The Role of Leadership Function as A Mediating Variable Between Leadership Behaviour and Organizational Performance

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ABSTRACT

This study examined the relationship between leadership behaviour and organizational performance and the relationship between leadership behaviour and leadership functions. It also analyzed the relationship between leadership functions and organizational performance and the relationship between leadership behaviour and organizational performance using leadership functions as mediating variables. The research data was obtained from 282 state apparatus staff from Surabaya’s 62 Regional Working Unit Organizations. The results of this study identified a positive relationship between leadership behaviour and organizational performance, as well as demonstrated that leadership functions can partially mediate the relationship between leadership behaviour and organizational performance. This research is expected to provide insight to leaders in the Regional Working Unit Organization on the importance of good behaviour and leadership functions in leading the organization to achieve better performance.

Keywords: Leadership behaviour; leadership function; organizational performance.

INTRODUCTION

One of the indicators that effective organizational performance has been achieved can be observed by leaders with the power to influence a group to achieve the organization’s goals [39; 60]. Fiedler’s contingency theory [18] explains the importance of a leader’s role in an organization: the group can run effectively if there is a match between the leadership style and its subordinates. In such roles, the leader can control and influence the situation.

According to [50], leadership behaviour is reflected in a person’s overall attitude, as shown through his speech and behaviour as a member of an organization. Leaders have an important role in managing members’ various needs and interests. They carry out organizational activities to enable effective work implementation [24]. With guidance from the leader, the connection between individual and organizational goals strengthens, resulting in members working to achieve their personal goals instead of focusing on achieving the organization’s goal [53]. Therefore, the leader must be present and apply the proper leadership behaviour.

Some research on the relationship between leadership and organizational performance indicates a positive relationship. For example, [38] states that leadership effectiveness can significantly improve organizational performance. Similar studies conducted by [49] and [51] found that leadership positively relates to organizational performance. In other words, the better the leader’s performance in guiding members and showing a leadership attitude, the better an organization’s overall performance. However, several other studies have shown conflicting results, such as research conducted by [5], who found a negative relationship between leadership and organizational performance due to other factors of individuals and the work environment that also affect performance. These studies align with the research of [34], which found a negative relationship between leadership behaviour and organizational performance. Another conflicting result comes from the work of [19], which states that leadership is negatively related to the organization’s performance. It is because the more advanced the leadership style, the more complex the performance success will be.

The inconsistency of past study results on the relationship between leadership and organizational performance indicates the need for situational variables that can connect those variables. [31] shows that leadership functions are situational variables that can mediate the behaviour of leaders to influence the organization’s performance. According to [23], leadership functions relate to tasks, problem-solving and organizational maintenance. [57] states that the function of a leader is to create a vision. Therefore, from the various definitions of leadership functions, the function of leadership is the work done by a leader to mobilize members to achieve organizational goals through various
means. The leadership function is the realization of ideal conditions related to the work environment, which are achieved through several leadership behaviours. Therefore, the leadership function plays a vital role in improving an organization's performance. With solid cooperation between leadership functions in the organization, effective organizational performance can be achieved. Therefore, the function of leadership can act as a mediation variable. This conclusion is supported by previous researchers, such as [17] and [26]. This research also corresponds to the limitation of previous research [31]. Differing from his work, we treat each of the indicators of leadership behaviour and leadership function as a single construct that shapes the variables. Besides that, as long as we know, there is still no research in Indonesia that tries to discuss the variables of this research.

The research related to leadership behaviour, leadership function, and organizational performance describes how leadership behaviour leads to leadership functions that play an essential role in an organization's performance. This research will be conducted at the Regional Working Organization in Surabaya. It is hoped that this research can contribute to local government by providing insight into how to improve the organization's performance and restore public trust. This is becoming an important subject of study because public sector organizations' characteristics differ from those of private organizations [37]. Related to leadership issues, it is recognized that leaders in the public sector tend to avoid risk and see innovation as a threat, compared to leaders in the private sector [25]. Thus, delving deeper into this fascinating issue will shed light on further exploration and understanding.

