

Effect of Situational Leadership Style on Competence and Employee's Performance of Cleaning Agency at South Jakarta City

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ABSTRACT

This study purpose is to determine and assessing employee's performance of Cleaning Agency at South Jakarta City because there is issues South Jakarta cleanliness is still not good. The condition is likely caused by leadership style and employee's competence who have not been good as well so the impact of employee's performance implementation. This study uses path analysis to determine the effect of leadership style on employee's competence and employee's performance. The populations are 289 employees of Cleaning Agency at South Jakarta City. Total 100 samples represent the four villages with clean and dirty categories. The results showed that situational leadership style has been able to improve the employee's competence. Better situational leadership style can increase the employee's competence, which in turn can improve employee's performance.

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I. INTRODUCTION

South Jakarta City Administration is located in special region of Jarta Capital. This region becomes barometer of other regions in Indonesia, but the city cleanliness is not maximized. South Jakarta cleanliness becomes fundamental duty of Department of Health with not maximum performance. It is caused by not maximum leadership style and competence.

Studies the relationship of employee's competence, leadership style and employee's performance are conducted by Limsila dan Ogunlana (2008); Khan (2009); Abidin (2010); Chi (2007); Timothy (2011); Moschera (2011); Fatokun *et al.*, (2010); Shang (2007); Awan (2012); Ozsahina (2012); MadJoe (2008); Rao (2008); Dubey (2011); Nguyen (2008); dan Wang (2010). But the research results are very different. Some researchers explain that leadership style can improve employee's performance (Fatokun, 2010; Rao, 2008). Other researchers state that leadership style has no effect on employee's performance (Chi, 2007; Khan, 2009; Timothy, 2011; Kennedy, 2002; Clouds, 2012; Ozsahina, 2012; Madloc, 2008). Researchers who state that leadership style affects on employee's competence are Limsila and Ogunlana (2008); Moschera (2011); Madloc (2008). In addition, some researchers also state that competence affect on employee's performance (Abidin, 2010; Shang, 2007; Nguyen, 2008), while Dubey (2011) suggest that competence has no effect on performance. Unfortunately, he does not explain reasons why the employee's competence cannot affect on employee's performance. Whereas some manufacturing companies in India has been given Excellence Award for total management practices to improve labor productivity.

Nguyen (2008) explained that employee's competence arises from two sources, namely human resources, and capability resource to achieve efficiency, superior, quality, innovative, so it can perform rightly. Maghadam (2011) explains that competence is a feature that refers to shape of human resources that can cause productivity to improve employee's performance. This is reinforced by Zailani (2011) that competence is the knowledge, skills and abilities as well as other characteristics such as values, initiative, and self-control.

This study purpose is to explore how the performance is shown by Cleaning Agency at South Jakarta City viewed from the perspective of situational leadership style and employee's competence and to explore the relationship between situational leadership style and competence and employee's performance.

II. LITERATURE REVIEW

2.1. Leadership concept

Is'haq (2008) suggests that a good leader gives encouragement to his subordinates to become creative and able to create a comfortable environment and maintaining the confidence to make good performance. Leadership is an important subject in organizational behavior. Lee and Chuang (2009) explain that a good leader is not only always inspire subordinates, but also meet the process to achieve organizational goals. Good leadership requires the ability to direct their employees to work better in according with organizational

objectives. Fry (2003) describes the leadership should be able to increase the growth potential of subordinates to make good performance. Effective leadership can facilitate performance improvement when the organization faces new challenges (McGrath and MacMillan, 2000). Fenwick and Gayle (2008) revealed that leadership style does not closely relate to employee's performance. Leadership concept has leadership styles as transactional, transformational and situational leadership style. This study focus on situational leadership style. Therefore, situational leadership style is an important factor to perform organizational tasks to achieve the desired objectives (Boehnke et al, 2003) and situational leadership style is considered as the basis to achieve objectives through increased performance as well as an approach to examine how leaders encourage his subordinates on one situation to other situation (Berson, Shamair, Avolio and Popper, 2001).

Situational approach characteristics can be used by leader to diagnose the situation, identifying the work (Swanepoel et al., 2000) and stressing the importance of situation to make effective performance (Mullins, 1999). Different communities require situational leadership and do not promote the ideal leadership style, but the leader must adapt to environment and learn the behavior in various situations (Hersey and Blanchard, 1988).

