Antecedents and Consequences of Entrepreneurial Leadership Behaviour in Southeast Minahasa District Government

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ABSTRACT

The main purpose of this research is to analyse Theory of Planned Behaviour (TPB), bureaucracy culture, Entrepreneurial Leadership Behaviour (ELB), and the performance of government apparatus in Southeast Minahasa District. The design of the data was obtained from 86 respondents who work as the government apparatus in Southeast Minahasa. Data analysis in this study used an alternative method of Structural Equation Modelling (SEM). The findings of the research showed that attitude and perceived behavioural control have significant influence on IEL, and subjective norm does not have significant influence on IEL. The authority has significant influence, but also weak on performance of Government Officials. ELB has the highest contribution for the performance of Government Officials. It means that Entrepreneurial Leadership Behaviour is the answer for public demand for creating a good government.

Keywords: Bureaucratic Culture, ELB, Performance of Government Officials, TPB

INTRODUCTION

In Indonesia, Smart City System has been established in many cities such as Jakarta, Bandung, Makassar, Surabaya, Semarang, Yogyakarta, and Denpasar. It proves the development of a city or region is caused by entrepreneurial passion which has been embedded in the leadership of the leader. The head of a city or region perceived the area as their own company for which they must strive to reach the success. Therefore, leader has a big responsibility to develop the company. An entrepreneurial leader achieves the goal by optimizing effort, working diligently, working hard, avoiding failures, getting profits, and providing welfare for all employees.

Nasrullah (2006) defined the entrepreneurial behaviour as the ability to take risks, to run the business, to take advantage of opportunities, and to create by using the innovative approach, being independent in managing competitive challenges. Supartha and Saraswaty (2020) assumed that organizational commitment and leadership behaviour improve the organizational performance. It proves that the success from a research on entrepreneurial behaviour which argues that the effectiveness of a leader is a major determinant of the success of a company or even the entire country (Dunne, et al 2017; Fiedler, 1996). Entrepreneurial leadership refers to an innovative leadership style, and it serves as a pillar through which the economic growth rapidly develops. This leadership...
style becomes a strong and significant popular style which acts as a predictor and is able to improve the performance (Sandybayev, 2019).

A research of Mahmudi (2010) as well as Saragih and Mulyani (2018) support the research finding which presents a significant difference on the advancement of a region due to its leader. An entrepreneurial leader poses a greatly different style when they become the head of a region compared to non-entrepreneurial leader.

*This kind of leader is a significant performer, a good communicator, and possesses a spirit and ability to undertake risks.* Sedarmayanti (2010) argued that strategic leadership has a high sense of business and sense of change. A leader with proactive entrepreneurial behaviour is also creative and innovative.

It has been stated that the empowerment of entrepreneurial leadership in a government brings a new atmosphere because the leaders adopt the entrepreneurial behaviours. *These leaders are going to use innovation and creativity in solving various problems.* Suharyadi, et. al (2011, p.12) explained that entrepreneurial behaviours must be established by applying certain principles such as a strong willingness to work in economic sector, independent spirit, ability to take a good decision, and willingness to take risks.

The success of leadership style in a government system can be regarded as a phenomenon which confirms that entrepreneurial behaviors are applicable in running the government. According to Greenleaf in Pratomo & Arifin (2020), the best leadership style is servant leadership, it is a leadership which starts from a sincere feeling arising from a heart wishing to serve. Servant leadership pays attention to the welfare of subordinates and increases the involvement of subordinates in decision-making or policy in an organization allowing them to feel positive and satisfied in their jobs.

*A new style of public leadership describes an individual's ability or character which many theories in entrepreneurship have discussed* (Sutiyo, 2017). Mamun, et al., (2018) explained that these theories recommend the government to adopt the policy of promoting types of entrepreneurial leadership.

