

# INDIVIDUAL PERCEPTION OF LEADERSHIP AND ADAPTIVE PERFORMANCE AMONG HIGHER EDUCATION STAFF: DOES INNOVATIVE CLIMATE MODERATE?

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## ABSTRACT

*One aspect that should be considered in the formation of adaptive work behavior is the development of an innovative climate that encourages employees to create new ideas. This adaptive work behavior includes the willingness to generate ideas, promote and introduce this idea to others and the ability to realize it. This innovation is currently being carried out intensively by universities. However, not many studies have realized that innovative climate plays a dominant role to achieve adaptive work behavior. The purpose of this study was to examine the involvement of innovative climate moderation roles on the effect of implementing leadership style to reach subordinate adaptive performance. The sample in this study was staff at state universities in Semarang with a minimum response rate of 80%. Purposive proportional sampling technique was used as the sampling technique. This research method uses quantitative designs that are tested through SEM. The results of this study are expected to be a reference and input to stakeholders in higher education regarding the importance of innovative climate that must be developed if you want to realize the innovative work behavior of all staff. To overcome research limitations, it will be very beneficial if further research examines the mechanism of transformational leadership on adaptive performance with a longitudinal approach.*

**Keywords:** Individual Perception, Leadership, Adaptive Performance, Innovative Climate.

## INTRODUCTION

The nature of work that is changing rapidly demands employees to be able to learn new skills and adapt to various work contexts. Therefore, adaptive performance is the main factor that helps organizations to achieve current organizational goals (Charbonnier-Voirin et al., 2010; Upchurch, 2013). Individual adaptive performance is related to the ability to adjust behavior to environmental demands. That is, individuals are able to perform their work roles effectively and responsively in new situations. Individual adaptive performance has an important influence on the employee's rapid response in unknown and ambiguous situations. Topics related to adaptive performance have received much attention, where researchers are increasingly developing attention to the antecedents underlying individual adaptive performance (Wheeler, 2012).

The previous research shows that individual factors and some organizational components, such as transformational leadership, organizational policy, team learning climate, organizational structure, and organizational learning positively influence the

individual adaptive performance (Han & Williams, 2008; Charbonnier-Voirin et al., 2010; Schraub et al., 2011). Transformational leadership style becomes very relevant to be associated with the individual adaptive performance. This is because to meet the demands of a dynamic environment, leadership is highly needed (Kanungo, 2001). Organizational accommodation for change, generating new ideas, adapting ideas, and also the development of individual and intellectual employees can be achieved with transformational leadership (Sağnak et al., 2015).

Transformational leadership is indeed proven to be able to encourage positive outcomes both at the level of individuals, teams, or organizations. Several previous studies have shown that transformational leadership styles are able to encourage innovation behavior (Eisenbeiss et al., 2008). Although the transformational style is effective in a variety of situations and types of organizations, some contextual variables can increase the effectiveness of transformational behavior (Charbonnier-Voirin et al., 2010). It happens because leadership is a dynamic social process, which develops in a work environment where leader behavior needs to adjust to the conditions to be effective (Porter & McLaughlin, 2006). It is, therefore, necessary to consider the organizational context and examine how these aspects can strengthen or weaken the effects of transformational leadership. Among the potential moderators of the effectiveness of leaders, the organizational climate is considered very appropriate to represent aspects of the organizational context (Charbonnier-Voirin et al., 2010). Organizational climate is defined as a series of shared perceptions of policies, practices, and procedures conveying messages about what is valued, supported, and emerges through a process of social interaction at the group level (Kuenzi & Schminke, 2009).

One of the most relevant organizational climates to be associated with adaptive performance is the climate for innovation. Organizational innovation climate reflects employee perceptions of the organization's work environment that encourages risk-taking behavior, allocates sufficient resources and provides a challenging work environment for using creative approaches in the workplace (Scott & Bruce, 1994). The climate of innovation is considered to play an important role in shaping employee work behavior. For example, Černe et al. (2013) who found that creating a supportive and safe climate would improve employee performance.