The results of this study are a continuation of research conducted by [31], which showed how leadership practices/behaviour that occur at the individual level affect performance at the organizational level. In line with previous studies conducted by [4] and [38], it takes a leader who can create a conducive environment for employees to improve effectiveness in work. Furthermore, this study will examine how the improved performance of an organization can increase public trust. The study also aims to fill gaps in the literature by exploring and testing the mediating relationship between leadership behaviour and organizational performance. Given that studies on leadership in public organizations are relatively rare, these studies will contribute to the literature on management and public sector leadership.

Based on data from 282 questionnaires processed from the 62 Regional Working Organizations in Surabaya and using Partial Least Squares Structural Equation Modelling (PLS-SEM) as a statistical analysis method, a positive relationship was found between leadership behaviour and organizational performance. The data also demonstrates that leadership functions can partially mediate the relationship between leadership behaviour and organizational performance. A literature review follows systematic writing. The study will then proceed with research methods, research results, and finally, conclusions and suggestions.

**Contingency Theory**

The contingency theory proposed by [18] views leadership as a process in which a leader's ability to exert influence depends on the group task situation. In other words, a leader's understanding of the situation determines the leader's performance. The contingency approach and the situational approach, based on the views of [52], state that different management techniques are needed to achieve organizational goals in various situations or environments.

**The Relationship Between Leadership Behaviour and Organizational Performance**

As stated in the contingency theories of [18], the contingency problem is entirely the responsibility of the leader. One of the contingency problems is uncertainty in a dynamic environment. In order to solve existing contingency problems, good leadership behaviour and leadership functions are needed. Leadership behaviour and effective leadership functions in an organization will result in effective member performance, which will improve performance in the organization.

An organization is a body of several members. Each member is an overview of how the organization is. Therefore, member performance plays a vital role in improving organizational performance. Leaders must be the main factor in maximizing performance. By improving the performance of each organization member, leaders can later improve the organization's performance. This is in line with research conducted by [22], which analyzed the West Aceh Regency and found a positive relationship between leadership behaviour and the performance of social labour and transmigration organizations.

Based on research conducted by [11], the following factors can improve members' performance. They thus can positively impact an organization: member work interactions that suit the situation, synchronous communication, and good coordination. High-quality collaboration within an organization is characterized by cohesion, defined as a collaborative spirit between departments, and
results from leaders influencing members to keep them working together on an ongoing basis. According to [6], leaders managing a diverse workforce can effectively appreciate differences among members and create a conducive and cooperative work environment. This can contribute to the achievement of organizational goals. [31] demonstrates that feedback can improve performance because it leads to the acquisition of technical, role, and evaluative information. The information obtained can promote practical work and assist members in determining whether they have fulfilled performance standards or exhibited acceptable behaviour within the organization. Feedback from leaders can also improve members' ability to control the work or responsibilities they are given.

Additionally, goal clarity is considered a factor that can improve an organization's performance [40] because the lack of a clear, common understanding of goals among members can result in poor performance. This is because members may need more direction or clarity regarding priorities, leading to members exploring fewer ideas or collaborating less effectively. After all, in such a situation, members are focused on achieving different goals. Therefore, leaders must constantly explain and remind members of the organization's goals. The research conducted by [12] stated that employee development is also vital for organizations because human resources must be continuously developed to improve members' professional quality and skills in carrying out tasks and functions under the demands of the evolving environment. This notion is also in line with [43], which states that human resources are valuable for the company to gain a competitive advantage. Thus, when the leader develops the members' capabilities in carrying out their duties, each member can be more efficient and productive. [30] showed that leaders who provide intangible resources such as information and knowledge could encourage learning for organization members. This can increase each worker's efficiency and effectiveness.

Influential leaders will be able to resolve contingency issues regarding dynamic environmental uncertainties. Therefore, leaders must apply leadership behaviour well to improve member and organizational performance [14]. This is in line with contingency theory, which states that a good and effective leader is a leader who understands the behaviour, nature, and situation of their organization's members before applying a particular leadership style. Thus, an effective leader must possess diagnostic skills in human behaviour [36]. Thus, a hypothesis was formulated as follows:

\[ H_1: \text{Leadership behaviour (shown by increasing inter-unit collaboration, managing diversity, exhibiting goal-directedness, and providing performance feedback, employee development, and resources) positively correlates with organizational performance.} \]

The Relationship Between Leadership Behaviour and Leadership Function

This research is based on a behavioural approach to leadership, which assumes that leadership is performed by exhibiting certain behaviours. Leadership behaviour can vary, meaning that one leader will exhibit a different leadership behaviour than another. However, the leadership function can be performed effectively if a leader carries out several leadership behaviours.

