The Effect of Leadership Credibility and Positive Workplace Attitudes on Employee Service Performance

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The aim of this study is to examine the effect of leadership credibility and positive workplace attitudes on employee service performance. The Quantitative approach was applied with explanatory research type. Data was gathered by distributed self-administered questionnaires to 198 respondents. Data analysis used PLS-SEM. Factor analysis and convergent validity; reliability of the scales was tested. The study reveals that leadership credibility can affect employee service performance when mediated by a positive workplace attitude; the leadership credibility does not directly affect employee service performance, it needs the role of positive workplace attitude to elevate the employee service performance. The implication of the finding of this study is relevant for the leader, especially in-service industry. Employee service performance can be enhanced by creating positive workplace attitudes. To achieve it, the leader must have credibility to build trust between leader and employee.

Key words: Leadership Credibility, Employee Service Performance, Positive Workplace Attitude, Organisation Behavior, Airport Service Industry.

Introduction

The service sector is one of the promising sectors for economic growth and foreign exchange earnings. The tourism industry in the future has the potential to become Indonesia's economic belle. The promotion of infrastructure development including the development of airports can support the increase of passengers, including local and foreign tourists. There is growth in the tourism industry component, especially air transportation: as seen in table 1 below, there has been significant growth in air transportation in Indonesia since 2013 to 2017. This growth has an impact directly or indirectly on the growth of the tourism industry in Indonesia.
Tourism growth not only requires improvements in the infrastructure sector but also in improving the quality of human resources that can produce excellent service performance, especially in airport services. Airport management requires professional and competent human resources. As the main gateway for the entry of tourists and passengers in general, they need excellent service performance. Service performance becomes an absolute demand, especially when departures and arrivals are increasing, and especially during the holiday season or peak season. Increasing workload for frontline employees requires high commitment and work engagements. Service performance will be difficult to improve without a sense of employee engagement in the organisation.

### Table 1: The Growth of Air Transportation and Tourism in Indonesia

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth of Air Transportation (%)</th>
<th>Growth of International Visitors arrival to Indonesia</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>6.07</td>
<td>9.435 M</td>
</tr>
<tr>
<td>2015</td>
<td>9.44</td>
<td>10.230 M</td>
</tr>
<tr>
<td>2016</td>
<td>13.28</td>
<td>11.519 M</td>
</tr>
<tr>
<td>2017</td>
<td>15.17</td>
<td>10.458 M</td>
</tr>
</tbody>
</table>

*Source: BPS - Statistics Indonesia, 2018*

Engagement is a concept related to high work motivation and commitment. One of the most important factors that can influence employees' sense of engagement to their organisation is the leadership factor. Many opinions reveal that the rise and fall of an organisation is largely determined by the quality of leadership. The leader is the driver of human resources and brings people together to focus on achieving goals and improving the service performance of airport organisations. Subordinates are highly committed if they believe that the leader is reliable and consistent with their attitudes and actions. A sense of trust will be created if the leader has high credibility.

This study focusses on the largest and busiest airport in Indonesia, namely Jakarta International Airport, and the study deals with efforts to examine the logical relationship between leadership credibility, a sense of employee engagement within the organisation, and service performance. There are four research questions addressed in this study, as follows: 1. How does leadership credibility influence positive workplace attitudes? 2. How does the influence of leadership credibility affect service performance? 3. How do positive workplace attitudes affect service performance? 4. How does the role of positive workplace attitudes enhance the influence of credible leadership on service performance?
Literature Review

Performance can be defined as the end result of an activity (Robbins, 2018). However, the final results can be influenced by a person's behaviour. Kotze (2006) stated that behaviour is the action taken and decisions made. Performance according to Aguimis (2014) has two dimensions, namely task performance and contextual performance. Task performance is linked to actions taken to complete the task, while contextual performance refers more to actions or behaviours related to efforts to create a conducive environment to spur the achievement of results.

Thompson & Weber's (2016) study concludes that it is crucial for leaders to create a work environment that can increase employee participation and engagement, communicate goals, improve employee understanding, and apply communication styles that match the needs of each employee at all levels and identify and plan opportunities for employees to develop through training and development. To recognise the importance of personal interaction with employees and understand the importance of regular meetings to update information about new products and services.

The statement above shows that leadership is very relational, which involves active interaction between leaders and employees. This is where the importance of the credibility of the leader to create trust is highlighted. The importance of trust is evident from the results of Varshneg & Varshneg (2017) research – that trust partially mediates the relationship between workers from the team on performance.

Similar results were found by Leroy et al. (2012), which proves that the authentic leadership proposition relates to affective organizational commitment, which is fully mediated by the integrity of the leader's behaviour. Likewise, authentic leadership and leader behavioural integrity relate to role performance in work.