Whetstone, (2002) & Ehrhart, (2004) stated that situational leadership style has direct and positive effect on employee's performance in every type of organization. Situational leader style will facilitate the employee through his authority to support employees to implement performance (Russell, 2001). Schneider and George (2010) concluded that a person's competence mediate the relationship of leadership style to employee's performance.

2.2. Employee's competence concept.

Baoduo (2011) explains that professional competence must through training and usually used as a goal achievement of personnel development. Maghadarn (2011) explains competency as a feature that refers to form of human resources to generate productivity. Zailani (2011) states that competence is employee knowledge to improve the skills to change the characteristic values, initiative, and self-control to contribute positively to organization.

Lynch et al. (2000) states that competence is a preparation of human resources to explore the ability to implement better performance. Zhao et al. (2001) revealed that competency is the ability to affect the employee's performance directly. Competence is someone trait to do something mentally or physically (Gibson et al., 1996). Competence is the basic characteristics to allow them to show superior performance on job (Boulter et al., 2002). Competence is the knowledge, skills and quality of individual to achieve his success (Armstrong, 2004).

One indicators of competence that is often used in research is education and training. (Norton, 1987, Foyster 1990, Watson 1990, Delker 1990 and Sullivan 1995). Competence is a special skill that is needed to determine the situation of a region (Sullivan, 1995), While Norton (1987) considers that competence of education and training is very important. Foyster (1990) explains that competency-based education and training is very efficient to improve performance. Watson (1990) and Delker (1990) explain that competency-based education and training has a great potential to improve performance.

2.3. Employee's performance concept.

Individual performance is critical to achieve organizational goals and cannot be abandoned because work accumulation will occur in future (Amos, et al., 2004). Vroom (1964) found that performance is a combination of ability and motivation of individuals. On other hand, Robbins (1978) defines the performance as worker's ability to achieve the organization goals or the achievement level of individual to complete the task and a combination of mental and physical ability of an individual to complete the task.

Mangkunagara (2009) stated that generally the performance is divided into two, namely the individual performance and organizational performance. Individual performance is the employees work in terms of quality and quantity based on predetermined work standard, while the organization performance is a combination of individual performance and group performance. Gibson et al. (1996) revealed that employee's performance is a measure that can be used to set the comparison of tasks implementation, responsibilities given by organization at a certain period and relative can be used to measure job performance or organization performance. John Miner (1988) states that there are four dimensions as benchmarks to assess performance: quality, quantity, time usage in workplace, cooperation with others in works. Mathis & Jackson (2007) states that employee's performance is the work done for continuation of employee organization in achieving its objectives. Good employee's performance can provide benefits to organization, while the good performance has not been able to generate a loss for organization. The performance is not good due to a decrease in employee's performance when the employee is unable to complete the work targets and time specified.

III. RESEARCH METHODS

3.1. Research Type

This is a quantitative descriptive research to describe the properties of a situation or research object through the collection and analysis of quantitative data as well as statistic testing. Research nature is explanatory in relation to position of one variable and its relationship with other variables (Sugiyono, 2005).

3.2. Population and Sample

3.2.1. Population.

Open observation showed that the populations are all 289 employees of Cleaning Agency at South Jakarta City. The study objects are employee of Cleaning Agency at South Jakarta City who studied the aspects of leadership style, employee's competence and employee's performance.

3.2.2. Samples

Samples are selected by Multi Stage Sampling method. Village selection as a sample is determined by consideration of areas with clean and dirty category. Village selections as a sample is determined by consideration of areas categorized clean and dirty as in following table.

Table 3.1. Research Sampling

No	Subdistrict	Cleanliness condition		Village	Cleanliness condition		Respondents
		Clean	Dirty		Clean	Dirty	
1	Cilandak	√		• Cipete Selatan	√		6
				• Gandaria Selatan	√		6
				• Cilandak Barat	√		6
				• Lebak Bulus	√		6
2	Mampang Prapatan	√		• Kuningan Barat	√		7
				• Pela Mampang	√		6
				• Bangka	√		6
				• Mampang	√		7
3	Pasar Minggu		√	• Kalibata		√	6
				• Rawa Jati		√	6
				• Duren Tiga		√	6
				• Cikoko		√	6
4	Tebet		√	• Tebet Barat		√	7
				• Tebet Timur		√	7
				• Kebon Baru		√	6
				• Manggarai		√	6
		2	2		50	50	100

Source: Cleaning Agency at South Jakarta City, 2014

Table 3.1 shows total sample of 100 people to represent four villages with clean and dirty conditions. Selection 100 samples refer to Indriantoro and Supomo (1999). Each village is taken 6 and 7 (Judgment sampling) because the rest are clean.