Inter-unit collaboration in public organizations can positively affect leadership functions because collaboration between units can increase members' motivation and cooperation [13]. The behaviour of leaders who can positively manage diversity affects the function of leadership because it can support members to reduce discrimination and ensure equal treatment to work together effectively [45]. In the study conducted by [29], performance feedback provided by the leader was beneficial in determining objectives and instructing members on their individual goals. This reduced the decrease in job satisfaction associated with role ambiguity, thus improving performance effectiveness. Thus, feedback has a positive relationship with the leadership function.

Clarity of an organization's goals can reflect the definition of its vision and mission and how these goals are shared, achieved, and valued by its members. Ensuring goal-directedness is therefore predicted to influence the leadership function positively; leaders need to communicate goals and objectives often to reduce the role ambiguity experienced by members [40]. According to research conducted by [15], employee development has a positive relationship with leadership functions because effective leadership can help individuals acquire knowledge and skills. Intangible resources such as information and knowledge can encourage learning in the organization. Therefore, the provision of resources has a positive relationship with the leadership function because leaders play an essential role in providing the resources needed to improve the skills and knowledge of members [30].

The problems facing leaders vary and depend on the situation [38]. Changing or uncertain situations influence certain personalities, and leaders must be good at taking leadership behaviour actions that improve the effectiveness of leadership functions. This is explained in contingency leadership theory, which states that leadership characteristics
significantly depend on contextual factors [7; 56]. Thus, the following hypothesis has been formulated: H2: Leadership behaviour (shown by increasing inter-unit collaboration, managing diversity, exhibiting goal-directedness, and providing performance feedback, employee development, and resources) has a positive relationship with leadership functions (as shown by higher levels of member cooperation, role clarity, and skills and knowledge).

The Relationship Between Leadership Function and Organizational Performance

One variable that can determine the performance of an organization is the leader. The success of members in carrying out their duties and responsibilities reflects a leader's success with a defined leadership function. Leadership function is the realization of ideal conditions related to the work environment, which are enforced by certain leadership behaviours and are essential for good organizational performance.

A study conducted by [33] found a positive relationship between leadership functions and organizational performance in the Directorate General of New Renewable Energy and Energy Conservation. Cooperation positively influences an organization's performance because the knowledge to take strategic actions cannot be collected from just one individual's thoughts [16]. Furthermore, role clarity is considered to have positive results for the performance and success of organizations [8]. This is because leaders who can convince and translate the organization's abstract mission into specific and concrete objectives for individuals and work units can clarify each member's role in the organization to ensure that they can work effectively. Skills and knowledge also positively correlate with the organization's performance because they are closely related to change. Hence, leaders set a direction that must be followed in developing a vision for the future, and they care about the organization's ideas. Therefore, it takes the skills and knowledge of members who continue to develop [26].

When it comes to achieving a goal, the influence of leadership is fundamental. Therefore, the success or failure of an organization to achieve its specified objectives is closely related to the effectiveness of the leadership functions that operate within the organization. This can be attributed to the contingency theory that states that successful leadership depends on how a leader responds in his or her leadership function to the demands of the situation [21]. Thus, the hypothesis that has been formulated is as follows:

H2: Leadership functions (shown by increasing cooperation, role clarity, and skills and knowledge) have a positive relationship with organizational performance.

The Relationship of Leadership Behaviour and Organizational Performance With Leadership Function as a Mediating Variable

Over the past few years, several studies have examined the mediating link between leadership and performance. However, the implications of existing studies are still focused on specific leadership styles, such as transformational leadership [9; 10; 49], collaborative leadership [27], or knowledge leadership [58]. Instead, this study will focus on leadership role behaviour that is not limited to specific leadership styles. The results of this study allow a comprehensive understanding of how specific leadership behaviour relates to leadership functions and that impact organizational performance. In addition, the mediators identified in previous studies need to be more diverse. For example, some studies identify mediators that demonstrate the nature of work processes, such as knowledge management [9] or collaborative processes [27]. In contrast, others identify mediators that show individual-level results, such as job satisfaction [55]. The underlying logic of these mediators is so diverse that it takes work to incorporate them into a single, concise model.

