PalArch's Journal of Archaeology of Egypt / Egyptology

THE LEADERSHIP STYLES, PERFORMANCE MEASURES, AND LEVERS OF CONTROL ON SUBORDINATES WORK RELATED-ATTITUDES: THE INDONESIAN CASE STUDY

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Afrizal, Riski Hernando,Wirmie Eka Putra, Yuliusman, The Leadership Styles, PerformanceMeasures, And Levers of Control on Subordinates Work Related-Attitudes: The IndonesianCase Study-Palarch's Journal Of Archaeology Of Egypt/Egyptology 17(6),ISSN 1567-214x

Purpose of the study: This study examines the effect of leadership style, performance measures, and levers of control in subordinates' work-related attitudes.

Methodology: This study uses a quantitative approach to the type of descriptive research. Data collected through a questionnaire survey from 152 employees in 10 companies who worked in Jakarta, Indonesia, and then analyzed using structural equation modeling – partial least square (SEM-PLS).

Principal Findings: Leadership styles can directly affect subordinates' work-related attitudes and can indirectly mediate with combination performance measures and levers of control.

Applications of this study: The findings of this study can implement into the company regarding the strategies and actions that managers must take to motivate and influence subordinates' attitudes to improve performance.

Novelty/Originality of this study: This research provides a new perspective by including the role of psychology in the use of performance measurement. The combination of performance measurement and levers of control as mediating variables can play a role in supporting behavior theory.

Keywords: *Indonesia, leadership style, levers of control, performance measures,SEM-PLS, subordinates work related-attitude,*

INTRODUCTION

Leadership style has widely studied in the literature of psychology and behavioral (Boehnke et al., 2006; Burke, 2009;Campbell, Dardis, & Campbell, 2003; Day & Harrison, 2007; Hinkin & Schriesheim, 2015; Lee, Martin, Thomas, Guillaume, & Maio, 2015; Pearce, 2007; Quatro, Waldman, & Galvin, 2007). However, research on leadership styles in the scope of accounting is relatively small, for example, research by Abernethy, Bouwens, & Lent, (2010) andHartmann, Naranjo-gil, & Perego, (2010). The manager's leadership style is one of the factors that affect employees' performance(Alonderiene & Majauskaite, 2016; Lee et al., 2015). Furthermore, on the other hand, the use of multiple performance measures is an important part of the relationship between managers and subordinates in the

evaluation (Cheng & Humphreys, 2016; Hinkin & Schriesheim, 2015).Managerial leadership style and the use of performance measurement by managersare predictor variables that are relevant to satisfaction and performance ofsubordinates that will impact on the company's performance to be better(Abernethy et al., 2010;Briers & Hirst, 1990;Hartmann et al., 2010;Lau & Moser, 2008;Lau & Sholihin, 2005; Noeverman & Koene, 2012).

Empirical findings from several researchers(Banker & Potter, 2000;Hartmann et al., 2010;Anthony G. Hopwood, 2013;Lau & Moser, 2008;Lau & Sholihin, 2005;Speklé & Verbeeten, 2013)showed that the use of performance measurements could motivate. and influence subordinates on the desired goals; each manager creates maximum results and is in line with organizational goals. Subordinate performance evaluated by supervisors in this construct is called supervisory styles(Briers & Hirst, 1990;Hartmann et al., 2010). The supervisory style construct defined as a single construct in the reliance on accounting performance measures (RAPM)literature was criticized by Hartmann et al., (2010) because there are findings that have not been consistent with style dimensions RAPM literature not tested as a separate construct. So that, Hartmann et al., (2010) formulated two basic dimensions in the construct of supervisory style that is the style dimension (leadership style) and the measurement dimension(use of performance measurement)**.**

Hartmann et al. (2010) found that the top managers who use structure leadership's initiation affect the attitude of subordinate managers on goal clarity and evaluation fairness mediated by the use of objective performance measurement. The top managers who use consideration leadershipdirectly influence the attitudeof subordinate managers on goal clarity. Evaluation fairness is not mediate by objective and subjective performance measurement. However, Hartmann's research results are not consistent with the hypothesis, which affects the attitudes of subordinates on the goal clarity and evaluation fairness, not only on the metrics. but also how the use of diagnostic and interactive performance measures can be that influence the attitudes of subordinates on the goal clarity and evaluation fairness. In contrast toMarginson's research, using diagnostic and interactive performance measures to influence subordinates' attitudes but ignore the leadership style.

