academic skills, such as teaching, research, and administrative management skills, as well as practical skills, such as communication skills, time management, and information technology skills. Transformational leadership is also essential for employees in Islamic education to motivate and inspire their students and colleagues. Employees who lead transformationally can lead by promoting Islamic values in every aspect of their work and building a positive and productive work environment. Employee competitiveness in Islamic education is the ability to compete and adapt to a competitive and constantly evolving work environment. Employees with high competitiveness can contribute more to the Islamic educational institutions where they work and strengthen the institution’s position in society.

Therefore, through self-development, training, and coaching programs, Islamic education can strengthen skills, transformational leadership, and employee competitiveness. Islamic educational institutions can provide employee training and development that is integrated with Islamic values and helps them develop the skills and leadership needed and have high competitiveness. This can improve the quality of Islamic education and strengthen Islamic educational institutions’ contribution to society.

Technological changes and innovations encourage the development of a knowledge-based economy, impacting production methods, consumption patterns, and economic structures (Kulkarni et al., 2020; Stanfield, 2020; Laar et al., 2020). In the era of Industry 4.0, labor as human resources is directly involved in the entire production system as a system designer, worker, and customer of manufactured goods. Workers with the latest abilities and skills must perform their duties (Sorooshian & Panigrahi, 2020). The application of new technologies and innovations generally tends to impact the way of working and the ability of the workforce to increase work productivity and significantly contribute to the economic growth of organizations and countries (Teck et al., 2019). Then, along with the spread of the Covid 19 pandemic worldwide, it has become a biological phenomenon that threatens public health, thus triggering changes and transformations in all areas of life, including in the field of employment globally (Gevaert et al., 2022).
RESEARCH METHODS

The approach used in this study is quantitative research, and data collection was carried out using a questionnaire related to Skills, Transformational Leadership and Competitiveness. The population used in this study were private employees in Karimun Regency as many as 70 respondents with a random sampling technique. The data analysis method uses the partial least squares (PLS) approach, namely the structural equation model (SEM), which allows researchers to include unmeasured variables that are measured indirectly with indicator variables (Hair et al., 2017). This research was conducted to determine the role of Transformational Leadership (Z) in mediating the path between Skill (X) and Competitiveness (Y). The inner framework developed in this study will be described in the research results.

RESULTS AND DISCUSSION

The results of the initial testing model of the relationship between Skill and Competitiveness mediated by the Transformational Leadership variable are as follows:

![Figure 1. PLS Algorithm Test Results](image)

From the results of Figure 1 above, it can be seen that each indicator of each variable tested has a validity level above the set standard of 0.70. Moreover, it also states that each indicator has its role in each relationship between indicators.

Convergent validity test

Validity testing for reflective indicators can be done by looking at the relationship between indicators and constructive scores.
Table 1. Convergent Validity Result

<table>
<thead>
<tr>
<th></th>
<th>Competitiveness</th>
<th>Skill</th>
<th>Transformational Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1</td>
<td>0.904</td>
<td>0.895</td>
<td>0.788</td>
</tr>
<tr>
<td>X2</td>
<td>0.781</td>
<td>0.852</td>
<td>0.831</td>
</tr>
<tr>
<td>X3</td>
<td>0.913</td>
<td>0.876</td>
<td>0.695</td>
</tr>
<tr>
<td>X4</td>
<td>0.807</td>
<td>0.800</td>
<td>0.587</td>
</tr>
<tr>
<td>X5</td>
<td>0.615</td>
<td>0.771</td>
<td>0.809</td>
</tr>
<tr>
<td>Y1</td>
<td>0.913</td>
<td>0.876</td>
<td>0.695</td>
</tr>
<tr>
<td>Y2</td>
<td>0.809</td>
<td>0.788</td>
<td>0.577</td>
</tr>
<tr>
<td>Y3</td>
<td>0.937</td>
<td>0.874</td>
<td>0.717</td>
</tr>
<tr>
<td>Y4</td>
<td>0.809</td>
<td>0.769</td>
<td>0.704</td>
</tr>
<tr>
<td>Y5</td>
<td>0.904</td>
<td>0.895</td>
<td>0.788</td>
</tr>
<tr>
<td>Z1</td>
<td>0.430</td>
<td>0.535</td>
<td>0.826</td>
</tr>
<tr>
<td>Z2</td>
<td>0.904</td>
<td>0.895</td>
<td>0.788</td>
</tr>
<tr>
<td>Z3</td>
<td>0.619</td>
<td>0.776</td>
<td>0.814</td>
</tr>
<tr>
<td>Z4</td>
<td>0.420</td>
<td>0.539</td>
<td>0.826</td>
</tr>
<tr>
<td>Z5</td>
<td>0.576</td>
<td>0.596</td>
<td>0.732</td>
</tr>
</tbody>
</table>

