

The Role of Employees' Responsiveness in Organizational Performance

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ABSTRACT

This study aimed to determine how much influence of the Leadership Style and Leader's Innovation on Organizational Performance through Employee's Responsiveness as an intervening variable. This research variables are Leadership Style (X_1), Leader's Innovation (X_2) Employee's Responsiveness (Z), and Organizational Performance (Y). Methods used in collecting data were done through surveys and questionnaires distribution to 48 respondents. Methods used in data analysis were the validity and reliability test, correlation analysis, multiple regression analysis, path analysis, and t-test. The results show that Leadership Style had positive and significant effect on Organizational Performance, Leader's Innovation had negative and significant effect on Organizational Performance, Leadership Style had negative but not significant effect on Employee's Responsiveness, Leader's Innovation had positive and significant effect on Employee's Responsiveness, and Employee's Responsiveness had positive but not significant effect on Organizational Performance.

Keywords: *Leadership Style, Leader's Innovation, Organizational Performance, Employee's Responsiveness*

1. BACKGROUND OF THE STUDY

Human resources are a very important key in an organization that functions as a manager, regulator and utilizer, so that it can function well for the achievement of organizational goals. According to [1], human resource is the function within an organization that focuses on the recruitment of management and provides direction for the people who work in the organization. The quality of human resources is needed in a company or organization. Organizational performance is defined as a measure of how well organizations are managed and the value they deliver to customers and other stakeholders [2]. Leadership is a key predictor of employee, team, and organizational creativity and innovation [3], while [4] argued that leadership in organizations has a specific focus on managerial leadership in large organizations. High-performance work systems can improve organizational performance by strengthening the relationships among employees who perform distinct functions, a pathway that is expected to be particularly important in settings characterized by highly-interdependent work [5]. Responsiveness serves as the active ingredient that underlies many of the important qualities that define satisfaction and good relationships [6].

2. MATERIAL AND METHODS

This study examined the Leadership Style and Leader's Innovation on Organizational Performance with Employee's Responsiveness as an intervening variable, conducted in PT Jasarharja Putera (Persero) Padang, West Sumatera. Data obtained through the distribution of questionnaires to the employees of PT Jasarharja Putera (Persero) consisting of 48 respondents. In this study, there are two independent variables, namely Leadership Style and Leader's Innovation, and the dependent variable is Organizational Performance with Employee's Responsiveness as an intervening variable.

3. RESULT AND CONCLUSION

The results of this study with several analyses, namely multiple regression analysis, t-test, and F-test. The development of these results was strengthened by the theory of [7] stating that multiple linear regression analysis is needed to determine the regression coefficients and significance, so that they can be used to answer the hypotheses. In general, the formulation of multiple linear regression can be written as follows:

The formula: $Y = a + b_1.X_1 + b_2.X_2 + e$ (1)

Whereas:

Y = Organizational Performance

X₁ = Leadership Style

X₂ = Leader's Innovation

a = Constant

b = Regression Coefficient

, the first step is to translate the hypotheses.

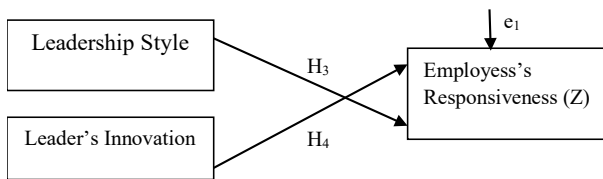
Formula:

$$Z = a + b_3X_1 + b_4X_2 + e_1 \quad (2)$$

$$Y = a + b_1X_1 + b_2X_2 + b_5Z + e_2 \quad (3)$$

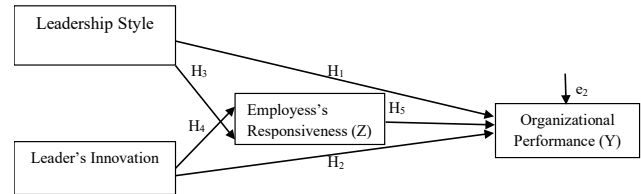
e = Error

3.1 Path Analysis Model I



According to [8] in a quantitative study, a method that examines the causal sequence between a number of variables in a research model is called the path analysis. There are two forms of path analysis, the first is the direct effect analysis and then the second is the indirect effect analysis. To simplify the path analysis