This study replicates Hartmann et al. (2010) by adding thetwo levers of control variable into the measurement dimension on supervisory style construct, that is, diagnostic control system and interactive control system as the originality of this research. That done because there has been no analysis of the RAPM supervisory style construct or the Hartmann et al. (2010)supervisory style construct inthe measurement dimension using diagnostic control systems and interactive control systems. The use of diagnostic control systems and the interactive control system in this study expected to fill the gap of research on leadership styles and the use of performance measurement on the attitudes of subordinates in the company.

This study aims to empirically examine the influence of managers who use the initiation of structure leadership (IS-leadership) and consider leadership (C-leadership) on the attitudes of subordinates on the goal clarity. and evaluation fairness and empirically examine the influence of managers who use the IS-

leadership and C-leadership on the attitude of subordinates on the goal clarity and evaluation fairness mediated by objective and subjective performance measurement anddiagnostic control systems and interactive control systems.

LITERATURE REVIEW

Leadership Style

Leadership style is a style that used to influence others to understand and agree on what needs to do and how to do it, as well as facilitating the process of individual and collective efforts to achieve common goals (Yukl, 2010). Leadership style in this study using the original typology of Stogdill & Coons, (1957) consisting of IS-leadership and C-leadership.

The IS-leadership aims to direct subordinates to clarify work instructions and performance targets towards the achievement of company goals (Bass, 1981; Bass, 1990;Yukl, 2010). Managers who use IS-leadership are more structured (Abernethy et al., 2010). This managerial leadership style tends to choose to define clear roles, determine certain tasks and rely on the use of standard rules and procedures to direct the behavior of subordinates and monitor subordinates to the standards that must obey (Abernethy et al., 2010). The IS-leadership encourages timely meetings, decides in detail what does and how it should do, and establishes clear lines of communication and clear patterns at work (Bass, 1990).

C-leadership focuses on promoting subordinates through welfare support and healthy relationships (Judge, Piccolo, & Ilies, 2004). The characteristics of this leadership style can see from the treatment of superiors who pay attention to the welfare of subordinates and also want subordinates to be involved in decision making in the company (Abernethy et al., 2010). C-leadership has proven in building a working atmosphere of mutual trust with subordinates, respecting the ideas expressed by subordinates, and considering subordinates' feelings (Tosi & Gomez-mejia, 1994). C-leadership involves subordinates in the process of empowerment, supports subordinates to think and express ideas, and treats subordinates fairly through good judgment (Judge et al., 2004).

Performance Measures

Performance measurement becomes important as a key to implementing the strategic plan, translating the strategy into behavior and the desired results, communicating expectations, giving feedback, monitoring progress, and motivating subordinates with rewards and sanctions. as well as evaluating the performance objectives of the company (Abernethy et al., 2010;Atkinson et al., 1997;Cheng & Humphreys, 2012;Chow & Wim A. Van der Stede, 2006;Hinkin & Schriesheim, 2015;Maurice Gosselin, 2011;Tawfik, 2015;Ittner & Larcker, 1998;Sholihin, 2013;Waweru & Spraakman, 2012). Performance measurement literature suggests that the company may consider increasing diversity to embrace performance measurement. for both financial and non-financial measurements or RMPM (Reliance of Multiple Performance Measures)in evaluating the performance of subordinates (Gates, Langevin, & Langevin, 2013;Maurice Gosselin, 2011;Tawfik, 2015;Hall, 2008). The suggestion is reinforced by Speklé & Verbeeten (2013)'s statements that explore the use of performance measurement to improve

performance. The adoption of both financial and non-financial performance measurement is used for performance evaluation, arguing that subordinates are more likely to agree when the supervisory use both performance measures(Cheng & Humphreys, 2016;Hirst, 1983;Lau & Sholihin, 2005)

A variety of performance measurement has a positive impact (Haque, Mughal, & Zahid, 2016;Putra, Yuliusman, & Wisra, 2020; Afrizal, Putra, Yuliusman, & Hernando, 2020; Sholihin, Pike, & Mangena, 2010). Ittner & Larcker (1998) found that companies that applied financial and non-financial measures had higher stock market returns. In the same year, Said, Hassab Elnaby, & Wier (2003) found that companies that use various performance measures can achieve higher profits. Another finding from Chenhall (2005) found that the integrative performance measurement system that includes financial and non-financial measures influenced different strategy outcomes significantly. Chow & Wim A. Van der Stede (2006) found companies with the use of financial and non-financial measures had higher performance in terms of finance, operations, employee empowerment, and customer aspects.

