

# Effects of Leadership, Employee Engagement and Job Satisfaction on Employee Performance: An Empirical Study in Indonesia

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## Abstract

Human resources development is a set of processes to improve the quality of human capabilities in achieving organizational goals. More than ever, organizations must adapt their human resources to environmental changes. This study examines and analyzes empirically the relationship between forced leadership and friendly leadership behavior and employee performance, mediated by job satisfaction and employee engagement at the Aceh Disaster Management Agency (*Badan Penanggulangan Bencana Aceh - BPBA*), Indonesia. All 108 BPBA employees were selected as the study sample using the census technique. This study uses both descriptive and inferential statistical analysis. This study utilizes primary data gathered by distributing questionnaires to the respondents and analyzed using the Structural Equation Modeling (SEM) with Analysis of Moment Structures (AMOS) instrument. The study found a significant positive effect of friendly leadership on job satisfaction and employee engagement, while the forced leadership did not. Friendly leadership has an insignificant impact on employee performance, while forced leadership has adversely impacted employee performance. As for the mediating effect, the study only documented a significant mediating role of employee engagement on the relationship between friendly leadership and employee performance. These findings show the crucial role of friendly leadership in enhancing employee engagement and, consequently, employee performance.

**Keywords:** Forced Leadership, Friendly Leadership, Job Satisfaction, Employee Engagement, Employee Performance

**JEL Classification Code:** L31, M12, M14, O15

## 1. Introduction

Human resources development is a set of processes to improve the quality of human capabilities in achieving organizational goals. The process of improvement includes planning, developing, and managing human resources (Delery, 1998). In realizing their vision and mission, organizations must adapt their human resources (HR) to environmental changes. HR quality is a necessity in every organization, including in the field of disaster management. Being a region with various potential disasters, Indonesia faces various disaster risks (Phelps et al., 2011). The disastrous impacts that have occurred more frequently in the Indonesia archipelago should have been avoided if disaster mitigation plan, mapping of disaster-prone areas, and early warning systems were adequately planned and implemented.

Disaster management agencies, either at national or regional levels in Indonesia, take roles in coordinating

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disaster management activities in a planned, integrated, and comprehensive manner. An organization that focuses on dealing with conditions before and after a disaster must be responsive in preventing and overcoming disaster problems (Zipperer, 2005). At the provincial, district, and city levels in Indonesia, a disaster management agency has been established under the Regional Disaster Management Agency (*Badan Penanggulangan Bencana Daerah - BPBD*), which coordinates with the National Disaster Management Agency (*Badan Penanggulangan Bencana Nasional - BNPB*). The provincial disaster management agency has a direct link with the governors, district regents and city mayors. Especially in the Aceh Province, Indonesia, this institution is called the Aceh Disaster Management Agency (*Badan Penanggulangan Bencana Aceh – BPBA*).

In contrast, in other 33 provinces across the country, the institution is called BPBD. BPBA is an Aceh Apparatus Working Unit that was formed on June 22, 2010, through the *Qanun* (Law) No. 5 of 2010, concerning disaster management. Its management structure and operation is then regulated via the *Qanun* No. 6 of 2010, concerning the formation of the organizational structure and work procedures of the BPBA. These units were formed to carry out duties and functions in the context of disaster management in Aceh Province, Indonesia.

The tsunami that hit Aceh and several Asian countries on December 26, 2004, took more than 300.000 lives. The day after the incident, the United Nations (UN) declared the 2004 Aceh tsunami natural disaster as the biggest humanitarian disaster in history. The tsunami's widespread impact was later realized due to the government and society's lack of knowledge on potential disasters, ongoing disaster management, and post-disaster management. The condition is exacerbated by the disaster management agency's inability because, so far, it has only functioned as a news organization in the government structure. The governor of Aceh assigns main tasks to BPBA following the *Qanun* No. 13 of 2016, concerning the establishment and composition of Aceh apparatus to carry out affairs to assist the government in disaster management. These tasks must always be carried out responsibly, effectively, efficiently, and accountably. BPBA has a vision, namely "Acehnese people are responsive and resilient to disasters". To realize its vision as an institution that is responsive and resilient to disasters, BPBA has a mission to build disaster management institutions that are reliable in providing coordination and professional disaster management services.