The quality of leadership greatly influences both success and failure of most organization. This fact, thus, proves that a leadership style has a strategic role. The success in an organization is perceived as the responsibility of a leadership style (Sahertian, 2010; Terry, 1980). Government officials have a low-understanding on-entrepreneurship concept. Further, the less conducive bureaucracy prevails, so it needs new way of thinking and mentality with innovation in order to bring changes in government bureaucracy.

*It has been previously stated that the government officials have low understanding about entrepreneurial leadership.* It happens because they have not comprehended the leadership model. A good understanding on entrepreneurial leadership helps these government officials achieve their strategic goals. *Building a strong and professional regional government under the entrepreneurial leadership does not only mean to stipulate public policies but also lay down government and regional regulations. This*
effort also requires a suitable model to describe the linkages between entrepreneurial leadership and the performance of regional government.

Theoretical Framework
A research conducted by Abdullah, et. al (2017) presented a positive correlation between strong and adaptive organizational culture and the entrepreneurial leadership characteristics. It further highlights that organizational culture and entrepreneurial-oriented behavior serve as the key of leadership style. Organizational culture consists of value, beliefs, and moral, meanwhile, leadership comprises traits, skills, and behavior (Gerald and Samadzadeh, 2017). Entrepreneurial behavior or even leadership shares similar traits, behavior, and competence (Engelen, et al. 2012). That basic understanding is also approved by Coglisier and Brigham (2004) and Ensley, et. al (2006). The study on bureaucracy behavior is important for the policy makers to provide better comprehension on what motivates the bureaucrat to successfully perform the activities and what hinders these operations and organization policy from achieving success (Schmidt, 2000).

The authority has a basic function in establishing the social relationship (Fiske, 1993). Our perception about powerful people frequently links them to selfish actions aimed at advancing personal goals, needs, and ideas (Kipnis, 1976). Machiavialli in Torelli and Shavitt (2010) also explained that the achievement of power is manifested in beliefs, attitudes, and goals related to power. Power is also perceived as the capacity or the ability to influence other people (House, 1984 in Marianti, 2011). Robbins and Judge (2013) defined an authority as a capacity someone has to influence the behavior of other people to act in accordance with someone’s wishes.

Tjiptono (2001) asserted that the effectiveness of leadership relies heavily on the behaviour of the leader under certain circumstances. Moreover, the success of a leader can be determined from mutual acceptance and trust. In Psychology, a concept of leadership behaviour is well known as Theory of Planned Behaviour (TPB), emphasizing on a person’s belief and behaviour.

Ajzen and Fishbein (1980) explained that a reasoned action made necessary by various elements such as learning theory, value-expectancy theory, consistency theory, and attribution theory.

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**Figure 1. Theory of Planned Behavioral**
Source: Jogiyanto (2007)
In *Theory of Reasoned Action*, if people evaluate the suggested behavior as positive (attitude), then they think that is important so they tend to that kind of behavior. Chatzisarantis, et al. (2005) stated that attitude represents the most important antecedent, or it could be understood as a predictor to physical activities and behaviour. 

**Hypothesis one (H1)** Attitudes have a significant effect on the Intention in Entrepreneurial Leadership Behaviour at the Southeast Minahasa District Government.

**Hypothesis two (H2)** Subjective Norms have a significant influence on the Intention in Entrepreneurial Leadership Behaviour at the Southeast Minahasa District Government.

**Hypothesis three (H3)** Control Behaviour Perception has a significant influence on the Intention in Entrepreneurial Leadership Behaviour at the Southeast Minahasa District Government.

**Hypothesis four (H4)** The Intention in Entrepreneurial Leadership Behaviour has a significant influence on the Entrepreneurial Leadership Behaviour at the Southeast Minahasa District Government.

Siagian (1995) pointed out that organizational culture (bureaucracy) refers to a mutual agreement on collective values in an organizational environment, and it binds everyone involving in an organization. Thus, it determines what the members can do and what they should not do in an organization. Further, organizational culture establishes the normative boundaries, sets the nature and forms for organizational control and supervision, determines the most suitable managerial style for all members of the organization, and sets the most appropriate working systems. Due to this important role, an organizational culture and leadership act as the most critical elements in an organization. They play a role in establishing the nuance for all elements in an organization, which eventually influence communication, decision making, and leadership style for all systems. This statement is supported by studies conducted by Abdullah (2017), Gerald and Samadzadeh, (2017) and Nikčević (2016). The findings of this research prove that bureaucratic culture has a significant positive influence on entrepreneurial leadership behaviour.