Objective performance measurement defined as a measurement that expresses performance in financial analysis and non-quantitative economic measurement (Hartmann et al., 2010). Actual performance measurement uses accounting data for performance evaluation (Anthony G. Hopwood, 1972). Financial analyses are lag indicators, meaning that these measurements report the consequences of past actions, and these performance measures sacrifice the creation of long-term value for short-term performance (Kaplan & Norton, 1992). Analysis of financial performance is essential to create value for owners and to avoid high financial risks.Niven (2001) states that financial measurements provide excellent reviews of past performance and events in organizations because of financial measures designed to compare prior periods based on internal standards of performance. However, economic measurement better used in terms of serving as a means of reporting on the management of funds entrusted by management rather than being used to map the future direction of a company (Niven, 2001).

Research by (Bommer, Johnson, Rich, Podsakoff, & Mackenzie, 1995;Harrison & Harrison, 1992;Hartmann et al., 2010;Anthony G. Hopwood, 1972)defines subjective performance measurement as superiors' assessment based on performance. They use one or more qualitative expressions on employee performance, such as work behavior, interpersonal skills, communication, and motivation. Banker & Potter (2000), Ittner & Larcker, (1998), and Kaplan & Norton (1996) suggest using non-financial measurements as a complement to financial measures. They argue that several stages, such as product innovation, product leadership, and customer loyalty, tend to be better indicators of future profitability than annual profits. And provide opportunities for company management to integrate the company's long-term strategic objectives explicitly and clearly. The above suggestions were reinforced by Hartmann (1998), Hirst (1983), and Anthony G. Hopwood (1972), who stated that there were incidents of dysfunctional behavior when superiors only used financial measurements to

evaluate the performance of subordinates.Non-financial measures used by companies have increased because companies that solely rely on financial measurements are considered inappropriate. And the use of non-financial performance measurements are better measurement indicators of future financial performance, and these measurements are precious in evaluating and motivating managerial performance (Banker & Potter, 2000;Ittner & Larcker, 1998).

Levers of Control

Levers of control consists of four types of management control systems, namely: First, belief systems defined as systems that created and communicated through an official document such as (credos), mission statement, and statement of purpose. Second, the boundary systems defined as a system that usually expressed in terms of negative or as a minimum standard. The system created through a code of business ethics, strategic planning systems, and guidance on operational activities available to business managers. Third, the diagnostics control system is defined as a formal feedback system used to monitor the organization's results and avoid deviation following the performance standards set. Recently, the interactive control system described as a legal system used by top managers to involve themselves in the activities of subordinates regularly.

This study uses only two control system of levers of control are: diagnostic control system and interactive control system in the dimensional measurement of objective and subjective as that of Marginson, Mcaulay, Roush, & Zijl, (2014). Henri (2006) found that managers who use performance measures on control system diagnostic and interactive control systems can improve the organization. There is evidence of interdependence and complementarity between the four levers of control. The full benefits of performance measurement appear when using the diagnostics control system and interactive control system (Ferreira & Otley, 2009;Hoque & Chia, 2012;Tessier & Otley, 2012;Widener, 2007).

Subordinates Work Related-Attitudes

According to Kahn, Wolfe, Quinn, Snoek, & Rosenthal (1964), this dimension has become the center of literature RAPM due to supervisory style and antecedents on job satisfaction. Briers & Hirst (1990) divide this dimension in the two variables as follows: First, the lack of goal clarity indicates ambiguity in the organization's centralized manager regarding their role, their purpose, and scope of their responsibilities (Sawyer, 1992;Vancil, 1979). Second, evaluation fairness focuses on the influence of procedural justice on motivation and effort as well as the perception of truth in the evaluation criteria that may have an impact on the acceptability of such measures as employment goals (Cohen-charash & Spector, 2001;Huseman, Hatfield, & Miles, 1987;Sholihin, 2013).

IS-leadership and goal clarity

Downey, Hellriegel, Slocum, Kirk, & Slocum (1975) found that the use of the IS-leadershipwas significantly associated with superiors' expectations on subordinates'

performance to match what the supervisory wants to subordinate the activities undertaken to achieve the company's goals. Wofford & Liska (1993) conducted a meta-analysis of 120 studies using the path-goal theory of leadership. It found that managers who use the IS-leadershipwere positively related to role clarity. The hypothesis in this study is:
H1a: IS-leadership affects goal clarity.