Leaders in each organization have a particular leadership style that will undoubtedly differ from that of other organizations' leaders. These leadership styles result in different leadership behaviours from each leader. However, the behaviour of each leader directs them to perform management functions correctly, so different behaviours continue to carry out the management function. Leadership behaviour that directs each leader to collaborate and coordinate between sections, conduct feedback, and manage the diversity within the organization will make it easier for each leader to perform his or her leadership functions correctly. Leaders who demonstrate effective leadership behaviour will facilitate cooperation between individuals in the organization, clarify each individual's role, and improve the capabilities and knowledge of individuals. The study found that leadership is needed to create a climate conducive to innovation and employee creativity [4; 34; 35]. Later, [42] and [56] showed that leaders significantly impact how their followers achieve goals. [42] found that leader behaviour supports constructive problem-solving and increases the self-efficacy of followers, which can later encourage innovative organizational performance.
Improving a leader’s efforts to carry out his leadership functions correctly due to good leadership behaviour will help the organization achieve higher performance [10]. Leadership functions play an essential role in connecting leadership behaviour and organizational performance. In other words, generic functionality results from certain leadership behaviours, which ultimately lead to better organizational performance. [31], in his research, found that how leadership practices are implemented at the individual level can ultimately affect performance at United States federal agencies. The results showed that well-conducted leadership behaviour, resulting in practical leadership functions, positively affects an organization’s performance. In research conducted by [14], well-functioning leadership was demonstrated to help focus people-centred approaches and tasks in a specific direction for positive change, allowing organizations to avoid the risk of individual leadership orientation and strengthening the status quo.

Similarly, based on contingency theory, a leader needs to adjust behaviour based on a rational understanding of the situation and assume an appropriate leadership style [7]. Thus, there is no better or worse leadership style, and there is more than one approach to leadership. Instead, the right approach depends on the situation, changing how the leader behaves. Thus, the following hypothesis was formulated:

H1: The positive relationship between leadership behaviour and organizational performance is mediated by leadership functions

RESEARCH METHOD

This study uses a quantitative research approach with explanatory research methods. Respondents in this study were civil apparatus staff at the Regional Working Organization of Surabaya. The researchers chose this population because of the declining public trust towards the public sector and because the study aimed to determine the performance of staff and leaders of regional organizations. With good performance from staff and leaders, organizational performance will increase. This can provide perceptions of the variables studied, such as leadership behaviour, organizational performance, and leadership function. Moreover, as stated by [1], corruption cases in Indonesia are primarily found in Government circles; the data showed that corruption cases in Indonesia tended to increase from 2015 to 2020 [1]. The phenomenon of corruption causes a decrease in the level of public trust in the performance of the Indonesian government [1].

We distributed the questionnaires in total to 61 Local Government Organizations in Surabaya. The sampling technique used in this study is a saturation sampling technique. Saturated sampling was used because there were no specific criteria for sampling in this study. Thus, it means that all population members were used as research samples. Even though we know the total number of Local Government Organizations in Surabaya was 61, we faced the challenge of precisely determining the total number of potential respondents in our target population. To ensure the likelihood of obtaining a comprehensive response and enhance the generalizability of the findings, we decided to distribute the questionnaires to as many as possible [20]. From a total of 1,500 paper-and-pen questionnaires that were distributed, the number of returned questionnaires was equal to 330, and then a total of 282 questionnaires could be further processed. Ethics approval from the committee was optional for this study because all of the respondents provided written informed consent before enrolment and agreed to answer all of the questions in the questionnaire. We also provided a formal permission letter to each organization before distributing the questionnaires.

The independent variables in this study are leadership behaviour and leadership function, while the dependent variable is organization performance. Leadership behaviour is an inherent ability and has many influencing elements, both internal and external [50]. The elements of leadership behaviour include ensuring goal direction, providing performance feedback, maintaining cohesive diversity within the organization, supporting employee development, promoting collaboration between units, and providing resources [29; 31]. The indicators used to measure leadership behaviour were adopted from [31], which consists of twelve statements.

Next, the leadership function of a leader is to guide members of their organization to achieve the goals set collectively [30]. There are some general functions that leaders are expected to carry out. These functions are to increase cooperation, provide role clarification, and improve skills [31]. The author has adopted the leadership function indicators from [31].