**Hypothesis five (H5)** Bureaucratic Culture has a significant positive influence on Entrepreneurial Leadership Behaviour at the Southeast Minahasa District Government.

Sedarmayanti (2016) argued that performance measurement serves as a feedback from the values have been sacrificed to achieve the final goals. Bernardin and Russel (1998) in Gomes (2003) mentioned some indicators to measure performance, those are Quality, Quantity, Time Lines, Cost Effectiveness, Need for Supervision, Interpersonal Impact.

**Hypothesis (H6)** Entrepreneurial Leadership Behavior has a Significant Influence on Employee Performance at the Southeast Minahasa District Government.

**Hypothesis (H7)** Power in Organization as a Moderator on the Influence of Entrepreneurial Leadership Behavior towards Employee Performance at the Southeast Minahasa District Government.
RESEARCH METHOD

The primary data has been collected from 86 respondents, and the data on the respondents’ profile is explained as follows.

Table 1. Respondents’ Profiles

<table>
<thead>
<tr>
<th>No</th>
<th>Variables</th>
<th>Total Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The Number of Respondents</td>
<td>86</td>
<td>100%</td>
</tr>
<tr>
<td>2.</td>
<td>Sex</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>a. Male</td>
<td>46</td>
<td>53%</td>
</tr>
<tr>
<td></td>
<td>b. Female</td>
<td>40</td>
<td>47%</td>
</tr>
<tr>
<td>3.</td>
<td>Maximum Age</td>
<td>35 years old</td>
<td>65%</td>
</tr>
<tr>
<td>4.</td>
<td>Educational Background</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>a. High School/Equivalent</td>
<td>8</td>
<td>9.3%</td>
</tr>
<tr>
<td></td>
<td>b. Diploma D1-D4</td>
<td>10</td>
<td>11.7%</td>
</tr>
<tr>
<td></td>
<td>c. Undergraduate Degree (S1)</td>
<td>58</td>
<td>67.4%</td>
</tr>
<tr>
<td></td>
<td>d. Postgraduate (S2)</td>
<td>10</td>
<td>11.6%</td>
</tr>
<tr>
<td>5.</td>
<td>Working Time as a State Civil Apparatus</td>
<td>Approximately more than 10 years</td>
<td>75%</td>
</tr>
</tbody>
</table>

Primary Study (2020)

The important consideration to measure convergent validity is the accumulation of variable items in their construct. It can be measured from loading factor accumulated in one factor (Hair, et. al 2010, p. 709). Average Variance extracted (AVE) becomes another consideration, the AVE value >0.5 (Hair, et al, 2010, pp. 695-709). Discriminant validity is assessed from the instruments in which no cross-loading problem exits and are accumulated in the construct (Hair, et al, 2010, pp. 689-710; Jogiyanto and Abdillah, 2009, p. 81).

An instrument having good reliability must have an accurate and valid measurement over time. To perform reliability test, this research uses internal consistency method which includes composite reliability and Cronbach alpha. The instrument is reliable if the value of composite reliability ≥ 0.7 and Cronbach alpha value is ≥ 0.6 (Hair, et al, 2010, p. 695).