In managing and mitigating disaster risks, the success of the BPBA is very much dependent on its leadership style and the support from all staff. Chen (2006) stated that the better and more effective the leadership style is, the higher the employee's willingness to carry out the tasks and their higher level of satisfaction. Vania and Rizan (2005) also

added that leadership behavior has a significant effect on job satisfaction. Gani (2006) found a substantial impact of leadership on employee performance. On the other hand, Johnson et al. (2005) argued that leadership behavior has an insignificant effect on job satisfaction and, consequently, on job performance. Cairns (1996), Waldman et al. (2001), and Chen (2006) further confirmed the insignificance of transactional leadership style on job performance. These empirical studies show debates and different perspectives upon the impact of leadership style on job satisfaction and job performance. Thus, the debate offers potential gaps for the present study to re-assess the impact of leadership style on job satisfaction and job performance.

Further studies by Zagladi (2004) found a positive effect of job satisfaction on employee performance. A similar finding is also documented by Sumenito (2006) and Chang and Lee (2007), where job satisfaction has a significant positive effect on job performance. On the other hand, Khan et al. (2011) stated that job satisfaction has an insignificant impact on job performance. Isham (2004) further found an indirect effect of job satisfaction on performance. Previous studies recorded mixed empirical results of the job satisfaction-job performance relationship. Some studies found a significant impact of job satisfaction on performance, while some other documented insignificant effect. These previous contradicting findings motivate the present study to re-evaluate the effect of job satisfaction on job performance.

The above-reviewed studies have focused on the effects of various leadership styles on job satisfaction and job performance both in private and public organizations. None of those studies has explored the mediated effects of job satisfaction and employee engagement on the relationships between forced and friendly leadership styles on employee performance, taking the disaster management agency's case. Employees at such institutions work with a high level of risk and must comply with all strict procedures. In cognizance of such gaps, this study focuses its analysis on the Aceh Disaster Management Agency (BPBA) as the study's object by taking into account the organization's challenges. Specifically, this study aims to explore: (1) the direct effects of forced and friendly leadership styles on job satisfaction and employee engagement; (2) the direct effects of forced and friendly leadership styles on employee's performance; and (3) the indirect effects of job satisfaction and employee engagement on the relationship between forced and friendly leadership style on employee's performance at the Aceh Disaster Management Agency (BPBA).

The study's findings are hoped to shed some lights on the relevant policy-makers in designing proper disaster management strategies for disaster mitigation programs. The disaster management agency could also benefit from the present study's findings to enhance its leadership and disaster-related HR in mitigating the disaster risks. Finally,

the results of the study are also hoped to enrich the existing empirical findings from the perspective of the disaster management agency of Indonesia.

The rest of the article proceeds by reviewing the previous related literature in Section 2. Section 3 provides the research methods and data, followed by presentation of the findings and their discussions. Finally, Section 5 concludes the paper.

## **2. Literature Review**

### **2.1. Performance**

Performance is a set of results that are achieved and refers to the achievement of actions and the implementation of the requested work (Stolovitch & Keeps, 1999). Performance refers to the level of success in carrying out tasks and the ability to achieve predetermined goals. Performance is declared excellent and successful if the desired goals can be completed properly (Gibson & Donnelly, 1994). The level of employee performance achievement can be done through performance appraisal with evaluation and monitoring processes. Monitoring is a monitoring step, recording every action taken in the process of achieving organizational goals. Evaluation is needed to measure the achievement of goals by comparing the targets with the results achieved.

#### **2.1.1. Disaster Management Agency Performance**

Organizational performance is mainly determined by its employees. In the Aceh Disaster Management Agency (BPBA), the performance indicators are determined based on Governor Regulation No. 35 of 2016, concerning the Aceh Government's main performance indicators. Thus, the performance measurement in BPBA uses theoretical hands with an operational, administrative, and strategic performance factor approach and link to the main performance indicators set by the agency, which is strengthened by the regulation of the governor. The leading indicators of the agency's performance include: (1) Percentage of disaster-prepared high school; (2) Percentage of community active role in a disaster simulation. 3. Index response time to disaster emergencies; (3) Percentage of districts or cities receiving emergency logistics and equipment assistance; (4) Disaster management during the emergency response period; and (5) Percentage of completion of rehabilitation and reconstruction.