Lastly, organizational performance consists of the input, output, benefit, and impact that has been achieved by the organization within a certain period [59]. An organization’s performance can be assessed by evaluating the work carried out by each member of the organization to achieve the goals that have been previously set [51]. To measure organizational performance, the authors adopted indicators from [31] research, which were selected from a collection of questions in the Federal Employee Viewpoint Survey (FEVS). Organizational performance indicators consist of two questions. The first question is related to the level of work quality of the work unit, and the second is related to the overall organizational performance assessment. Although
these two items are self-rated measures, measuring organizational performance in this way has been widely used in many studies on organizational performance and is considered effective [54].

All items on the questionnaire are measured using the interval-measurement Likert scale, starting from point 1 (strongly disagree) to point 5 (strongly agree). A 5-point Likert scale is used in this study because it can produce results with strong reliability and a high validity index [44]. This study has also used control variables in the form of gender, age, and education. The data analysis method used is the WarpPLS version 7.0 software PLS.

RESULTS AND DISCUSSION

Descriptive & Statistical Results

In total, 1,500 questionnaires were distributed, but only 282 questionnaires could be further processed.

Table 1. Respondent’s Demographic Data

<table>
<thead>
<tr>
<th>Sub Classification</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>128</td>
<td>45.4</td>
</tr>
<tr>
<td>Female</td>
<td>154</td>
<td>54.6</td>
</tr>
<tr>
<td>Total</td>
<td>282</td>
<td>100</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17 – 24</td>
<td>42</td>
<td>14.9</td>
</tr>
<tr>
<td>25 – 34</td>
<td>105</td>
<td>37.2</td>
</tr>
<tr>
<td>35 – 49</td>
<td>109</td>
<td>38.7</td>
</tr>
<tr>
<td>50 – 64</td>
<td>26</td>
<td>9.2</td>
</tr>
<tr>
<td>Total</td>
<td>282</td>
<td>100</td>
</tr>
<tr>
<td>Last education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High school</td>
<td>58</td>
<td>20.6</td>
</tr>
<tr>
<td>Diploma</td>
<td>54</td>
<td>19.1</td>
</tr>
<tr>
<td>Bachelor</td>
<td>156</td>
<td>55.3</td>
</tr>
<tr>
<td>Master</td>
<td>14</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>282</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Data (2021)

Before testing the hypothesis, researchers also test the relationship between the demographic and dependent variables to test the control variables used in this study. This test is essential due to the weakness of the survey method, as revealed by [47]. To overcome this problem, they suggest that researchers need to do additional tests separately on the demographic variable on the dependent variable.

Based on the results of the analysis, the chi-square test (df = 7; n = 282) did not show a significant difference between organizational performance related to gender (Pearson Chi-Square = 13.408; p = 0.63 > 0.05); age (one-way ANOVA; F = 2.260; p = 0.082 > 0.05); and last education (one-way ANOVA; F = 1.009; p = 0.389 > 0.005). These results indicate that the influence of these characteristics on each respondent can be ignored.

According to the results of Table 2, the AVE value for all variables is > 0.5. Therefore, it can be concluded that all variables are valid. After that, the reliability test was carried out on all the variables used in this study, which showed that all variables have a composite reliability value > 0.6 (composite reliability and Cronbach’s alpha). These results illustrate that all variables used were feasible and reliable for this research process.

Furthermore, the outer loading value can be used to measure and determine whether each estimated indicator validly measures the dimensions studied. An indicator is said to meet the validity requirements if it has an outer loading value > 0.5, which means it is considered good [7]. Lastly, Table 3 shows that the model in this study was declared fit. These results indicate that the model built in this study is feasible for the analysis process to be carried out.

Hypothesis Test Results and Discussion

Hypothesis testing in this study was conducted by testing the direct and indirect relationship hypotheses. The direct relationship hypothesis test aimed to determine the relationship between leadership behaviour and organizational performance, the relationship between leadership behaviour and leadership function, and the relationship between leadership function and organizational performance.