The relationship model of transformational leadership and adaptive performance involving contextual aspects as moderation still needs further attention. It happens for several reasons. First, the previous research model only focused on direct relationships and there were still inconsistencies results. For example, González-Romá & Piero (2014) show that the climate of innovation will directly and positively affect performance. Whereas García-García-Buades et al. (2016) stated that there is no evidence that the climate for innovation has a direct effect on performance. On the other hand, Jaiswal & Dhar (2015), found that transformational leadership styles can foster a climate for innovation. While Sarros et al. (2008) only found two of the six transformational leadership factors, which are positively related to climate for organizational innovation (González Romá et al., 2009).

Second, the research model about climate for innovation as a key factor that explains the effect of transformational leadership on adaptive performance is still rare. Whereas Glisson (2015) stated that the climate for innovation is a key dimension of the social context of the organization that is important for explaining positive work outcome mechanisms. Jundt et al. (2014) also suggested that the further research needs to focus on mechanisms that connect various predictors with adaptive performance. Research by Zhang et al. (2018), has tried to examine the key role of climate for innovation in the relationship of transformational leadership with work behavior. But research by Zhang et al. (2018) focused more on the mechanism of mediation than moderation. Some studies have tried to make the climate for

innovation as moderation. For example, García-Buades et al. (2016) had made the role of climate moderation for innovation on the influence of team involvement and performance. Then Sanda & Arthur (2017) also examined how the climate for innovation can moderate the influence of leadership style on employee creativity. Furthermore, Jaiswal & Dhar (2015) actually prove the climate for innovation is not as moderation, but as an explanatory factor of employee creativity that must be moderated by self-efficacy. Based on this explanation, it is very relevant to review the model of climate for innovation moderation in leadership style and adaptive performance, thereby it can contribute to the existing literature.

Third, the research on leadership style and adaptive performance with its various mechanisms still requires the generalizing results. This research model adopts the research from Charbonnier-Voirin et al. (2010) with some developments. As suggested by Sanda & Arthur (2017), it is necessary to replicate and expand the research in various industrial sectors to test the resilience and generalization of the findings. The previous research has not examined the transformational leadership model on adaptive performance with the moderation of climate for organizations in the non-profit organizations sector. Charbonnier-Voirin et al. (2010) conducted research on the aviation industry in France, so it is necessary to review how the organizational climate can moderate the influence of leadership styles on adaptive performance in different types of industries and countries. Therefore, it is very appropriate to examine the transformational leadership style in adaptive performance with the moderation mechanism of climate for innovation in different organizations (Universities) and different countries (Indonesia).

This study has a purpose to examine the direct effect of transformational leadership style on adaptive performance. This study also aims to examine the moderating role of climate for innovation on the influence of leadership styles on adaptive performance.

## Hypotheses Development

### Effect of transformational leadership on adaptive performance

The concept of adaptive performance can be seen from several components. First, the ability of employees to work creatively and learn effectively. Second is the ability of employees to manage stress, pressure, unexpected situations, and emergencies. Third, the ability of employees to accommodate a variety of social and cultural contexts (Moss et al., 2009). In more general terms, adaptive performance as someone's proficiency in changing his behavior to meet the demands of a new environment, event, or situation. The adaptive performance will be closely related to the leadership style in the individual environment. Transformational leadership theory assumes the leader behavior that motivates the subordinate to achieve organizational goals and interests and has the capacity to motivate employees to exceed their standard level of work.

The previous research has shown that transformational leadership plays a very important role in encouraging the positive outcome of the organization. Leadership style has a positive impact on learning orientation values. Effective leadership style can improve the performance of the extra role (Pradhan & Pradhan, 2015; Orabi, 2016). The leadership style also plays an important role in encouraging employees to work harder and improve organizational performance (Almutairi, 2016; Tahir, 2015; Avolio & Bass, 2002). Transformational leadership is also related to employee task performance, citizenship behavior, and innovative behavior (Ng, 2017; Bas & Avolio, 1989). Furthermore, Khalili (2016) also found that transformational leadership has a positive effect on employee innovation performance. Based on these explanations, the hypothesis is proposed as follows:

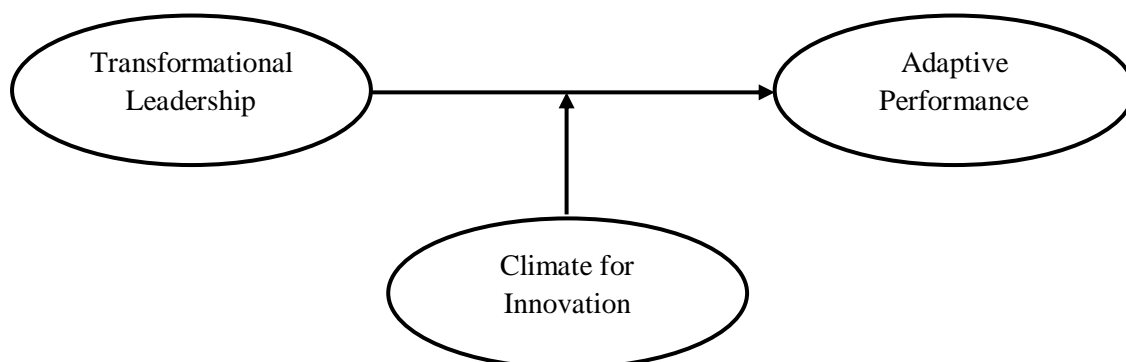
*H<sub>1</sub>: Transformational leadership has a positive effect on employee adaptive performance.*

### **Climate For Innovation as the Moderation of the Effect of Transformational Leadership on Adaptive Performance**

Adaptive performance is generally defined as the ability of individuals to adapt to dynamic work situations. Although transformational style is effective in a variety of situations and types of organizations, some contextual variables can increase the effectiveness of transformational behavior (Charbonnier-Voirin et al., 2010). Answering this, the climate for innovation as a contextual aspect is very relevant to consider as moderation. Climate for innovation refers to the perception of the extent to which new ideas are stimulated and accepted in the work environment, allowing employees to discuss initiatives to improve their work (García-Buades et al., 2016; Bass & Avolio, 1997; Bass & Avolio, 1994). Employees who work in the climate for innovation tend to be empowered, think for themselves, and build their cognitive and emotional resources to contribute creatively to organizational goals. Therefore, the climate for innovation conveys the message that building resources in a person to contribute to the organization's creative and adaptive mission is a strategic priority for the organization.

The previous research also provides evidence describing that the climate for innovation is a key to explain the influence of leadership styles on positive work outcomes. Research by Zhang et al. (2018) has proven that the climate for innovation is key in explaining the relationship of transformational leadership to work behaviour. García-Buades et al. (2016) also showed that the climate for innovation is moderating the influence of team involvement and performance. Then, Sanda & Arthur (2017) also stated that the climate for innovation is moderating the influence of leadership style on employee creativity. Eisenbeiss et al. (2008) also showed that the influence of transformational leadership on team innovation can be moderated by climate for excellence. The relationship of the leadership in creativity is stronger when the climate for innovation is at strong a level than weak (Chen & Hou, 2015). Likewise with Khalili (2016) who found that employee perceptions of a supportive climate for innovation have a moderating effect on the influence of transformational leadership on employee creativity and innovation. Therefore, it is hoped that the existence of a climate for innovation can facilitate the actions of transformational leadership in promoting individual adaptive performance. Based on these explanations, the hypothesis is formulated as follows (Figure 1):

*H<sub>2</sub>: Climate for innovation moderates the positive influence of transformational leadership on adaptive performance.*



**FIGURE 1  
RESEARCH MODEL**

## METHODOLOGY

The number of samples in this study was 267 respondents from the structural staff of lecturers and education staff at the UNNES. Purposive proportional sampling technique was used as the sampling technique. The method of collecting data used a 1-7 Likert scale questionnaire for the subordinates and superiors. The instrument used the convergent validity test—with the factor loading  $\geq 0.50$  and the discriminant by comparing the factor loading  $>$  cross-loading. Reliability test with a reliability composite coefficient  $>0.70$  and Cronbach alpha coefficient  $>0.70$  is said to be reliable. Based on the instrument test, of 42 items the questions were declared valid. While in the reliability test, all items of questions were stated reliably. The hypothesis test used the path coefficient value and is done by t-test through SmartPLS 3.0.