Table 2. Results of Validity and Reliability Test

<table>
<thead>
<tr>
<th>Variables</th>
<th>AVE</th>
<th>Composite Reliability</th>
<th>Cronbach Aplha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attitude</td>
<td>0.510</td>
<td>0.837443</td>
<td>0.755367</td>
</tr>
<tr>
<td>Subjective norms</td>
<td>0.563</td>
<td>0.882935</td>
<td>0.838650</td>
</tr>
<tr>
<td>Perceived behavioral control</td>
<td>0.579</td>
<td>0.845804</td>
<td>0.756836</td>
</tr>
<tr>
<td>Bureaucratic Culture</td>
<td>0.5165</td>
<td>0.836900</td>
<td>0.755367</td>
</tr>
<tr>
<td>Intention in Entrepreneurial</td>
<td>0.509</td>
<td>0.857248</td>
<td>0.800444</td>
</tr>
<tr>
<td>Leadership Behavior</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entrepreneurial Leadership Behavior</td>
<td>0.704</td>
<td>0.841404</td>
<td>0.763585</td>
</tr>
</tbody>
</table>
Structural Model Evaluation

From the results of the validity and reliability tests, it shows that the data in the research are feasible, so evaluating structural model and testing hypothesis can be performed. Structural model evaluation or inner model test is conducted in order to predict the intercorrelation among latent variables (Hair, et al. 2010). Inner model in PLS-SEM refers to the value of R Square (R²) for endogenous latent constructs (Latan and Ghozali, 2012, p. 78).

Table 3. Evaluation of Structural Model

<table>
<thead>
<tr>
<th>Endogenous Variables</th>
<th>R²</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees Performance</td>
<td>0.917</td>
<td>Strong</td>
</tr>
<tr>
<td>Entrepreneurial Leadership Behavior</td>
<td>0.976</td>
<td>Strong</td>
</tr>
<tr>
<td>Intention in Entrepreneurial Behavior</td>
<td>0.999</td>
<td>Strong</td>
</tr>
</tbody>
</table>

Source: Output Smart PLS (2020)

The results of data analysis show that R² values of each endogenous variable are follows: Employee performance has R² of 0.917; Entrepreneurial leadership behavior has R² of 0.965, and Intention on Entrepreneurial leadership behavior has R² of 0.999. The value of R² is measured by using The Role of Thumb or ROT from Chin (1998) in Latan and Ghozali (2012).

In a significant assessment, if the value of T Statistic >1.96, the hypothesis is accepted. It means that independent variable influences dependent variable from its path coefficients. This hypothesis test is performed by SEM Analysis assisted by Smart PLS 2.0.M3 software. The critical ration of T-statistic serves as the main reference. The T-statistic value higher than 1.960 (two-tailed) equals to the p-value.

Tabel 4. Results of Hypothesis Test

<table>
<thead>
<tr>
<th></th>
<th>Original Sample (O)</th>
<th>Standar Deviation</th>
<th>T stat Value</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attitude → Intention in</td>
<td>1.178346</td>
<td>0.055</td>
<td>21,200492</td>
<td>Significant</td>
</tr>
<tr>
<td>Entrepreneurial Leadership Behavior</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subjective Norms → Intention in</td>
<td>-0.001999</td>
<td>0.0017</td>
<td>1,171392</td>
<td>Not Significant</td>
</tr>
<tr>
<td>Entrepreneurial Leadership Behavior</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived Behavioral Control →</td>
<td>-0.184649</td>
<td>0.557</td>
<td>3,917059</td>
<td>Significant</td>
</tr>
<tr>
<td>Intention in Entrepreneurial Leadership Behavior</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The calculation of VAF (Variance Accounted For) is divided into four pathways. Each pathway gives influences or contribution to employee performance as follows; Pathway 1: 4.7%; Pathway 2: 0.06%; Pathway 3: 50% and Pathway 4: 44%. The value of VAF determines the mediation effect measurement. The VAF value > 80% refers to full mediation. The VAF value in this research is 50%, which means that it refers to middle mediation.

**RESULTS AND DISCUSSION**

The calculation result shows that attitude has a positive and significant influence on the Intention of Entrepreneurial Leadership Behaviour with the value of beta coefficient of 1.178346 and a t-value of 21.2. It can be inferred that H1 has a significant influence on the Intention of Entrepreneurial Leadership Behaviour. Subjective norms also have influence on the Intention of Entrepreneurial Leadership Behaviour with the value of beta coefficient of -0.00199 and a t-value of 1.171. This proves that H2 does not have significant influence on the Intention of Entrepreneurial Leadership Behavior. The research presents similar result as the studies conducted by Maskur, et al. (2013), Idris and Kasmo (2017), Dinc and Budic (2016) and Nurofik (2013).