### **2.2. Leadership Behavior**

According to Gentry et al. (2011), leadership is a subtle process of mutual influence that combines thoughts, feelings, and actions to produce cooperative efforts to serve both the leader and the followers' goals and values. This means that

leadership is a process of influencing each other by bringing together thoughts, feelings, and actions to produce joint efforts to fulfill the leader's goals and values and those followers. In the context of this research, leadership is defined as the processes and actions taken by the leader to influence and develop the capacity of employees to act and behave as desired by the leader/organization. The employees or those led can be willing to maximize their contribution to organizational success and capacity building of the organizations they join (Walton, 2010).

There have been many leadership styles discussed in the literature, such as transformational leadership, transactional leadership, participative leadership, laissez-faire leadership, democratic leadership, strategic leadership, forced leadership, friendly leadership, etc. This study only focuses its analysis on forced leadership and friendly leadership, which received less attention in the literature.

#### **2.2.1. Forced Leadership**

The need for power is the driving force to become a leader with all the authority attached. Power is an essential factor in the quality of interactions with organizational members (Hicks & Gulet, 1996). Power includes strength and compulsion to realize and achieve willingness without resistance. Wang et al. (2019) said that forced leadership is a straightforward form of leadership built by instructing employees on what to do and how to do it, expecting strict compliance. This behavior can also pursue the leader's individual goals associated with the group's goals. An array of studies have found this behaviour to negatively impact the overall work climate (Effiyanti, 2021). In fact, the forced leadership style is inflexible, provides little reward, and takes away all workers' responsibility for their actions, as long as they follow orders. Meanwhile, some workers enjoy being supervised and instructing what to do.

Furthermore, forced leadership can use sanctions or reward team members who do not carry the work as expected. Forced leadership behavior is reflected in supervision and the authority to direct the employee to do what is expected. Fronek et al. (2011) defined leadership behavior as a form of communication in a formal organization accepted by contributors or members of the organization as contributing action arrangements. This behavior can also be the pursuit of the leader's individual goals associated with the group's goals. One of the advantages of forced leadership behavior is that the leader has much involvement in organizational tasks. The leader gave direction and demanded obedience. This works well when an organization is facing a challenging situation. On the other hand, many studies have found forced leadership style has a very negative impact on the overall work climate (Waldman et al., 2001).

### 2.2.2. Friendly Leadership

On the other hand, friendly leadership is an approach that is not the too common practice of leadership behavior. Fronek et al. (2011) stated that friendly leadership is a description of intelligent leadership that gets its point across very well. The deeper the leader befriends the organization's members, the more achievements and successes are achieved together, the closer the members are to one another, and the higher their accomplishments. Strengthening the relationship between organizational members will increase trust, which according to Sinek (2014), lead to eliminating fear, fear of leaders being misunderstood, fear of losing their benefits or jobs, and fear of making mistakes. Losing fear affects the level of creativity to increase automatically and drive motivation to achieve mutual success.

Quirk et al. (2016) said that job satisfaction occurs when a person's need for growth and self-actualization is met by individual work. This theory is based on the premise that job satisfaction is a direct result of individual perceptions of how they are treated fairly compared to others. Friendly leadership can cause organizational members to remain productive and innovative (Sinek, 2014). However, different cultural backgrounds will always respond to the leader's actions differently. Organizational members also react to friendly leadership in various ways that can be beneficial or harmful to work productively to achieve the organizational goals.

### 2.3. Job Satisfaction

Quirk et al. (2016) underlined that job satisfaction occurs when a person's need for growth and self-actualization is met by individual work. This theory is based on the premise that job satisfaction is a direct result of individual perceptions of how they are treated fairly compared to others. Chang and Lee (2007) found that job satisfaction and organizational performance have a positive association. Besides, the factors of accessibility and ease of access within the organization also affected job satisfaction. Delp et al. (2010) argued that the easier it is for employees to get access, the higher satisfaction. Frustration also tends to below. Thus, the management board needs to know and exert the factors to facilitate and motivate employee satisfaction to learn, innovate, work, and grow. Finally, meeting individual needs can be categorized as an essential part of job satisfaction.

### 2.4. Employee Engagement

Employee engagement is a process for involving employees at all levels of the organization in decision-making and problem-solving. There are two benefits of employee involvement: First, it increases the likelihood of producing good decisions, better plans, or more effective improvements

because it also includes the views and thoughts of those who are directly related to the work situation. Second, employee engagement also increases a sense of ownership and responsibility for decisions by involving people who have to implement them (Tjiptono & Diana, 2003). Engagement is not an attitude, but the extent to which an individual focuses attention and emotions in their performance. Furthermore, Lawler and Hall (1970) stated that the most practical understanding of job involvement is the relationship between individual roles in their work and performance.