3.2 Path Analysis Model II



3.3 Multiple Regression Analysis

Model I

Table 1
Multiple Regression Results: Leadership Style (X₁) and Leader's Innovation (X₂),
towards Employee's Responsiveness (Z)
Coefficients^a

Model	Unstandardized Coefficients		Standardized	t	Sig.
	B	Std. Error	Coefficients Beta		
(Constant)	6.784	6.306		1.076	.288
1 Leadership Style (X ₁)	-.101	.148	-.082	-.681	.499
Leader's Innovation (X ₂)	.639	.129	.598	4.967	.000

Based on Table 1, it can be seen that the multiple regression equation is:

$$Z = 6.784 - 0.101 X_1 + 0.639 X_2 + e_1$$

From the multiple regression equation above, it can be concluded that:

1. A constant of 6.784 means that if the Leadership Style and Leader's Innovation are absent, the Employee's Responsiveness will remain at 6.784%.

- The coefficient of -0.101 means that if the Leadership Style increases 1%, assuming that the Leader's Innovation is ignored, then the Employee's Responsiveness will decrease -0.101%.
- A coefficient of 0.639 means that if the Leader's Innovation increases 1%, assuming that the Leadership Style is ignored, it will lead to an increase in Employee's Responsiveness of 0.639%.

Model II

Table 2
Multiple Regression Results: Leadership Style (X₁), Leader’s Innovation (X₂),
Employee’s Responsiveness (Z) on Organizational Performance (Y)
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	5.406	5.698		.949	.348
1 Leadership Style (X ₁)	1.100	.133	.786	8.293	.000
Leader’s Innovation (X ₂)	-.305	.143	-.250	-2.133	.039
Employee’s Responsiveness (Z)	.205	.133	.180	1.540	.131

Based on Table 2, it can be seen that the multiple regression equation is:

$$Y = 5.406 + 1.100 X_1 - 0.305 X_2 + 0.205 Z + e_2$$

From the multiple regression equation above, it can be concluded that:

1. A constant of 5.406 means that if the Leadership Style, Leader’s Innovation and Employee’s Responsiveness are absent, then the Organizational Performance will remain at 5.406%.
2. A coefficient of 1.100 means that if the Leadership Style increases 1% with the assumption that Leader’s Innovation and Employee’s Responsiveness are ignored, it results the

Organizational Performance improvement of 1.100%.

3. The coefficient of -0.305 means that if the Leader’s Innovation increases 1% assuming that the Leadership Style and Employee’s Responsiveness are ignored, it results a decrease in Organizational Performance of 0.305%.
4. A coefficient of 0.205 means that if Employee’s Responsiveness increases 1% assuming that the Leadership Style and Leader’s Innovation is ignored, it leads to an increase in Organizational Performance of 0.205%.

3.4 Coefficient of Determination (R²)

Model I

Table 3
Result of the Coefficient of Determination in the Effect of Leadership Style (X₁),
Leader’s Innovation (X₂) on Employee’s Responsiveness (Z)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.595 ^a	.354	.326	2.929

Source: SPSS 21.0 and processed primary data

According to Table 3, the Adjusted R² (R-Square) in the first model is 0.326 or 32.6%. This shows that the contribution of the independent variable in Model I, which are Leadership Style (X₁), Leader’s Innovation (X₂), to the

dependent variable of Employee’s Responsiveness (Z) was 0.326 or 32.6%, while the remaining 67.4% was influenced by other variables not examined in this study.