H3 shows that the perceived behavioral control factor influences the intention in behavior entrepreneurial leadership with a beta coefficient of -0.184649 and a t-value of 3.917. Thus, H3 does not have a significant effect on the intention on entrepreneurial leadership behavior. This research has similar result as a reserach conducted by Wijaya (2009) which shows that perceived behavior control does not have either direct or indirectly significant effect on entrepreneurial behavior. It can be assumed that the application of entrepreneurial leadership behavior is quite difficult considering the opportunities and obstacles.

H4 proves that bureaucratic culture influences entrepreneurial leadership behavior. The calculation result show that the path between bureaucratic culture and entrepreneurial leadership behavior has a beta coefficient of 0.60 and a t-value of 7.36. It can be concluded that H4 has a significant effect on the intention on entrepreneurial leadership behavior. This research is supported by Abdullah, et. al (2017), Gelard & Samadzadeh (2017), Nikčević (2016), Heady (1992) and Jochimsen (2007). They asserted that the
effect of causality prediction can be observed in the intercorrelation between bureaucratic culture and leadership behavior.

H5 describes that the intention in entrepreneurial leadership behavior affects behavior entrepreneurial leadership. It has the value of beta coefficient of 0.52 and the t-value of 4.59. This calculation result implies that H5 has a significant influence on employee performance. Hasbullah, et al. (2016), Nurofik (2013), Ernawati and Purnomosidi (2012), Maskur, et al. (2013), Wijaya (2009), Suharti and Hani (2011) and Indarti and Rokhima (2008) have similar findings in their research. They also argued that an intention has been proven to be the best predictor of entrepreneurial behavior.

H6 implies that entrepreneurial leadership behavior affects employee performance. It has beta coefficient value of 1.32 and t-value of 2.99. This result shows that H6 has a significant effect on employee performance. H7 emphasizes that entrepreneurial leadership behavior affects employee performance with the power as mediator variable. The beta coefficient value is -0.144 and t-value is 2.283 means. It implies that H7 has a significant but weak influence. The results of this study are supported by Huang, at al (2009).

Based on the concept of Marianti (2011) authority can be weakness or a force. This can be explained that the values in entrepreneurial leadership behavior are not only working to achieve reward, but working professionally, desire for responsible, preference for moderate, their ability to success, desire for immediate feedback, working with a high level of energy, future orientation and skill at organization, for the value of achievement. Suryana (2003) this concept is in accordance with the character and characteristics of entrepreneurial leadership behavior.

According to Robbins & Judge in Marianti (2011) the aspect that most determines the size of power is the level of dependence. So how to increase power by providing dependency and reducing power by reducing dependence. Researchers argue that entrepreneurial leadership behavior is strong self-confidence and independent / individualistic.

Theoretical Implication

Theory of Reasoned Action (TRA) and Theory of Planned Behavior (TPB) from Ajzen and Fishbein (1980) are relatively new theories, so they have not been widely known and used. However, many researchers have begun applying these theories in different fields of subjects. TPB emphasizes on analysing human behaviour. This theory is formulated from a basic assumption that human behaves in conscious mind and by considering all available information.

Theory of Reasoned Action (TRA) has been widely used to predict and explain the intention to have actual behaviour in daily life. The researcher initially assumes that organization power as moderator variable strengthens entrepreneurial leadership to improve the performance of ASN, but the result of the research shows that it weakens the performance due to following obstacles:
1. SOP/ Standard Operational Procedure
   SOP serves as the benchmark in the accomplishment of jobs. The employees must follow the procedure to avoid some negative impacts. However, SOP also causes delay in the public service resulting in low performance.