3.3. Data Analysis Technique.

This study uses path analysis approach and descriptive analysis to determine the respondent characteristics and describing the respondents from indicators of each variable research. A description of each indicator is expressed in frequency and average value. Furthermore, respondents' perceptions show indicators to maximum or reflect a variable. Descriptive analysis is also intended to describe the respondent's tendency for statement item related to study variables.

IV. RESEARCH RESULT

4.1. Description of Respondents

Ability to carry out the performance generally is affected by age, gender, education level, rank and experience. Brown (2000) suggests the factors affecting performance, ie rank and class indicate the person is considered to have been able to perform its main task rightly.

Table 4.1 Description of Respondents

No	Description	Quantity	Percent
1.	Sex	68	68
	Male		
2.	Female	32	32
	Total	100	100
1.	<u>Respondent age</u>	20	20
	Less than 30 years		
2.	More than 30 years- 40 years	28	28
3	More than 40 years - 50 years	39	39
	More than 50 years	13	13
	Total	100	100
1.	<u>Education level</u>	32	32
	Junior high school		
2.	Senior high schools	46	46
3	Sarjana	22	22
	Total	100	100
1.	<u>Respondent experience</u>	23	23
	Less than 2 year		
2.	More than 2 - 4 year	32	32
3	Mor than 4 - 5 year	39	39
	More than 50	16	16
	Grand total	100	100

Source:Primary D.ata processed, 2011

4.2.Path analysis results

Table4.2. Effect between variables

Relationship among variables		Estimation	Prob.	Desc.
1. Situational leadership style	Employee performance	0,226	0,012	Significant
2. Situational leadership style	Employee competence	0,321	0,000	Significant
3. Employee's competence	Kinerja Pegawai	0,456	0,000	Significant
4. Situational leadership style	Employee's competence and employee's performance	O,iOJ	0,000	Significant

Source: Primary Data processed 2011

Calculation results show that p-value is bigger than p table and probability value are less than 0.05 and estimate of 0.226, it can be said that Situational Leadership Style has significant effect on employee's performance. Sobel test analysis results that showed indirect effect coefficient between situational leadership style with employee's performance with employee's competence as mediating variables for 0103 (the product of 0.226 to 0.456).

4.3. Discussion,

Discussion of this research results are interpretation the effect of three variables used in this research. They are the situational leadership style, employee's competence and employee's performance. It can be explained below.

1. Effect of situational leadership style on employee's performance .

The results showed that situational leadership style is able to improve the employee's performance at 0.026.

2. Effect of Competence on Employee's performan ce.

Competence affect on performance with posi tive and significatlt coefficient value. These results imply that there is a unidirectional affect relationship between competence and performance and. Employees feel that existing competencies during has a direct effect on employee's performance. Employee's competence is reflected from three indicators, namely knowledge, ski!!s and attitudes as important aspects to improve employee's performance. Knowledge is happening in organization depends on employees ability to learn of

changes and knowledge that has been developed within organization. When employees continually learn and always follow the changes in technology or knowledge, they will improve employee's competence.

2. Employee's competence mediates the effect of situational leadership style on employee's performance.

The results showed that situational leadership style has been able to improve the employee's performance. Situational leadership style can also improve the employee's competence through increased knowledge and skills, which are ultimately the employee's competence, can improve employee's performance. Therefore, the employee competency cannot be called as a mediator of situational leadership style to affect on employee's performance because without employee's competence, situational leadership style can improve employee's performance.

V. CONCLUSION

Research results showed that situational leadership style has been able to improve the employee's competence. Better situational leadership style can increase employee's competence, which in turn can improve employee's performance. Competence is able to improve the employee's performance at instigation of situational leadership style. Better situational leadership style to improve the employee's competence also increased employee's performance. The results also prove that employee's performance increased due to encouragement of employee's competence. High employee's competence is driven by situational leadership style. However, employee competency partially mediates the effect of situational leadership style on employee's performance.

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