## 2.5. Hypothesis Development

### 2.5.1. Relationship Between Leadership Style and Job Satisfaction

Leadership has a vital role in an organization because leaders are executing initiatives always require changes in the organization. Leadership behavior is closely related to organizational members' job satisfaction (Pancasila et al., 2020). Chen (2006) stated that the better and more effective the leadership behavior is, the higher the employee's willingness to perform tasks and the higher job satisfaction. Vania and Rizan (2005) found that leadership behaviour affects job satisfaction. Concerning leadership style variables, this focuses on forced and friendly leadership behavior, which is a synthesis of McClelland's (1965) theory of motivation. On this basis, the study proposed the following hypotheses:

- H1: Forced leadership behavior affects job satisfaction.*  
*H4: Friendly leadership behavior affects job satisfaction.*

### 2.5.2. Relationship Between Leadership Style and Employee Engagement

According to Sack (2008), job characteristics factors, organizational support received by employees, superior support received by employees, recognition and appreciation, distributive justice, and procedural justice affect job satisfaction, organizational commitment, desire to leave, and organizational citizenship behavior. Leadership behavior contributes to organizational success (Shaw et al., 1998; Suong et al., 2019). As a result, organizations can adopt different HR management practices for other workgroups based on variations in their level of knowledge, skills, abilities, expertise, and expectations regarding psychological contracts, organizational commitment, and the like (Lepak & Snell, 1999). Based on these theories, the study proposed the following hypotheses:

- H2: Forced leadership behavior affects employee engagement.*  
*H5: Friendly leadership behavior affects employee engagement.*

### 2.5.3. Relationship Between Leadership Style and Performance

Leadership behavior is closely related to the performance of organizational members. The results of Chen's (2006) study suggested that the better and more effective the leadership behavior is, the higher the employee's willingness to perform tasks and the higher the work performance. This indicates that pressing and friendly leadership behavior affects employee performance. On this basis, the study proposed the following hypotheses:

*H3: Forced leadership behavior affects employee performance.*

*H6: Friendly leadership behavior affects employee performance.*

### 2.5.4. Relationship Between Job Satisfaction and Performance

The relationship between these two variables needs to be discussed to provide insight and understanding of these two variables. Moreover, job satisfaction is an essential phenomenon in the development of employees in the organization. Suppose the employee is exposed to a feeling of satisfaction that is appropriate to the organizational context. In that case, it is thought that this will give rise to a positive performance aspect for the employee. Job satisfaction, apart from compensation, is a significant factor in improving work performance and productivity (Luthan, 2005). Based on this explanation, the subsequent hypotheses are proposed, as follows:

*H7: Job satisfaction affects employee performance.*

*H9: Job satisfaction mediates the relationship between forced leadership and employee performance.*

*H10: Job satisfaction mediates the relationship between friendly leadership and employee performance.*

### 2.5.5. Relationship Between Employee Engagement and Performance

Employee involvement, theoretically, has a positive influence on job performance (Khan et al., 2011). This confirms that conceptually the employee engagement has a dual function, namely, as the antecedent variable, which is influenced by the exogenous variable of leadership style. It is also an exogenous variable that affects the endogenous variable of job performance. On this ground, the following hypotheses are proposed:

*H8: Employee engagement affects employee performance.*

*H11: Employee engagement mediates the relationship between forced leadership and employee performance.*

*H12: Employee engagement mediates the relationship between friendly leadership and employee performance.*

## 3. Research Methods

### 3.1. Research Instruments

This study's primary data is obtained by distributing questionnaires to all 108 employees of the BPBA in Aceh Province, Indonesia. Thus, the study uses the census technique. The questionnaire uses a 5-level Likert scale, with details of the levels: 1 (strongly disagree), 2 (disagree), 3 (quite disagree), 4 (agree), and 5 (strongly agree). Five variables are investigated in the study. Each variable is measured by several indicators: forced leadership variable (3 indicators), friendly leadership (4 indicators), job satisfaction (5 indicators), employee engagement (4 indicators), and employee performance (4 indicators).