Other researchers such as Li et al. (2012) also proved that the relationship between leadership and employee performance, which examines the leader approach of member exchange theory, is proven to affect performance. Similarly, the study of Ghafoor et al. (2011), which proves transformational leadership significantly influences employee engagement and employee performance.

In relation to this research, credible leadership based on trust in leaders can affect employee service performance. Sharkie (2009) has proven that the position of weak employees in staffing relations increases the importance of trust to encourage more role behaviours in employees and transcends existing contractual and legal obligations. Based on previous literature, hypothesis 1 was formulated in this study, as follows:
**H1:** Leadership credibility affects service performance.

The principle of leadership is the ability to influence subordinates (followers) so that they are committed to achieving organisational goals. In this case there are symbiotic relationships where leaders rely on subordinates to produce high service performance. Various research focused on the impact of leadership on employee engagement have been carried out and show a significant impact. Wallace & Trinka (2009) research revealed the influence of leadership on employee engagement, namely:

- Additional 39% of employee retention
- 37.2% increase in employee satisfaction
- 29.4% additional organisational commitment
- 13.8% increase in employee discretionary efforts.

Other research by Xu & Thomas (2011) stated that theoretically leadership is a key antecedent of employee engagement. Other studies conducted by Papalexandris & Galanaki (2008) prove that there are two dimensions of leadership that most influence the engagement of employees, namely being a mentor and articulating a vision. The results of this study were reinforced by Mr. Zhang et al. (2014), which states that the visionary and organic paradigm can increase employee engagement, while transactional and classical styles have a negative effect.

Another dimension of leadership is authentic leadership. Men (2015), through a quantitative survey of 400 employees in various medium and large companies in America, found that employee engagement is positively influenced by the quality of organisational relationships with employees (such as employee trusts, controlling each other, commitment and satisfaction). Other findings from Men are authentic leadership is an antecedent that critically influences the development of transparent organisational communication and positive staffing relations, and in turn increases reputation and employee engagement.

The various styles and dimensions of leadership mentioned above do not touch the roots or basis of the leadership itself. According to Kouzes & Posmer (2017), the credibility of leadership is the basis of leadership. Both academics revealed the first Leadership Law was: "If you don't believe in the messenger, you won't believe the message."

Further, the leader must always be smart in maintaining his credibility. The capacity to stick to a stance, challenge the status quo, and point to new directions depends on high credibility. Based on their research, Kouzes & Posmer said that when employees perceive their superiors as having high credibility, significantly employees:

- Feel proud to tell others that they are part of the organisation
- Feel to have a strong team spirit
• See personal values consistent with organisational values
• Feel bound and committed to the organisation
• Have a sense of belonging to the organisation.

The significant impact of the leader's credibility on employee attitudes and behaviour becomes a clear mandate for organisational leaders to accept that credibility makes a difference, and leaders must do it personally. Loyalty, commitment, energy, and productivity depend on credibility. This finding is also supported by the study of Reichheld (1996), which states that achieving profit growth will not be possible without building customer loyalty. While customer loyalty will not be obtained without front-line employee loyalty, so, the centre of gravity of organisational loyalty is the principle of leadership.

Salicru (2017) argues whether a person is credible or the extent to which a person's credibility can be assessed from three key aspects:

• The degree to which team members or stakeholders believe that leaders have the ability to meet their expectations
• How much trust is felt for the leader?
• Are they sure the leader is fair?

According to Mills (2016), a credible leader builds a strong, two-way, trusting relationship with team members. The focus of the relationship is to achieve business goals with team members who work to their full potential. In relation to trust, the relationship between leaders and followers has consequences where trust in leaders is significantly related to broad challenges of attitudes, behaviour, and performance results (Bligh, 2017). Bligh summarises from various sources, revealing:

• From attitude, the main finding is trust in supervisors can strengthen affective commitment and have a significant relationship to job satisfaction and organisational commitment.
• From behaviour, followers' trust in leaders and collective identification plays an important role in carrying out the leader's self-sacrifice into cooperative cooperation.
• Trust is also significantly related to the financial behaviour of employees.
• From the performance results, trust is relatively weak but has a significant relationship to job performance.

Trust in a direct supervisor can increase the ability to focus on work. Organisational trust enables employees to focus and add value to the organisation.

An exploratory study conducted by Engelbrecht et al. (2014) revealed a positive relationship between trust in leaders and employee enjoyment. The same results were also proven by
Chuglitri & Buckley (2011), where trust in supervisors and the tendency of trust has a positive and significant effect on employee work pleasure. While the findings of Esfahani et al. (2014) reinforce the importance of leader credibility, with evidence of a relationship between a manager's credibility towards affective commitment with positive and significant influence, where when employees perceive the credibility of managers, there is a greater affective feeling towards the organisation, experiencing a sense of obligation, and loyalty to managers. Based on the literature studies above, two hypotheses were formulated as follows:

H2: Leadership credibility influences employee's positive attitudes towards work.