Source: Smart PLS data processing

Table 1 above shows that each indicator of each variable used in the study already has a relationship (indicator score and construct score). From the results, it can also be explained that each reflective indicator is valid, and the researcher can proceed to the next stage.

Reliability tests ensure that each indicator used in the study is consistent and reliable. Table 2 shows that each index of variables used in this study has consistency and reliability and does not change even after repeated measurements, indicating that each design index is declared reliable and very consistent. Researchers can also make decisions by looking at trust values that have a value greater than or equal to the specified standard of 0.70. All designs have a value greater than or equal to the average already used. Then compare the Cronbach alpha value with the study configuration, and the traditional Cronbach alpha value used is 0.60. It can be seen that the value plotted from this study is already higher than the standard value of the Cronbach alpha set.
Reliability test

Table 2. Reliability Test

<table>
<thead>
<tr>
<th>Construct</th>
<th>Composite reliability</th>
<th>Chronbach alpha</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skill</td>
<td>0,923</td>
<td>0,895</td>
<td>Reliable</td>
</tr>
<tr>
<td>Transformational Leadership</td>
<td>0,897</td>
<td>0,862</td>
<td>Reliable</td>
</tr>
<tr>
<td>Competitiveness</td>
<td>0,943</td>
<td>0,923</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

Source: Smart PLS data processing

Direct effect

Table 3. Direct Influence Test Results

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Variable</th>
<th>Exogenous</th>
<th>Endogenous</th>
<th>Direct Effect</th>
<th>Indirect Effect</th>
<th>Total Effect</th>
<th>t-Values (&gt;1.96)</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Skill</td>
<td>Competitiveness</td>
<td>1,182</td>
<td>-</td>
<td>1,182</td>
<td>17,288</td>
<td></td>
<td>Significant</td>
</tr>
<tr>
<td>2</td>
<td>Skill</td>
<td>Transf. Leadership</td>
<td>0,884</td>
<td>-</td>
<td>0,884</td>
<td>46,611</td>
<td></td>
<td>Significant</td>
</tr>
<tr>
<td>3</td>
<td>Transf. Leadership</td>
<td>Competitiveness</td>
<td>-0,249</td>
<td>-</td>
<td>-0,249</td>
<td>2,999</td>
<td></td>
<td>Significant</td>
</tr>
<tr>
<td>4</td>
<td>Skill → Transf. Leadership</td>
<td>Competitiveness</td>
<td>0,884</td>
<td>0,249</td>
<td>0,635</td>
<td>49,610</td>
<td></td>
<td>Significant</td>
</tr>
</tbody>
</table>

The relationship between transformational skills and leadership

The relationship between skills and transformational leadership has a significant influence. The results of this test indicate that the ability will influence the transformational leader. Many organizations or companies define skills as a measure of power or an illustration of the quality of employee performance owned by the organization or company to their consumers, with the aim of consumers providing a positive view of the organization that employees are considered to meet the quality they should be (Audenaert, Decramer, & George, 2021; Baird, Tung, & Su, 2020; Carter et al., 2013; Samadara, 2020; Tegor & Umar, 2017; Tomic, Tesic, Kuzmanovic, & Tomic, 2018). This means that an organization or company wants to show that the performance of its employees has the ability to knowledge and technology and can respond to an ever-changing environment.

Skills are traits carried from birth/learned that allow a person to complete their tasks—the ability to show the potential of people to carry out tasks/jobs. Employees' ability to carry out their duties is a manifestation of their knowledge and skills. So employees must hone every ability or skill to compete with human resources in the 4.0 era (Pervez, Abosaq, Alandjani, Shahbaz, & Akram, 2018; Sanderson & West, 1976).