### 3.2. Data Analysis

This study uses two types of analysis, namely, descriptive analysis and inferential analysis. Descriptive analysis aims to show the general characteristics of the respondents, while inferential analysis was carried out using the Structural Equation Modeling (SEM) method to establish the relationships between the investigated variables. Specifically, the use of the SEM method aims to determine whether or not exogenous variables affect endogenous variables. The analysis stages generally consist of: (1) Testing for the measurement model using construct validity and reliability tests; (2) Testing for the overall model using the Goodness of Fit criteria; (3) Hypothesis testing of structural models; and (4) Hypothesis testing of the mediating variables. SEM data analysis procedures were performed using the IBM SPSS-AMOS Version 23 software.

## 4. Results and Discussion

### 4.1. Demographic Profile of Respondents

Of 108 employees at the Aceh Disaster Management Agency (BPBA), 69% were male, and 31% were female. The nature of working activities dealing with disaster in the agency is a more suitable job for males than women. However, to carry out the specific task of disaster management, it needs women staff. Thus, the dominance of male staff over female staff in the agency is simply due to the nature of disaster management activities.

However, in term of education level, the majority of them were bachelor degree graduates (31%), followed by high school graduates (26%), diploma graduates (25%), and master degree graduates (19%). The quality of HR at the

BPBA is sufficient for the agency to carry out its disaster-related management activities.

#### 4.2. Measurement Model

The measurement model suitability test is carried out on each construct separately by evaluating the measurement model's validity and reliability. The findings of the measurement model of validity and reliability tests are reported in Table 1.

A validity test relates to whether the indicator properly measures the variable. An indicator is said to have good validity of the constructor its latent variable if the Average Variance Extracted (AVE) is  $>0.50$ . Table 1 shows that all the AVEs of the measurement model's variables have values greater than 0.50, indicating that all indicators are valid for measuring their latent variables. Meanwhile, a reliability test relates to the consistency of measurement. High reliability suggests that the indicators are highly consistent in measuring their latent constructs. The value of Construct

**Table 1:** Validity and Reliability Tests

Variable	Indicator	Standard Loading	Standard Loading	Measurement Error	Construct Reliability	Variance Extracted
Forced Leadership (FL)	Leader provides direction	0.525	0.268	0.355	0.829	0.706
	Leader set work standard	0.761	0.259	0.217		
	Leader enforce work discipline	0.740	0.226	0.272		
	Sum	2.026	0.753	0.844		
	Sum Squared	4.105				
Friendly Leadership (FL)	Leader become role models	0.667	0.441	0.347	0.878	0.714
	Leader always encouraging	0.750	0.563	0.278		
	Employees do not feel forced	0.675	0.449	0.313		
	Leader is wise	0.798	0.616	0.221		
	Sum	2.890	2.069	1.159		
	Sum Squared	8.352				
Job Satisfaction (JS)	A leader gives rewards for performance	0.621	0.383	0.507	0.851	0.635
	Job according to interests and talents	0.547	0.298	0.386		
	Get the appropriate compensation	0.745	0.555	0.270		
	Promotion & transfer policy suitability	0.773	0.596	0.300		
	Good working relationship	0.596	0.360	0.423		
	Sum	3.282	2.192	1.886		
	Sum Squared	10.772				
Employee Engagement (EE)	Involved in decision making	0.657	0.432	0.438	0.828	0.651
	Given trust and responsibility	0.756	0.569	0.183		
	Asked for suggestions and opinions	0.688	0.472	0.356		
	Leader attention to the work's results	0.477	0.231	0.408		
	Sum	2.578	1.704	1.385		
	Sum Squared	6.646				
Employee Performance (EP)	Have a work-related understanding	0.615	0.401	0.391	0.811	0.623
	Able to realise the budget	0.547	0.533	0.348		
	Beneficiary satisfy with the service	0.722	0.491	0.320		
	Evaluate the result of the work	0.712	0.279	0.513		
	Sum	2.596	1.704	1.572		
	Sum Squared	6.739				

Reliability >0.70 means that the construct has good reliability. As illustrated in Table 1, all Construct Reliability of the measurement model variables is greater than 0.70, indicating all indicators have high consistency in measuring all latent variables.

### 4.3. Overall Model

The overall model suitability test is carried out by evaluating the degree of Goodness of Fit (GoF) between the data and the formed model. The conclusions obtained from the GoF are used to state whether a model can be accepted or rejected. Table 2 reports the findings of GoF and their comparison to the index suitability criteria and the cut-off-value of GoF.