Table 2. Loading Factor, AVE, Reliability

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Outer Loading</th>
<th>P value</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership Behavior (AVE= 0.535, Composite Reliability = 0.931, Cronbach Alpha= 0.918)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X1</td>
<td>0.786</td>
<td>&lt;0.001</td>
<td>Valid</td>
</tr>
<tr>
<td>X2</td>
<td>0.655</td>
<td>&lt;0.001</td>
<td>Valid</td>
</tr>
<tr>
<td>X3</td>
<td>0.603</td>
<td>&lt;0.001</td>
<td>Valid</td>
</tr>
<tr>
<td>X4</td>
<td>0.637</td>
<td>&lt;0.001</td>
<td>Valid</td>
</tr>
<tr>
<td>X5</td>
<td>0.786</td>
<td>&lt;0.001</td>
<td>Valid</td>
</tr>
<tr>
<td>X6</td>
<td>0.983</td>
<td>&lt;0.001</td>
<td>Valid</td>
</tr>
<tr>
<td>X7</td>
<td>0.883</td>
<td>&lt;0.001</td>
<td>Valid</td>
</tr>
<tr>
<td>X8</td>
<td>0.657</td>
<td>&lt;0.001</td>
<td>Valid</td>
</tr>
<tr>
<td>X9</td>
<td>0.663</td>
<td>&lt;0.001</td>
<td>Valid</td>
</tr>
<tr>
<td>X10</td>
<td>0.670</td>
<td>&lt;0.001</td>
<td>Valid</td>
</tr>
<tr>
<td>X11</td>
<td>0.883</td>
<td>&lt;0.001</td>
<td>Valid</td>
</tr>
<tr>
<td>X12</td>
<td>0.569</td>
<td>&lt;0.001</td>
<td>Valid</td>
</tr>
</tbody>
</table>

| Organizational Performance (AVE= 0.770, Composite Reliability = 0.870, Cronbach Alpha= 0.702) |
| Y1        | 0.878         | <0.001  | Valid  |
| Y2        | 0.878         | <0.001  | Valid  |

| Leadership Function (AVE= 0.537, Composite Reliability = 0.871, Cronbach Alpha= 0.821) |
| M1        | 0.870         | <0.001  | Valid  |
| M2        | 0.604         | <0.001  | Valid  |
| M3        | 0.596         | <0.001  | Valid  |
| M4        | 0.653         | <0.001  | Valid  |
| M5        | 0.747         | <0.001  | Valid  |
| M6        | 0.870         | <0.001  | Valid  |

Adjusted R-Square

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Performance</td>
<td>0.421</td>
</tr>
<tr>
<td>Leadership Function</td>
<td>0.355</td>
</tr>
</tbody>
</table>

Source: Data (2021)
because the backgrounds of staff can vary in an important dimension. Staff regarded managing leadership behaviour that can manage diversity is performance. In addition, this study also shows leadership behaviour to improve organizational performance. In the Regional Device Organization (OPD) indicates that the leader’s behaviour in managing diversity can influence staff satisfaction (β= 0.422, p<0.001), so H1 is accepted. This study can be seen in Table 5 below.

Hypothesis testing used the t-statistic test in the PLS analysis model with the help of the WarpPLS 7.0 software. Meanwhile, the indirect relationship test was carried out using the indirect effect estimation simultaneously with the triangle PLS model. The result of hypothesis testing in this study can be seen in Table 5 below.

The results of statistical testing on the first hypothesis show that leadership behaviour is positively related to the organization’s performance (β= 0.422, p<0.001), so H1 is accepted. This study indicates that the staff of the state civil apparatus in Surabaya feels that good leadership behaviour can improve the organization’s performance. The results of this study indicate that the leader’s behaviour in encouraging inter-unit collaboration is good. The staff assess synchronous and positive interaction, communication, and coordination between units in the organization to improve performance; therefore, inter-unit collaboration is an essential dimension in leadership behaviour to improve organizational performance. In addition, this study also shows that leadership behaviour that can manage diversity is an important dimension. Staff regarded managing diversity as effective in improving performance because the backgrounds of staff can vary in an organization; therefore, diversity must be managed appropriately so there is no mismatch, and the organization can run effectively. Leadership behaviour in providing performance feedback also proved to be an important dimension. Staff considered the technical, role, and evaluative information provided by the leader to have an essential role in improving organizational performance because constructive feedback from the leader could improve staff performance in the future.