2. Tupoksi (Main Duties and Functions) System
   As it has been stated at Main Duties of Civil State Apparatus, every Civil State Apparatus performs all duties which their superiors have assigned. As a result, they have an unavoidable obligation to execute the orders from their superior. They perform the duties to please the superior instead of doing that as a sense of responsibility to their job. This condition hampers these Civil State Apparatus to develop their innovative power.

3. Controlling System
   Civil State Apparatus are always under control leading to limitation of their work space. Punishment is always given if they make mistake; however, there is no opportunity for them to learn from their mistake and realize something valuable. A creator always makes mistakes, so he/she can learn from those mistakes to gain excellent creative insight.

Practical Implications
This research has practical implication especially for the District Government of Southeast Minahasa in terms of improving employee performance. In doing so, the government officials can adopt entrepreneurial leadership behaviour. The socialization of entrepreneurial leadership behaviour starts from attitude. The implementation of entrepreneurial leadership includes behavior needed to meet society needs, to establish responsive governance, and to be adherent to the existing regulations.

The government, in this case Ministry of Cooperative and Small-Medium Enterprises, had launched Entrepreneurship Priority Program for the Community on 5th September 2017. On 5th February 2018, the government allocated a fund as much as IDR 26,1 billion for young entrepreneurs in partnership with Youth Entrepreneurship Capital (LPKP). This primary objective of this program is a means to boost entrepreneurial spirit among youth. Considering the initiation of the program, the researcher relates this to practical implication of this research for the District Government of Southeast Minahasa. It is strongly recommended that the teachers integrate entrepreneurial behavior in the school curriculum in order to raise the entrepreneurial spirit of the young children.

The Ministry of Education and Culture has initiated entrepreneurial orientation program by providing entrepreneurial training for retired Civil State Apparatus. This program becomes a proof that entrepreneurship is useful to continue their working habit when they are retired. Thus, they will have a side job while enjoying their retirement.

It is also suggested that all active civil servants should have a side job which they can run after the working hours. This activity will enable them to obtain more income because the delay in transferring the salary to their bank account frequently happens. Moreover, running their own business will eradicate their intention to work with Corruption, Collusion, and Nepotism. A research conducted by Milla, H (2013) also presented similar argument in which she explained that entrepreneurship education serves as an alternative to decrease the number of educated unemployment and to prevent
corruption. The entrepreneurial behaviour can be implemented in the Government of Southeast Minahasa District to create added value in anticipating uncertain risks.

Research Limitation
This research is performed to investigate certain events at a specific time. Therefore, the intention can lead into behavior changes which could not be observed.

CONCLUSIONS

Conclusion
It can be summed up that antecedents and consequences of Entrepreneurial Leadership Behavior in the Southeast Minahasa District Government include attitudes and perceived behavioral control which have a significant effect on entrepreneurial leadership behavior. Subjective norms have no significant effect on entrepreneurial leadership behavior. Intention in entrepreneurial leadership behavior and bureaucratic culture have significant effects on entrepreneurial leadership behavior. Entrepreneurial leadership behavior has a significant effect on the performance of Civil State Apparatus. The authority does not act as a moderating variable in the entrepreneurial leadership behavior on the performance of Civil State Apparatus working at the Southeast Minahasa District Government.

Suggestion
The government needs to be more serious to improve the behavior of Civil State Apparatus in public service. Entrepreneurial leadership behavior has provided a significant contribution to employee performance. Thus, it is recommended that the government implements entrepreneurial leadership behavior by considering many aspects such as attitude, perceived control, and the intention as well as bureaucratic culture. The implementation of power as a moderator variable in Entrepreneurial leadership behavior is not being recommended because it results in low performance of employees at the the Southeast Minahasa District Government. Entrepreneurial leadership behavior can be an alternative to solve the problems related to corruption, collusion, and nepotism. Further, Entrepreneurial leadership behavior must be fostered to achieve the goal as Smart City. Finally, rewards for especially middle management must be enhanced.

REFERENCES