As illustrated in Table 2, of nine GoF indices, five of them were found to be a good fit and only four of them were found to be marginal fit. These findings show that most GoF indices meet the goodness of fit model where the data used in the study are suitable for our proposed estimated model.

### 4.4. Results of Hypothesis Testing

Table 3 reports the findings of the direct-effects hypotheses. Of eight hypotheses, four hypotheses were significant, while the remaining four hypotheses were found to be insignificant. Forced leadership is found to significantly and negatively affected employee performance (Hypothesis 3, H3), while friendly leadership is found to significantly and

**Table 2:** Results of the Goodness of Fit (GoF) Indices

GoF Index	Estimated Findings	Cut-off-Value	Remark
$\chi^2$	0.000	$p > 0.05$	Marginal Fit
CMIN/DF	1.460	$\leq 2$	Good Fit
GFI	0.828	GFI $\geq 0.90$ good fit 0.80 $\leq$ GFI < 0.90 marginal fit	Marginal Fit
RMSEA	0.066	$\leq 0.08$	Good Fit
AGFI	0.775	AGFI $\geq 0.90$ good fit 0.80 $\leq$ AGFI < 0.90 marginal fit	Marginal Fit
TLI	0.908	TLI $\geq 0.90$ good fit 0.80 $\leq$ TLI < 0.90 marginal fit	Good Fit
NFI	0.755	NFI $\geq 0.90$ good fit 0.80 $\leq$ NFI < 0.90 marginal fit	Marginal Fit
PNFI	0.640	0.60–0.90	Good Fit
PDF	0.635	$\leq 1$	Good Fit

**Table 3:** Results of the Direct Effect of the Structural Model

Hypothesized Path		Standardized Coefficients	CR	P-value	Decision
H1	Forced Leadership → Job Satisfaction	0.052	0.397	0.691	Not Supported
H2	Forced Leadership → Employee Engagement	-0.153	-0.881	0.378	Not Supported
H3	Forced Leadership → Employee Performance	-0.256*	-1.872	0.061	Supported
H4	Friendly Leadership → Job Satisfaction	0.764***	4.678	0.000	Supported
H5	Friendly Leadership → Employee Engagement	0.629***	3.527	0.000	Supported
H6	Friendly Leadership → Employee Performance	-0.057	-0.209	0.835	Not Supported
H7	Job Satisfaction → Employee Performance	0.454	1.624	0.104	Not Supported
H8	Employee Engagement → Employee Performance	0.507***	3.269	0.001	Supported

Note: \*\*\* $p < 0.01$ ; \*\* $p < 0.05$ ; \* $p < 0.10$ .

positively affected job satisfaction (Hypothesis 4, H4) and employee and engagement (Hypothesis 5, H5). Employee engagement has a significant positive effect on employee performance (Hypothesis 8, H8).

On the other hand, forced leadership insignificantly affected job satisfaction (Hypothesis 1, H1) and employee engagement (Hypothesis 2, H2). Similarly, employee performance is independent of both friendly leadership (Hypothesis 6, H6) and job satisfaction (Hypothesis 7, H7).

As illustrated in Table 3, forced leadership has adversely affected job satisfaction with an estimated coefficient of  $-0.256$  as the significance level of 10%. This shows that employee felt unhappy when they are forced to follow the instructions given by their leaders. The employee will enjoy doing their jobs if given the flexibility and the opportunity to innovate and be creative in accomplishing the officially assigned tasks. On the other hand, friendly leadership positively affected job satisfaction and employee engagement at the 1% level by the estimated coefficients of  $0.764$  and  $0.629$ , respectively. These findings indicate that friendly leadership is the most suitable leadership style to be adopted by leaders in managing disaster agencies. Having a friendly leadership while carrying high risky official tasks dealing with disastrous handling activities motivate employee to be lovely engage in their jobs and create job satisfaction. Finally, employee engagement positively and significantly influenced employee performance with the estimated value

of  $0.507$  at the 1% level. This finding implies that the more the employees engaged in accomplishing their assigned jobs, the higher their performances.

Overall, these findings show the importance of having a friendly leadership as its present motivates employees to actively engage in doing official tasks due to their satisfaction with the assigned tasks, consequently improving their performances. On the other hand, the presence of forced leadership has no effect on job satisfaction and employee engagement. It even has caused the employee to become dissatisfied with the jobs. A matured employee opted to work with friendly leadership rather than forced leadership.