IS-leadership, objective performance measures (diagnostic control systems) and goal clarity

IS-leadership is positively associated with objective performance measures (Abernethy et al., 2010;Hartmann et al., 2010). Hartmann (1998) found that the use of financial performance measures is positively associated with goal clarity. Hartmann et al. (2010) showed that managers who use IS-leadership are positively related to goal clarity mediated by the use of performance measures. Marginson et al. (2014) state that the use of a diagnostic control system on performance measurement negatively related to role ambiguity. Based on some earlier findings, the hypothesis in this study is.
H1b: IS-*leadership* affect the goal clarity that is mediated by the use of objective performance measures (diagnostic control system)

IS-leadership, objective performance measures (interactive control systems) and goal clarity

IS-leadership is positively associated with objective performance measures (Abernethy et al., 2010;Hartmann et al., 2010;Hartmann, 1998) found that the use of the financial performance measures is positively associated with goal clarity. Hartmann et al. (2010) showed that managers who use IS-leadership are positively related to goal clarity mediated by the use of performance measures. Marginson et al. (2014) state that the use of a diagnostic control system on performance measurement negatively related to role ambiguity. Based on some earlier findings, the hypothesis in this study is.
H1c: IS-leadership affects the goal clarity that is mediated by objective performance measures (interactive control system).

C-leadership and evaluation of fairness

C-leadership used this involves empowering subordinate managers and allow the voices of subordinates in decision-making processes and treat subordinates fairly through individualized consideration (Judge et al., 2004). Hartmann et al. (2010)found that managers who use C-leadership are positively related to goal clarity and evaluation fairness. Still, this leadership style not mediated by both objective and subjective performance measures. The hypothesis in this study is:
H2a: C-leadership is positively related to evaluation fairness.

C-leadership, subjective performance measures (diagnostic control systems) and evaluation fairness

Jan Noeverman & Koene(2000) states that managers who use C-leadership emphasizethe qualitative aspects of performance evaluations. In line with the above findings, Hartmann et al. (2010) state that the subjective performance evaluation

allows subordinates are in an excellent position to look for explanations of their votes. The hypothesis in this study is:

H2b: C-leadership positively related to evaluation fairness mediated by the use of subjective performance measures (diagnostics control system).

C-leadership, subjective performance measures (interactive control systems) and evaluation fairness

C-leadership relies on the qualitative aspects of performance evaluation (Jan Noeverman & Koene, 2000). Lau & Moser (2008) provide evidence that the performance assessment based on subjective criteria of evaluation that are positively related to justice. Utilizing an interactive control system on non-financial performance measures can create positive psychological experiences and indirectly improve performance (Marginson et al., 2014). C-leadership affects the evaluation fairness mediated by the use of subjective performance measures (interactive control system). The formulation of the hypothesis in this study is:

H2c: C-leadership affects the evaluation fairness mediated by subjective performance measures (interactive control system).

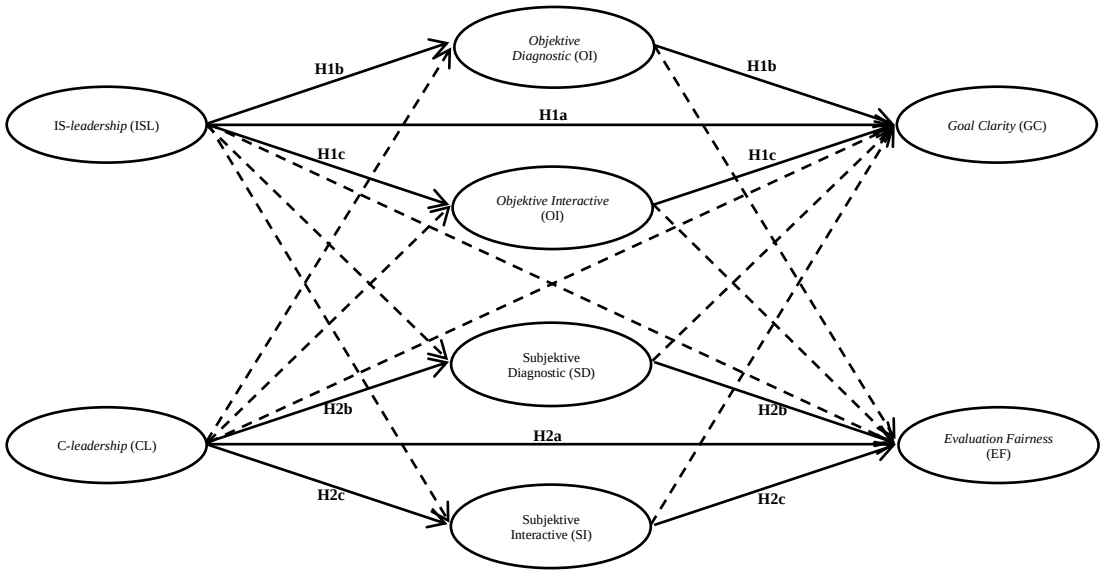

Figure 1:Research Model Hypothesis

Based on the research model above to do additional analysis to predict the relationship between IS-leadership variable to evaluation fairness variable either directly or indirectly mediated by the use of diagnostics interactive performance measures. Vice versa, additional analysis is performed to predict the relationship between the C-leadership variable to goal clarity variable, either directly or indirectly, mediated by the use of diagnostics and interactive performance measures. The additional analysis does not use the development of hypotheses caused by some previous researchers finding no association between objective performance measures of the evaluation fairness (Hartmann et al., 2010). However, these studies did not combine objectiveperformance measures with a diagnostic and interactive control system. Does the combination of actual performance