In this study, an instrument to measure the credibility and engagement of employees uses a book questionnaire from Kouzes et al. (2015). Instruments for engagement were measured by The Kouzes-Poznar Positive Workplace Attitudes (PWA) Scale.

Various definitions of employee engagement, whether submitted by academics, practitioners or consultants, show more or less the same understanding and elements. They emphasise elements of commitment and loyalty. DDI Consultants (MMV) create elements of satisfaction, meaningful contributions in work, recognition, and appreciation. Towers Perrin (2003) shows employee engagement is associated with discretionary work at work in the form of brain power, energy, and extra time.

Burkus (2016) more explicitly stated that the engagement of employees represented how much mental and emotional commitment individuals had to the organisation and its goals. How employees who feel bound pay close attention to their work, colleagues, and the mission of the organisation. Price (2017) also agrees with Burkus with his statement that employees with a high sense of engagement work with full energy, passion, and with clear goals. They are around jobs longer, interact with customers with enthusiasm, and complete their tasks more convincingly.

Various research results have proven how employee engagement has a significant impact on employee performance (J. Amita 2013, Young Xiang et al. 2017). Similarly, the findings of Karatepe (2013) reveal that engagement to work acts as a full mediator of performance in the task. Meanwhile Otilno et al. (2015) examines the influence of employee engagement on organisational performance and proves that employee engagement is the main determinant of organisational performance. This finding reinforces the results of previous research by Markos & Sridevi (2010), which also proved employee engagement as the strongest predictor of organisational performance.

Merry (2014) from AON Hewitt studied the relationship between employee engagements and financial performance using data from 94 global companies from 2008 - 2012. The results of
the analysis prove that there is a positive and strong correlation between increasing employee engagement with sales growth. Based on the literature studies above, this study formulated two hypotheses as follows:

**H3:** Employees' positive attitude towards work affects service performance.

**H4:** A positive attitude towards work mediates the influence of leadership credibility on service performance. The theoretical framework that will be examined in this study can be seen in Figure 1.

**Figure 1. Research Model**

![Research Model Diagram](image)

**Research Method**

This study applied a quantitative approach with explanatory research type, which aims to explain the influence of leadership credibility on service performance with a positive attitude towards service performance as a mediation of both. Data collection techniques used survey methods by distributing questionnaires directly to permanent employees of companies which provided airport services for Jakarta International Airport. The sample selection technique applied the probability sampling technique with a sample of 200 people. The return rate of the questionnaire was 99%, namely 198 questionnaires which were all valid and further processed. The indicators used in this study were built from previous research using a 5-point measurement of the Likert interval scale. Table 2 below shows the measurements used in this study.

**Table 2: Variable Measurement**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Items</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership Credibility</td>
<td>6</td>
<td>Adapted from Kouzes &amp; Posner (2015)</td>
</tr>
<tr>
<td>Positive Workplace Attitude</td>
<td>4</td>
<td>Adapted from Kouzes &amp; Posner (2015)</td>
</tr>
<tr>
<td>Employee Service Performance</td>
<td>5</td>
<td>Adapted from Lovelock (2011)</td>
</tr>
</tbody>
</table>

Data analysis uses a structural equation model approach by using partial least square. This study has 2 exogenous variables (credibility leadership and Positive Workplace Attitude) and 1 endogenous variable (Employee Service Performance). Analysis of research results using the PLS model is carried out in two stages. The first step is to test the reliability of the indicators
Results and Analysis

Respondents’ Profile

As noted in the previous section, the questionnaire returned and further processed amounted to 198 people. The number of male and female respondents had a balanced proportion of men 46.9% and women 53.1%. 44.2% have married status and the rest are not married. Respondents were dominated by those under 30 years old, amounting to 72.2%, while 14.45% were aged 31-40 and the remaining 13.4% were over 40 years. Based on the length of work, respondents who worked under 5 years were 60.4%, ranges from 5-10 years 16.7%, 11-20 years 10.9% and the rest have worked for more than 20 years. These characteristics require that officers in the service section are dominated by young people who are just beginning to pursue their careers in the company.

SEM-Partial Least Square

The first stage in the structural model analysis is to test the reliability of the indicators used and the discriminant validity of the construct variables. Reliability test uses item loading, composite reliability and average variance extracted (AVE). Validity test in this study used Kaiser-Mayer Olkin's (KMO) measure of sampling adequacy and Bartlett’s test of sphericity. This is done as an initial condition for analysing factors were to determine construct validity, discriminant and convergent validity. KMO and Bartlett’s Test of Sphericity results show that data is valid with KMO values of more than 0.500, namely 0.882, and Bartlett’s test of sphericity below 0.005, so that it can be said that indicators are used for significant measurements.