The relationship between skill and competitiveness

Skill and competitiveness have a significant direct influence. For Human Resources to remain able to compete in the digital era, it is necessary to add skills by reskilling or upskilling. The increase in employment should also align with the increase in investment. If not anticipated, the industrial revolution may shift to a social revolution. To ensure industry involvement in the development of
human resources, it is necessary to have a forum that provides opportunities for
the industry to contribute to developing vocational skills.

This includes developing competency standardization programs and
quality vocational training and apprenticeships, especially in industrial sectors
that continue to develop and have the potential to absorb labor. Currently, the
government must prepare for the provision of digital and flexible infrastructure
and training content to deal with the peak of demographic bonuses in 2030 as
well as the role of industrial apprenticeship programs that will increasingly be
able to improve competence while smoothing the transition from the world of
training and education to the world of work.

The Relationship between transformational Leadership and Competitiveness

Transformational leadership has a significant effect on competitiveness.
Leadership is a critical factor in the success of an organization and its
management; leadership is an entity that directs the work of the organization’s
members to achieve organizational goals. Good leadership is believed to bind,
harmonize and encourage the potential of organizational resources to compete
well. The existence of leaders who carry out leadership functions in facing the
changes that occur by setting the vision and mission of the organization, setting
goals as a whole, utilizing subordinates through a participatory approach, and
based on the ability of leaders professionally to improve organizational
competitiveness.

The relationship between skill and competitiveness through transformational leadership

Skills have an indirect influence on competitiveness through
transformational leadership. Transformational leaders are among the most
influential leader choices in addition to transactional leaders (Andersen, 2015;
Greaves et al., 2014). For approximately three decades, transformational leaders
have been the ideal type of leader (Kuhnert & Lewis, 1987; Mangalam Birla, 2005).
Strong skills can have a positive impact on improving a company’s
competitiveness and transformational leadership. By strengthening employees'
skills, companies can increase productivity, reduce costs, improve brand image,
and attract and retain the best employees. In addition, transformational
leadership underpinned by solid personal skills can help create a robust
organizational culture where employees feel valued, supported, and empowered
to achieve larger organizational goals.

In a competitive business environment, employees with strong personal
skills and effective transformational leadership are essential to increase
competitiveness. Employees with strong personal skills can help companies to
innovate, increase productivity, and develop a good brand reputation. While
transformational leadership can help motivate employees to achieve larger
organizational goals, strengthen organizational culture, and increase employee
satisfaction. Therefore, investing in employee personal skills development and
transformational leadership should be a priority for any company looking to
improve its competitiveness and achieve long-term success. Transformational
leaders are the ideal type of leader compared to other types of leaders because
they can increase the value of organizational members through methods of
generating intrinsic motivation and stimulating members to create ideas and think independently to achieve success in the future (Dwivedi et al., 2020; Engelen et al., 2014; Greaves et al., 2014).

CONCLUSION
The relationship between skills and transformational leadership has a significant influence. The results of this test indicate that the ability will influence transformational leadership. Skills significantly influence an organization’s progress in competing, and of course, this must be led by leaders who have a passion for advancing the organization. Skill and competitiveness have a significant direct influence. To remain competitive in the market (national and global), organizations must have human resources who have good skills (hard and soft), which will also create good competitiveness. Transformational leadership has a significant effect on competitiveness. The role of a leader is inseparable from the character that each individual already has. Some are carried from birth, and some are created from a situation or through much learning.

The love triangle relationship between skill, transformational leadership and competitiveness has a significant influence. Transformational leadership has a significant influence on improving skills and has a great influence on increasing organizational competitiveness. The involvement of transformational leadership in connecting skills to competitiveness must be considered by every organization that has not implemented transformational leadership. The role of leaders in an organization does have a significant impact on the progress of the organization. The leader plays a crucial role in every decision-making in the organization, and employees will always follow whatever orders are given by the leader. Employees also leave behind not a few leaders because they cannot set the direction/model of their leadership, so this will have a direct impact on organizations that do not have strong competitiveness.

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