measurement with a diagnostic and interactive control system can show different results from previous research?

Additional analysis in this study is described as in previous research model by a dashed line. Further analysis was also performed on the C-leadership variable to goal clarity variable, either directly or indirectly, mediated by performance measurement and diagnostics interactive control systems. Hartmann et al. (2010) showed that managers who use C-leadership directly affect the attitudes of subordinates towards goal clarity. Still, the results of these studies showed no relationship between managers who use the C-leadership of the views of assistants on the goal clarity mediated by the use of performance measures—based on these results. Combining the use of performance measures with the diagnostic and interactive control system can show different results.

METHODOLOGY

Research Design

This research is research that uses a quantitative approach method. The data used in this research is primary data, data obtained directly from the data source, and has not been treated by any person for specific research (Cooper & Schindler, 2013). The source of data used in this study is aprimary data collected comes from the first party that has the data is respondents. Respondents in this study were employees or subordinates who worked in several companies in Jakarta. Type the company consists of corporate services, manufacturing, and trade.

Population and Sample

Selection of the samples in this study using a purposive sampling method with the following criteria: First, the company is already working on a minimum of one year. Secondly, there is a supervisory who evaluates its performance. Data collection methods used in this study is a survey method using a questionnaire to ensure a higher response rate than previous researchers. Letters research formally permits the management of HR company and asks for help from one of the company's employees to assist and ensure the distribution process and return the questionnaire goes well, wait for confirmation and take out a survey collected by those employees.

Variable Measurement

This study consists of three variables, the independent variables, mediation variables, and the dependent variables. The independent variables in this study consist of two variables, namely, the IS-leadership and C-leadership. Mediation variables in this study consist of four variables, namely, the use of objective performance measures (diagnostic), the use of objective performance measures (interactive), and the use of subjective performance measures (diagnostics), as well as the use of individual performance measures (interactive). The dependent variable in this study consists of two variables, namely, goal clarity and evaluation fairness.

The attitudes leadership style variable in this research measured with 16 item instruments. It based on a questionnaire about leadership behavior description and

validation of the device demonstrated by a recent meta-analysis of previous studies (Stogdill, 1963;Judge et al., 2004). It uses a five-point Likert scale that measures the respondent deal with the eight-item statements that describe the behavior of the IS-leadershipand eight-item reports describing the behavior of C-leadership.

The use of the actual measurement performance was measured using nine-item questions following definitions Harrison (1992), that the respondents asked to indicate the type of performance measures that relied on subordinates for each objective performance evaluation in general, consist of three items measuring financial performance. Three topics related to the use of quantitative performance measures and targets for the use of three things managerial performance evaluations. One issue the question as follows: "When evaluating my performance, I usually rely on financial information (quantitative information and targets set) as well as the monetary reward. that I get to rely on most of the performance expressed in financial figures (number of quantitative, set targets)." The use of subjective performance measurement measured by using three-item queries that use individual assessments by superiors to evaluate managerial performance. One item the question as follows: "When evaluating my performance, I usually rely on subjective judgments and monetary reward I get mostly relies on subjective performance as perceived by my superiors."

Diagnostic questionnaire instrument control systems, and interactive control systems previously tested (pilot test) by Marginson et al. (2014)using confirmatory factor analysis, correlation analysis, simultaneously scaling and revise the proposed research instruments. The pilot test results created the ultimate tool in this study were measured with four items question and seven issues of questions interactive control system.

Goal Clarity scaled to a combination of three items of the questionnaire additional task-goal (Kenis, 1979)and a five-item instrument of role ambiguity (House, 1971;Rizzo, House, & Lirtzman, 2013). One example of a sample item: "Exactly, I know what expected of me in this work." Evaluation fairness measured with nine pieces of questions derived from (Anthony G. Hopwood, 1972;Otley, 1978;Dunk, 1990). One example of a sample item: "I am delighted with the way I evaluated."