Factor analysis is carried out to test convergent validity. All loading factor values show values greater than 0.7. This shows that there is a high concentration between the indicator and the latent variable. Reliability testing is carried out to determine the internal consistency of the latent variables used. Reliability test uses composite reliability and average variance extracted (AVE). The tolerance value limit for composite reliability is 0.7 and the AVE value is 0.5. The results show composite reliability values for all latent variables above 0.7 and AVE values above 0.5. This indicates that latent variables have strong internal consistency and have good reliability. The reliability and validity test are shown in table 3.
Testing structural equation models using the bootstrap pre-sampling procedure: the results of the SEM-SEM analysis can see that the influence of leadership credibility affects 40.9% employee service performance. This shows that leadership credibility does not strongly affect employee service performance. While the influence of leadership credibility on positive workplace attitude is very weak, only 0.09%. Complete results can be seen in table 4.

The measurement of goodness of fit mode in this research uses Q-square. The results of the Q-square calculation with the blindfolding procedure show a result of 0.25, which indicates that this model is good to use as a prediction. To see a significant relationship between latent variables, we used t-value. If the t-value is more than 1.96 for $\alpha = 5\%$, the results show that hypothesis 1 was rejected, while hypotheses 2-4 were accepted, which can be seen in Figure 2.

Figure 1 shows that leadership credibility does not directly affect employee service performance. Leadership credibility influences positive workplace attitudes significantly, but its influence is weak. While positive workplace attitude has a role as mediation so that leadership credibility influences employee workplace attitude significantly.
The results show that leadership credibility does not directly affect employee service performance. Based on these results, hypothesis 1 is rejected. This is contrary to the results of previous research (Ghafoor, et.al, 2011; li, et.al, 2012), which states that there is a direct influence of leadership credibility on employee service performance. This shows that credible leadership does not directly affect employee service performance. This absence of direct influence is caused by the company's leadership not directly encouraging and supervising the employees who carry out the service.

The results of the study show that leadership credibility affects positively and significantly positive workplace attitudes. This indicates that the more credible a leader, it will increase the positive workplace attitude (which is another form of engagement) of his employees. This is in line with previous research (Swathi, 2013; Bedakar & Pandita, 2014; Khan, 2014; Wallace & Trinka, 2009; Xu & Thomas, 2011; Papalexandris & Galanaki, 2008), which show that leadership credibility influences positive workplace attitude.

Significant influence occurs because a credible leader is able to create a sense of pride and the organisation and has a strong team spirit and credible leaders are considered capable of showing the direction of organisational development. A credible leader also emphasises employee trust in the organisation.

Positive workplace attitude affects employee service performance positively, significantly towards employee service performance. This is consistent with previous research (Burkus, 2016; Price, 2017), which says that positive workplace behaviour affects employee
performance directly. In addition, Marquand (2010) emphasises that the ability to improve organisational performance depends on the quality of leadership.

Positive workplace attitude is shown by optimistic and happy employee behaviour. If employees are optimistic and happy, the performance of the services provided to customers will also be good. In addition, leaders create trust in employees towards the organisation. This is in line with the research of Giles (2016), which shows that the competence that must be possessed by a leader is that leaders must have moral and ethical standards.

As stated by Aguinis (2014) that employee performance consists of task performance and contextual performance, employee service performance is one form of the task performance of employees of company. Employee service performance is important to note because it is related to the existence of the company as a company that provides services to tourists, both domestic and foreign, in terms of ticketing. Services provided by employees can influence the perception of tourists towards Indonesia. Therefore, it is important for companies to create positive workplace attitudes.

The results show that leadership credibility can affect employee service performance when mediated by a positive workplace attitude. This result is in line with previous research (Thompson & Weber, 2016) showing that leaders play a role in creating a work environment that can increase employee engagement and positive behaviour. It is this positive behaviour that then significantly improves service performance. Thus, employee service performance requires active interaction between leaders and employees who are driven by leadership credibility.

Conclusions and Further Research

Based on the results of data processing, it can be concluded that leadership credibility does not directly affect employee service performance. To be able to influence employee service performance, the role of positive workplace behaviour is needed as a mediation. This indicates that employee service performance is influenced positively and significantly by a positive workplace attitude.

This study took the research locus of the companies which are located at Jakarta International Airport and is a limitation in this study. This study also uses only two variables that are considered as factors that influence employee service performance. For further research, it can implement a wider research locus and add organisational behaviour variables such as organisational commitment variables, employee attachments and others.
REFERENCES


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