The findings of the above hypotheses testing and their estimated values are further illustrated in the following Figure 1.

The finding of the significant influence of employee engagement on employee performance is similar to the result of a previous study by Khan et al. (2011). In their study, employee involvement is found as a crucial factor influencing performance. Meanwhile, the finding of the significant positive effect of job satisfaction on employee performance is supported by Chang and Lee (2007), who found that job satisfaction and performance are positively associated. Our findings on significant leadership effects on job satisfaction and performance are supported by Chen (2006) and Vania and Rizan (2005). In his study, Chen (2006) suggested better and effective leadership behavior-driven the employee's willingness to perform

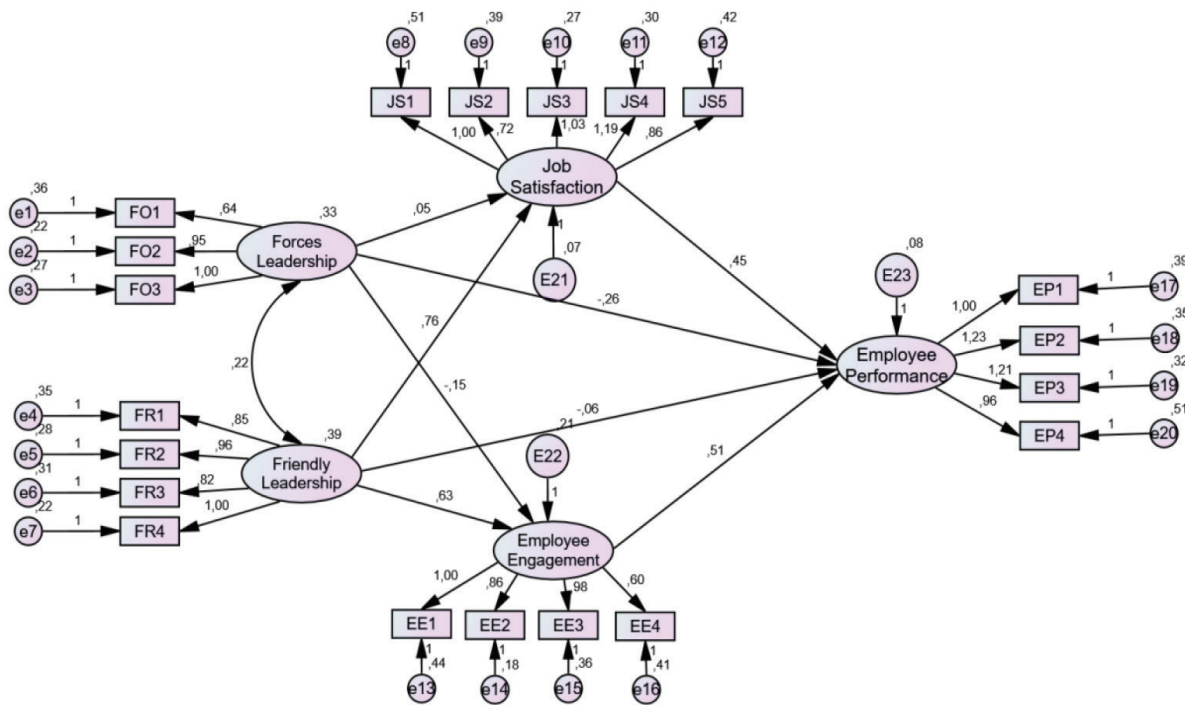


Figure 1: The Estimated Results of the Structural Proposed Model



tasks and produced higher work performance. Leadership behavior has contributed to organizational success (Delery, 1998). The higher job satisfaction enjoyed by employees would, in turn, improved the motivation to produce higher work performance (Vania & Rizan (2005).

#### 4.5. Results of Mediating Effect

In this study, the mediating effects of job satisfaction and employee engagement on the relationships between forced leadership and friendly leadership (Hypotheses, H9, H10, H11, and H12) are examined. The findings of these mediating effects are reported in Table 4. Table 4 presents the results of four mediating models, namely: (1) The mediating effect of job satisfaction on the relationship between forced leadership and employee performance; (2) The mediating effect of job satisfaction on the relationship between friendly leadership and employee performance; (3) The mediating effect of employee engagement on the relationship between forced leadership and employee performance; and (4) The mediating effect of employee engagement on the relationship between friendly leadership and employee performance.