Furthermore, the staff reported that having a leader who always explained and reminded them of the organization’s goals could improve organizational performance. The delivery of goal-directedness (clarity of roles) allows staff to focus so that they can work effectively to achieve their goals. Leadership behaviour in employee development can improve the professional qualifications and skills of the staff in carrying out their duties to improve organizational performance. The existence of resources (resource provision) such as information and knowledge, budget, people, and materials provided by the leader can encourage organizational performance improvement. The results of this study indicate that leaders who were assessed by state civil apparatus staff in Regional Apparatus Organizations (OPD) could carry out the values of leadership behaviour in their activities as a form of responsibility to the community and to address existing uncertainties. The result of this research hypothesis test is supported by previous research by [55], who found strong evidence that an organization’s success depends on the leadership of its manager. [22] show that a leader’s good leadership behaviour will improve the effectiveness of staff-led performance so that it contributes positively to the organization’s performance.

The second hypothesis (H2) indicates that the leadership behaviour variable is positively related to the leadership function (β= 0.598, p<0.001); thus, H2 is accepted. This indicates that a leader with good leadership behaviour can increase the effectiveness of his or her leadership function. The results of this study prove that the leadership function in collaboration can be improved by having a leader who encourages good cooperation between units. In addition, the leadership function of cooperation can also be improved through leaders’ ability to manage various staff from different backgrounds (managing diversity) to work well together. Furthermore, the results of this study prove that the performance feedback provided by the leader regarding the role of staff in their organization can provide role clarity so that staff understand what is expected. The leadership function of role clarity can also be improved by having a leader who constantly reminds the staff of the organization’s goals (goal-directedness) because, with clear goals, the staff can understand their role in an organization.

<table>
<thead>
<tr>
<th>Table 3. Fit Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenenhaus GoF</td>
</tr>
<tr>
<td>Sympon’s paradox ratio (SPR)</td>
</tr>
<tr>
<td>R-squared contribution ratio (RSCR)</td>
</tr>
<tr>
<td>Statistical suppression ratio (SSR)</td>
</tr>
<tr>
<td>Nonlinear bivariate causality direction ratio (NLBCDR)</td>
</tr>
</tbody>
</table>

Source: Data (2021)

<table>
<thead>
<tr>
<th>Table 4. Hypothesis Tests Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relationship</td>
</tr>
<tr>
<td>LB → OP</td>
</tr>
<tr>
<td>LB → LF</td>
</tr>
<tr>
<td>LF → OP</td>
</tr>
</tbody>
</table>

Indirect Relationship

| Relationship | Path Coefficient | P-Values |
| LB → LF → OP | 0.171           | <0.001   |

Source: Data (2021)
research also proves that having a leader who provides a place to hone staff's knowledge and skills (employee development) and provides resources (resource provision) will increase the skills and knowledge of staff.

The contingency theory proposed by [52] can also help explain how leadership behaviour can improve leadership function. The theory states that to achieve organizational goals, various management techniques are needed in different situations or environments. Organizations that are dealing with various problems and, depending on changing situations, need leaders who can take effective leadership behaviour actions that can increase the effectiveness of the leadership function. The findings in this study are similar to previous studies, including research conducted by [31], which explained that the better the leadership behaviour applied by a leader, the more influential the function of leadership in the organization would be. [3] observed a significant association between various leadership roles that produce effectiveness in leadership functions. [41] found that certain leadership behaviours will improve certain leadership functions; for instance, leaders with a humorous nature will improve the function of leadership by fostering innovative behaviour in staff.

The statistical test results on the third hypothesis demonstrate that the leadership function is positively related to the organization's performance ($β= 0.286$, $p<0.001$), so $H_3$ is accepted. The results indicate that the state civil apparatus staff felt that the practical function of leadership in the Regional Working Organization of Surabaya could improve the organization's performance. The findings of this study are similar to previous studies [31], which identified a positive relationship between leadership functions and organizational performance. [33] also obtained the same research results, namely the positive relationship between the function of leadership and the organization's performance. The result states that the better a leader carries out his or her role and function, the higher the employee's motivation, ultimately improving the employee's performance. Furthermore, [2] illustrated the demands of leadership when staff face complex challenges and conflicts; therefore, with the function of a leader, staff will be better able to work effectively, resulting in better performance. Finally, [32] states that leaders who strategically distribute certain leadership functions to staff and lead effectively will improve the organization's performance.