DISCUSSION / ANALYSIS

Participants used in this study were staff employees in 10 companies headquartered in the city of Jakarta. The research questionnaire distributed using the hand-delivered survey method. The poll was distributed many as 211 questionnaires to participants with consideration of a minimum sample size of 100 and an estimated response rate of 50% the number of inquiries allocated. Within the specified deadline, 159 surveys collected again, which means the research questionnaire's response rate was 75.4%. However, seven participants did not pass the purposive sampling criteria. So, that samples that could use amounted to 152 or 72% of the questionnaires distributed, meaning that the response rate categorized as very good for analytical purposes. The following table presents the number of respondents who participated in the study:

Table 1:Number of Respondents Participating in Research

Information	Total
Questionnaire distributed	211
Returned questionnaire	159
Reduced:	
1. Working on a minimum on one year	7
The number of samples that can use in research	**152**

Source: Research Data

Descriptive Statistics

The descriptive statistical analysis describes the direct relationship between data collection and summarizing data and the presentation of the summarized results. The results of descriptive statistical analysis in this study using SPSS software can see as the following table:

Table 2: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
ISL	152	1,6	5	3,8592	0,5642
CL	152	1,5	5	3,727	0,74937
OD	152	1,31	4,92	3,7414	0,66706
OI	152	1,33	5	3,7012	0,68467
SD	152	1,17	5	3,8783	0,67733
SI	152	1,5	5	3,7845	0,64483
GC	152	1,33	5	3,9836	0,64983
EF	152	1,33	4,83	3,7971	0,62565
Valid N (listwise)	152				

Source: Research Data

Hypothesis Testing

The hypothesis tested using SEM-PLS is a multivariate analysis to examine the measurement model and the structural model (Hartmann et al., 2010;Marginson et al., 2014;Sholihin, 2013). SEM-PLS aims to maximize the latent variable criterion variance, which can be explained by the latent variables predictor; this software can work efficiently with small sample sizes. Models are complex and can analyze the measurement model of reflective and formative or measure latent variables with an indicator or manifest without causing identification (M. Sholihin & Ratmono, 2013).

Measurement Model

The hypothesis testing in this study, the first one will be tested in the model of measurement against validity and reliability.The following criteria determined convergent validity: First, the outer loading must be greater than 0.7 (>0.7), communality must be greater than 0.5 (>0.5) and the average variance extracted (AVE) must be greater 0.5 (>0.5) (Hair, Hult, Ringle, & Sartstedt, 2013;Hartono,

2011). Meanwhile, discriminant validity was tested by loading it into another construct (cross-loading) has a lower value than to construct it or worth more than 0.7 (>0.7) in one variable (Hartono, 2011;M. Sholihin & Ratmono, 2013).

Table 3: Correlations Among Latent Variables

Latent Variable Correlations								
	ISL	**GC**	**OD**	**OI**	**CL**	**EF**	**SD**	**SI**
ISL	**(0,739)**	0,433	0,459	0,448	0,495	0,456	0,455	0,483
GC	0,433	**(0,827)**	0,679	0,645	0,504	0,680	0,727	0,677
OD	0,459	0,679	**(0,771)**	0,975	0,546	0,677	0,858	0,792
OI	0,448	0,645	0,975	**(0,780)**	0,545	0,647	0,765	0,813
CL	0,495	0,504	0,546	0,545	**(0,817)**	0,546	0,515	0,538
EF	0,456	0,680	0,677	0,647	0,546	**(0,804)**	0,692	0,679
SD	0,455	0,727	0,858	0,765	0,515	0,692	**(0,830)**	0,817
SI	0,483	0,677	0,792	0,813	0,538	0,679	0,817	**(0,773)**
P Values for Correlation								
	ISL	**GC**	**OD**	**OI**	**CL**	**EF**	**SD**	**SI**
ISL	**1,000**	<0,001	<0,001	<0,001	<0,001	<0,001	<0,001	<0,001
GC	<0,001	**1,000**	<0,001	<0,001	<0,001	<0,001	<0,001	<0,001
OD	<0,001	<0,001	**1,000**	<0,001	<0,001	<0,001	<0,001	<0,001
OI	<0,001	<0,001	<0,001	**1,000**	<0,001	<0,001	<0,001	<0,001
CL	<0,001	<0,001	<0,001	<0,001	**1,000**	<0,001	<0,001	<0,001
EF	<0,001	<0,001	<0,001	<0,001	<0,001	**1,000**	<0,001	<0,001
SD	<0,001	<0,001	<0,001	<0,001	<0,001	<0,001	**1,000**	<0,001
SI	<0,001	<0,001	<0,001	<0,001	<0,001	<0,001	<0,001	**1,000**