Model II

Table 4

Result of the Coefficient of Determination in the Effect of Leadership Style (X_1), Leader’s Innovation (X_2) and Employee’s Responsiveness (Z) on Organizational Performance (Y)

Model Summary				
Model	R	R-Square	Adjusted R-Square	Std. Error of Estimate
1	.783 ^a	.613	.587	2.613

Source: SPSS 21.0 and processed primary data

Based on Table 4, the Adjusted R^2 (R-Square) is 0.587 or 58.7%. This shows that the contribution of the independent variables, which are Leadership Style (X_1), Leader’s Innovation (X_2), and Employee’s Responsiveness (Z) to Organizational Performance (Y) was 0.587 or 58.7%, while the remaining 41.3% was influenced by other variables not examined in this study.

3.5 Partial Hypothesis Test (t-Test)

Partial test or t-Test is intended to test the significant effect of independent variable on the dependent variable partially. This test compares the significance probability with Alpha = 0.05 with degrees of freedom (df) $nk-1$, that is $48-3-1 = 44$ (n is the number of respondents and k is the number of independent variables), so the result obtained for t-Statistics was 1.680.

The results of t-Test on the variables of Leadership Style, Leader’s Innovation, and Responsiveness as an intervening variable on Organizational Performance can be presented as follows:

Table 5

Partial Tests of All Independent Variables.

Hypothesis	Variable	t Statistics	t Table	Sig.
H ₁	Leadership Style (X_1) * Organizational Performance (Y)	8.293	1.680	0.000
H ₂	Leader’s Innovation (X_2) * Organizational Performance (Y)	-2.133	1.680	0.039
H ₃	Leadership Style (X_1) * Employee’s Responsiveness (Z)	-0.681	1.680	0.499
H ₄	Leader’s Innovation (X_2) * Employee’s Responsiveness (Z)	4.967	1.680	0.000
H ₅	Employee’s Responsiveness (Y) * Organizational Performance (Z)	1.540	1.680	0.131

Source: SPSS 21.0 and processed primary data

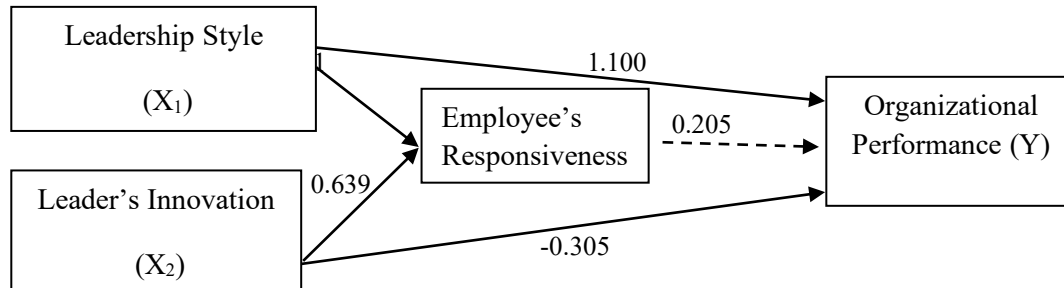
Based the results in Table 5, it can be concluded as follows:

- Leadership Style had positive and significant effect on Organizational Performance, which can be known by t-Statistics (8.293) > t-Table (1.680) with the significance value (0.000) less than Alpha (0.05), which means that partially there was positive and significant effect of Leadership Style on Organizational Performance. Thus, H₁ was accepted.
- Leader’s Innovation had negative and significant effect on Organizational Performance, which can be known by t-Statistics (-2.133) < t-Table (-1.680) with the significance value (0.039) less than Alpha (0.05), which means that partially there was negative and significant effect of Leader’s Innovation on Organizational Performance. Thus, H₂ was accepted.
- Leadership Style had negative but not significant effect on Employee’s Responsiveness, which can be known by t-Statistics (-0.681) < t-Table (1.680) with the significance value (0.499) greater than Alpha (0.05), which means that partially there was negative but not significant effect of Leadership Style on Employee’s Responsiveness. Thus, H₃ was rejected.
- Leader’s Innovation had positive and significant effect on Employee’s Responsiveness, which can be known by t-Statistics (4.967) > t-Table (1.680) with the significance value (0.000) less than Alpha (0.05), which means that partially there was positive and significant effect of Leader’s Innovation on Employee’s Responsiveness. Thus, H₄ was accepted.
- Employee’s Responsiveness had positive but not significant effect on Organizational Performance, which can be known by t-Statistics (1.540) < t-Table

(1.680) with the significance value (0.131) greater than Alpha (0.05), which means that partially there was positive but not significant effect of

Employee's Responsiveness on Organizational Performance. Thus, H₅ was rejected.