The results of statistical testing on the fourth hypothesis indicate that the leadership function partially mediates the relationship between leadership behaviour and organizational performance ($β= 0.0171$, $p<0.001$), so $H_4$ is accepted. In addition, this study found that the management function can encourage different leadership behaviours to keep them running correctly. This study shows that leadership behaviour has a vital role in improving the performance of an organization, regardless of the leadership function as a mediating variable. A good leader will ensure that the chosen leadership behaviour allows for adequately carrying out management functions. This will later improve organizational performance because, with increased leadership behaviour, it will become easier for each leader to help their organizations achieve higher performance. Therefore, this study's results prove that a leadership function as a mediating variable on the relationship between leadership behaviour and organizational performance can produce a positive relationship.

The contingency theory proposed by [18] states that organizational management can run well and smoothly if organizational leaders can pay attention, analyze, and solve situations the organization faces. The contingency theory proposed by [50] states that to achieve organizational goals, different management techniques are needed in different situations or environments. Therefore, the chosen leadership behaviour leads to the leadership function needed in an organization so that performance increases. The findings in this study are similar to previous studies, including [26], which showed that for an organization to run, leadership as construction must perform a specific system of functions. In addition, [48] found results that support the use of the leadership function model to understand leadership behaviour in teams and train leaders to increase the effectiveness of teamwork. [31] also found that the relationship between leadership behaviour and organizational performance increased with the leadership function as a mediating variable.

CONCLUSION

The lack of oversight in the governance process has fuelled an increase in the misappropriation of public resources. An accountable and trusted local government provides hope for the community. Therefore, it is necessary to make efforts to improve the performance of each government apparatus to restore public trust. Indicators of achieving organizational performance can be shown by the behaviour of the leadership in an organization. In previous studies, leadership behaviour has been shown to result in an increase in organizational performance through the mediating function of leadership in public organizations in the United States.

This study took the first step in determining the dimensions to directly identify the relationship between leadership behaviour and organizational
performance with the role of the leadership function as a mediation carried out in the Regional Working Organization of Surabaya. This study classifies leadership behaviour as having six dimensions: inter-unit collaboration, managing diversity, performance feedback, goal-directedness, employee development, and resource provision. Leadership consists of three dimensions: cooperation, role clarity, and skills and knowledge. This study asks whether the function of leadership as a mediating variable has a role in the relationship between leadership behaviour and the performance of public sector organizations in the city of Surabaya.

The main finding in this study is that after the survey of state civil apparatus staff at Surabaya's Regional Work Organization, it was possible to conclude that the performance of the organization had improved positively and significantly due to an increase in the efforts of leaders in carrying out their leadership functions correctly through effective leadership behaviour. The study results have also considered the possible influence of the demographic characteristics of participants, which after testing the results using ANOVA and Chi-square, found no relationship of gender, age, or final education to the dependent variables studied. This study has several limitations. First, the model in this study focuses on leadership capacity, which is concerned mainly with internal management; the leader's ability to manage the external environment needs to be considered. This is because public organizations can shape the organizational environment according to the leader's plans. Second, the dependent and independent variables in this study came from the same survey, so common source bias is a concern that could affect the validity of the results. In addition, the dependent variable in this study, organizational performance, is perceived subjectively rather than as an objective indicator of performance.

From a theoretical point of view, further research should include additional mediating variables such as job satisfaction, commitment, and organizational citizenship behaviour to examine the relationship between leadership behaviour and organizational performance significantly. From a practical point of view, the Regional Apparatus Organizations (OPD) in Surabaya are expected to provide a thorough and specific understanding of leaders' awareness to understand the importance of the leadership function in the organization so that better organizational performance can be achieved.

Additional important implications of this study are that for organizational leaders, these research findings highlight the significance of leadership behaviour in driving organizational performance. It emphasizes the importance of leaders demonstrating effective leadership behaviours, such as inspiring and motivating their teams, providing clear direction, fostering a positive work environment, and promoting open communication [46; 28].

Meanwhile, for the human resources management team, the findings suggest that organizations should prioritize leadership development programs that focus on technical skills and growing desired leadership behaviours. Lastly, for employees and team members, the research findings indicate that employees can be encouraged to provide feedback on leadership behaviour and contribute to developing a positive work environment.

REFERENCES