Source: Research Data

Table 3 above also shows the discriminant validity that loading to other constructs (cross-loading) is lower than that to the construct except for the latent OD variable and OI and SD and SI. That means that there are several indicators of latent variables that do not meet discriminant validity. Cross loading is not one of the methods in evaluating discriminant validity but also uses the square root AVE (roots square average variance extracted). The model has sufficient validity if the origins of AVE for each construct are higher than the correlation between constructs and other constructs in the model and based on table 3 above. There are four latent variables in which one of the indicators does not meet the discriminant validity of OD, OI, SD, and SI. That means that there are indicators that have secure loading on more than one latent variable.

Test of convergent variables based on table 3 above also there are four indicators of latent variables whose outer loading is still below 0.7 (<0.7), they are OD 11 (0.668), OD 12 (0.659) indicators, OI 10 indicators (0.602) and OI indicator 14 (0.640). Some researchers consider loading between 0.40 - 0.70 to be maintained because the small loading has contributed to the validity of the constructed content (M. Sholihin & Ratmono, 2013).

The loading requirements above 0.70 are often not met in some cases, especially for newly developed questionnaires. The impact of the decision to remove the indicator

has analyzed on average variance extracted (AVE) and composite reliability (M. Sholihin & Ratmono, 2013). The following table shows the output latent variable coefficients consisting of average variance extracted (AVE) and composite reliability, which will support four outer loading indicators that were not previously supported. Cronbach's alpha as a measure of reliability on research instruments.

Table 4:AVE, Cronbach's alpha, Composite Reliability

	ISL	GC	OD	OI	CL	EF	SD	SI
AVE	0.546	0.685	0.595	0.608	0.667	0.647	0.688	0.598
Cronbach's alpha	0.792	0.907	0.943	0.940	0.833	0.890	0.909	0.904
Composite Reliability	0.857	0.928	0.950	0.949	0.889	0.917	0.930	0.922

Source: Research Data

The above table 4 also shows Cronbach's alpha values as reliability testing research instruments to measure the lower limit value of reliability. A construct with the rule of thumb should be greater than 0.7 (>0.7). The output in the above table shows throughout the latent variable has a value of Cronbach's alpha greater than 0.7 (>0.7), which means that the reliability of construct models supported.Reliability testing a construct not only the views of the value of Cronbach's alpha, but SEM-PLS software also provides composite reliability that can measure the actual cost of the reliability of a construct. Composite reliability rated better in estimating the internal consistency of a construct. The composite reliability values shown in the table above indicate that reliability constructs a model supported by the reliability of composite values; each latent variable is more significant than 0.7 (>0.7).

Structural Model

The structural model in SEM-PLS evaluated using R^2 to the dependent construct, the value of the path coefficient or t-values, each path to the significance test between construct in the structural model (Hartono, 2011). The effect of the IS-leadership on goal clarity is supported significantly by the coefficient of 0.46 ($p<0.01$), and the R^2value is 0.22. The Effect of C-leadership onevaluation fairness is supported substantially with a ratio of 0.59 ($p<0.01$) and an R^2 value of 0.35. That means Hypothesis 1a (H1a) and Hypothesis 2a (H2a) supported significantly.

Testing the effect of mediation in this study is shown by the figures and tables as follows:

Table 5: Indirect Effect Model Research Hypothesis

Path	Path Coefficient		Total Effect	VAF	Mediation	Results
ISL-OD–GC	0.470***	0.946***	0.909	0.489	Partial Mediation	Supported

ISL-OI–GC	0.455***	0.253	0.585	0.196	Not Mediation	Not Supported
CL-SD–EF	0.580***	0.372***	0.807	0.266	Partial Mediation	Supported
CL-SI-EF	0.570***	0.263**	0.742	0.202	Partial Mediation	Supported

***** p<0.01**
**** p<005**
*** p<0.10**

Source: Research Data

Based on the table above, we can conclude that there are three hypotheses are supported, namely: Hypothesis 1b (H1b), Hypothesis 2b (H2b) and Hypothesis 2c (H2c) and an unsupported hypothesis are Hypothesis 1c (H1c). The structural model, as described above, also shows the variance (R^2) each successive criterion variables 0.31 and 0.57, which means the dependent variable changes the independent variables that can explain the variation through the mediating variable equal to 31 and 57%. In contrast, the rest is explained by other variables outside the model proposed. That shows there is exist a variation in changes in the dependent variable that can be explained by other independent variables.