3.6 Path Analysis by Using SPSS



Direct Effect

The direct effect is the effect of independent variable on dependent variable without the presence of a moderator by other variables. Here is the analysis on direct effect in this study:

- The effect of Leadership Style on Employee's Responsiveness
 $X_1 \rightarrow Z = -0.101$
- The effect of Leader's Innovation on Employee's Responsiveness
 $X_2 \rightarrow Z = 0.639$
- The effect of Leadership Style on Organizational Performance
 $X_1 \rightarrow Y = 1.100$
- The effect of Leader's Innovation on Organizational Performance
 $X_2 \rightarrow Y = -0.305$
- The effect of Employee's Responsiveness on Organizational Performance
 $Z \rightarrow Y = 0.205$

- Total effect of Leader's Innovation on Organizational Performance through Employee's Responsiveness
Total Effect = Direct Effect + Indirect Effect = $0.131 + -0.305 = -0.174$

From data analysis, it can be seen that the direct effect of Leadership Style on Organizational Performance was 1.100, while the total effect of Leadership Style on Organizational Performance through Employee's Responsiveness was 1.079 (smaller). So, it can be concluded that Employee's Responsiveness did not mediate the effect of Leadership Style on Organizational Performance.

Meanwhile, the direct effect of Leader's Innovation on Organizational Performance was -0.305 and the total effect of Leader's Innovation on Organizational Performance through Employee's Responsiveness was -0.174. So, it can be concluded that Employee's Responsiveness mediated the effect of Leader's Innovation on Organizational Performance.

Indirect Effect

The indirect effect is the effect of independent variable on dependent variable on the presence of a moderator by other variables. Here is the analysis on indirect effects in this study:

- The indirect effect of Leadership Style on Organizational Performance through Employee's Responsiveness
 $X_1 \rightarrow Z \rightarrow Y = (-0.101 \times 0.205) = -0.021$
- The indirect effect of Leader's Innovation on Organizational Performance through Employee's Responsiveness:
 $X_2 \rightarrow Z \rightarrow Y = (0.639 \times 0.205) = 0.131$

Total Effect

- Total effect of Leadership Style on Organizational Performance through Employee's Responsiveness
Total Effect = Direct Effect + Indirect Effect = $-0.021 + 1,100 = 1.079$

4. CONCLUSIONS AND RECOMMENDATIONS

The current organization has followed the changes of the revolutionary era that we are both experiencing today until the 5.0 revolution happens. In improving organizational performance, leaders must strive to improve their leadership style and innovate, in order to acquire high employee's responsiveness, hence that company goals can be achieved in accordance with what has been expected. With the development of technology, increasing the employee's responsiveness will be easier. This research becomes an input to the organization in which the leader plays an important role in the performance of organization. With different levels of selection between female and male leaders considering that leader development varies by gender, evidence has been supporting general similarities of leadership styles (with noted exceptions) between

female and male leaders; and there are similar performance results between female and male leaders [9]. This study aimed to look at the effect of leadership style and leader's innovation through employee's responsiveness on organizational performance. The result is that leadership style and leader's innovation determine the performance of organization through employee's responsiveness. The impact of transformational leadership on organizational performance becomes the mediating role of organizational innovation, [10] which reveals that organizational innovation has mediated a significant impact on organizational performance. This research found that transformational leadership and organizational performance had a strong relationship. Therefore, it supports managers to create such leadership styles in the organization.

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