### Variable Measurement

The perception variable on transformational leadership as the dependent variable was measured using 22 items of questions from 22-item scale developed by Podsakoff et al., (1990). Some examples of the items are “*My boss emphasizes the importance of having a sense of a shared mission*”, “*My boss speaks optimistically about the future*”, and “*My boss suggests new ways to get things done*” (Podsakoff et al., 2003).

The independent variable of adaptive performance was measured using 19 question items from Pulakos et al. (2000). Here are some examples of the question items “*I can keep being focus on an emergency situation to react quickly*”, “*I use various information to find innovative solutions to work problems*”, and “*I change the way I work that is not good if I get input from colleagues.*”

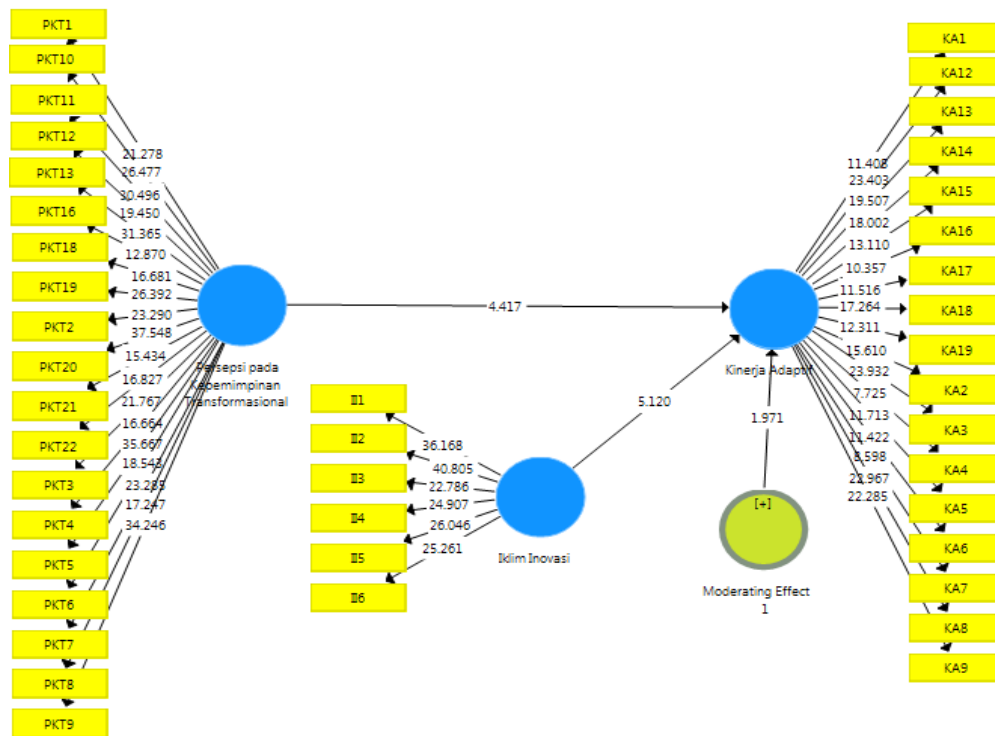
The moderating variable, that is, a climate for innovation was measured using 6 question items from Conway & Huffcutt’s (2003) recommendations. Here are some examples of the question items: “*The organization where I work creates a long-term scenario to anticipate change*”, and “*The organization where I work builds a culture of change in work teams.*”

## RESULTS AND DISCUSSION

The respondent's background is dominated by men (51.7%) aged between 36 and 42 (28%). The majority of them work as education staff (71.5%) and 37.2% of respondents have 8-15 years of service. Mean, standard deviation, and correlation for each variable are in Table 1. Correlation between climate for innovation with other variables is ranged from -0.179 to 0.536 (all  $p < 0.01$ ) with the highest value is for climate innovation ( $M=24.22$ ) and perception in transformational leadership with the highest score scale ( $M=84.94$ ). Other variables such as adaptive performance with values ( $M=78.66$ ). It means that model testing of the structural equation can be followed up.