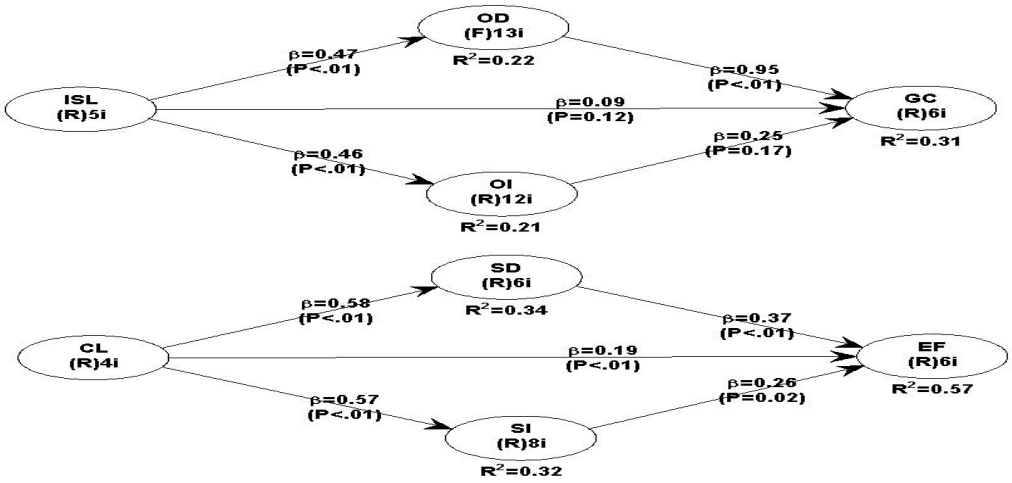

Figure 2: Indirect Effect Model Research Hypothesis

Testing of additional analyzes on influence implies a significant effect relationship between IS-leadership to evaluation fairness with a coefficient of 0.47 ($p<0.01$) with an R^2value of 0.22 and a considerable effect relationship between C-leadership towards goal clarity with a ratio of 0.63 ($p<0.01$) R^2 value of 0.39. Testing additional analysis also looked at the indirect link effect. It showed only one significant indirect correlation between C-leadership on the goal clarity mediated by the subjective diagnostic with a VAF value of 0.254 means that this relationship can mediate partially.

CONCLUSION

Based on the hypothesis testing results conducted found that the leadership style dimensions of IS-leadership and C-leadership can directly affect the attitudes of subordinates towards goal clarity and evaluation fairness. This evidence, while

supporting meta-analysis, conducted Wofford & Liska (1993) to 120 studies using the path-goal theory of leadership, which found similar results that the manager is using the IS-leadership are positively related to role clarity or goal clarity. These results were also confirmed by Abernethy et al. (2010) that the IS-leadership tend to choose to define a clear role, determining the specific tasks and relies on the use of rules and standard procedures to guide the behavior and to monitor of subordinates to adhere.

Relations of C-leadership to subordinates' attitudes on evaluation fairness showed similar results to the study (Hartmann et al., (2010). The inference that they indicate that the C-leadership has a secure connection to the attitude of subordinates to evaluation fairness. In line with Judge et al. (2004) that managers use a C-leadership to treat subordinates fairly through good judgment.

Testing of the first mediation in this study showed that an objective diagnostic capable of partially mediate the IS-leadership to the goal clarity. However, the effect of the IS-leadership to the goal clarity is not able to be mediated by the objective interactive, although it has the path coefficient value IS- leadership significantly to the actual interactive. Testing of mediation both in this study showed that the subjective diagnostics and subjective interactive partially able to mediate the C-leadership to evaluation fairness.

LIMITATION AND STUDY FORWARD

This study certainly does not suffer from such limitations in terms of data collection conducted with respondents who work in three sectors of the type of company that type of service, commercial, and manufacturing. Diverse kinds of companies would have a different opinion when analyzing a research questionnaire distributed. Furthermore, respondents have educational backgrounds, not of economic accounting that have difficulty filling out surveys. Lastly, the Instruments questionnaire in this study follows a previous research questionnaire. There are some indicators of the poll having a double barrier without any action so that the instrument is not biased.

Based on the conclusions and limitations of the study described previously, the following will described as some suggestions for future research. First, further analysis can test the conceptual model. Using one type of company with the consideration of the company's diversity that may lead to a different opinion could be biased interpretation would increase, although still able to be generalized. Second, further research expected to be able to select respondents who have an educational background in economics and business to avoid the difficulty of respondents to the questionnaire research that will lead to bias in the questionnaire. Third, the principle is that the use of leadership style managers must adapt to an organization that the manager manages because not all types of organizations can use the second type of leadership style.

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