As illustrated in Table 4, of the four mediating effects tested in the study, only Hypothesis 12 (H12) is found significance at the 5% level, while other hypotheses were found insignificance. These findings show that employee engagement significantly and fully mediated the relationship between friendly leadership and employee performance in the Aceh Disaster Management Agency (BPBA), Indonesia. Meanwhile, the rejection of other mediating hypotheses (H9, H10, and H11) implied that job satisfaction failed to play a mediating role in the relationship between forced leadership and employee performance. Job satisfaction has no significant effect in mediating the influence of friendly leadership on employee performance. Finally, employee engagement has also no significant mediating effect on forced leadership's impact on employee performance.

Overall, these findings show that to improve employees' performance at the disaster management agency in Aceh Province, Indonesia, the focus should be on enhancing employee engagement through friendly leadership. A wiser leadership should give their staff flexibility to become more innovative and creative in carrying out and accomplishing the official tasks. The leader should lead the organization by example and being a role model for their staff. The leader should provide more room for the employee to actively forward their constructive suggestions and opinions for the betterment of the organization. The leader should be given more trust to employees and pay attention to their needs and work's results by providing appropriate rewards for those who performed and punishments for the non-performers.

**Table 4:** Mediating Effect Tests

Direct and Indirect Effects		Beta	p-value	Decision
<b>H9</b>	Model 1 (Mediation of job satisfaction on forced leadership → employee performance)			No Mediation
	FO → JS	0.052	0.691	
	JS → EP	0.454	0.104	
	FO → EP	-0.256*	0.061	
	FO → JS → EP	0.388	0.698	
<b>H10</b>	Model 2 (Mediation of job satisfaction on friendly leadership → employee performance)			No Mediation
	FR → JS	0.764***	0.000	
	JS → EP	0.454	0.104	
	FR → EP	-0.057	0.835	
	FR → JS → EP	1.532	0.125	
<b>H11</b>	Model 3 (Mediation of employee engagement on forced leadership → employee performance)			No Mediation
	FO → EE	-0.153	0.378	
	EE → EP	0.507***	0.001	
	FO → EP	-0.256*	0.061	
	FO → EE → EP	-0.849	0.396	
<b>H12</b>	Model 4 (Mediation of employee engagement on friendly leadership → employee performance)			Full Mediation
	FR → EE	0.629***	0.000	
	EE → EP	0.507***	0.001	
	FR → EP	-0.057	0.835	
	FR → EE → EP	2.400**	0.016	

Note: \*\*\* $p < 0.01$ ; \*\* $p < 0.05$ ; \* $p < 0.10$ .

## 5. Conclusion

This study measured and analyzed the mediating effects of job satisfaction and employee engagement on the relationships between forced leadership and friendly leadership on employee performance at the Aceh Disaster Management Agency (BPBA) in Aceh, Indonesia. Using the SEM-AMOS technique, the study found the insignificant effect of forced leadership on job satisfaction and employee involvement. However, the forced leadership is found to influence employee performance adversely. On the other hand, friendly leadership has a significant positive impact

on job satisfaction and employee engagement but is has an insignificant influence on employee performance.

As for the mediating effect, the study only documented a significant mediating role of employee engagement on the relationship between friendly leadership and employee performance. Job satisfaction is found to have no role in mediating the effect of friendly leadership on employee performance. Similarly, job satisfaction and employee engagement have no significant mediating impact on the relationship between the forced leadership and employee performance.

Overall, our findings show the crucial role of friendly leadership in enhancing employee engagement and, consequently, employee performance. In so doing, the BPBA management should focus on improving employee engagement through the presence of friendly leadership. The leader should be wiser by giving their staff flexibility to become innovative and creative in accomplishing their assigned official tasks. The leader should be a role model for their staff, leading the organization by a good example. The leader should urge employee to participate actively in forwarding constructive suggestions and feedbacks to the BPBA management. Finally, the leader should trust employees and pay attention to their wishes and performance by awarding the performers and punishing the non-performers.

The findings of this study have several limitations that need to be addressed in further research. This includes the incorporation of more exogenous variables of various leadership styles. Covering more public organization in future studies would offer comprehensive empirical finding on the roles of job satisfaction and employee engagement in mediating the influence of various leadership styles on performances, both employee and organization.

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