### Results of Hypothesis Test

This study examines the moderating mechanism in the mechanism of the relationship of transformational leadership perceptions to adaptive performance. This moderation mechanism involves a climate for innovation (Figure 2). The results of the research are:



**FIGURE 2**  
**RESULT OF THE STUDY**

Table 1 RESULT OF THE STUDY					
	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
Climate for Innovation -> Adaptive Performance	0.366	0.370	0.072	5.120	0.000***
Moderating Effect 1 -> Adaptive Performance	0.118	0.100	0.060	1.971	0.025**
Perception on Transformational Leadership -> Adaptive Performance	0.301	0.314	0.068	4.417	0.000***

Note: \*\*\* significance in  $\alpha \leq 0.01$  (highly significant); \*\* significance in  $\alpha \leq 0.05$  (highly significant)

Based on the results in Table 1, showing that the direct effect of the climate for innovation on adaptive performance ( $\beta=0.366$ ,  $p<0.001$ ) is positive and significant. The direct effect of perception on transformational leadership on adaptive performance ( $\beta=0.310$ ,  $p<0.001$ ) is positive and significant ( $H_1$  is accepted). While the moderation analysis involves an innovation climate ( $\beta=0.118$ ,  $p<0.050$ ), meaning that the climate for innovation can moderate the relationship between perceptions of transformational leadership on adaptive performance ( $H_2$  is accepted). Perceptions of transformational leadership can affect the adaptive performance, as also if perceptions of transformational leadership are with climate for innovation, it can affect adaptive performance.

Some studies have shown a positive relationship between transformational leadership styles and positive work outcomes. Leadership style has a positive impact on learning orientation values. An effective leadership style can improve performance (Pradhan & Pradhan, 2015; Orabi, 2016, Kanten et al., 2015). Leadership style is also proven as an

encouragement for employees to work harder and improve organizational performance (Almutairi, 2016; Tahir, 2015). Transformational leadership is also related to employee task performance, citizenship behavior, and innovative behavior (Ng, 2017). Furthermore, Khalili (2016) also found that transformational leadership has a positive effect on employee innovation performance. Finally, with transformational leadership, employees feel involved and personally valued through work, and work outcomes such as adaptive performance will also increase.

The results of this study also show that the climate for innovation is proven to be as a key in explaining the mechanism of transformational leadership relationships and adaptive performance. Although the literature that supports this mechanism is apparently rare, there is some literature that is still relevant to the results of this study. Zhang et al. (2018) had proven that the climate for innovation is key in explaining the relationship of transformational leadership to work behavior. Sanda & Arthur (2017) prove that the climate for innovation moderates the influence of leadership styles on employee creativity. García-Buades et al. (2016) also showed that the climate for innovation is the moderating effect on engagement and performance. Eisenbeiss et al. (2008) also showed that the influence of transformational leadership on team innovation can be moderated by climate and support for innovation. Khalili (2016) also claimed that employee perceptions about the climate for innovation moderate the influence of transformational leadership on employee innovation and creativity behavior. Charbonnier-Voirin et al. (2010) stated that the climate for innovation is proven to moderate transformational leadership in the adaptive performance of employees in the French aviation industry. This study also showed that the influence of transformational leadership on the adaptive performance of employees in the realm of non-profit organizations is also moderated by the climate for innovation. The higher the climate of innovation in non-profit organizations (Higher Education), the stronger the positive influence of transformational leadership on adaptive performance.

## CONCLUSION

This study aims to examine the effect of transformational leadership on adaptive performance both directly and with moderation mechanisms. The conclusion from the test results shows that transformational leadership positively influences adaptive performance in non-profit organizations. The more employees perceive their leaders as implementing transformational styles, the better their adaptive performance will be. Furthermore, the climate for innovation is proven to be the key that explains the moderation mechanism of transformational leadership on adaptive performance. The higher the climate for innovation in non-profit organizations, the effect of transformational leadership on adaptive performance will also be stronger.

The results of this study are expected to contribute to organizational practice, especially in the higher education field. Leaders should continue to maintain and improve the climate for innovation in their organizations. Theoretically, this research is expected to contribute to the literature on the topics of transformational leadership and adaptive performance. This research is also expected to pave a way research in non-profit organizations. This study, in the end, contributes to the generalization of contributions in the field of non-profit organizations as an answer to the needs of the previous research.

To overcome research limitations it will be very beneficial if further research examines the mechanism of transformational leadership on adaptive performance with a longitudinal approach. Future studies also need to take the different types and amounts of research samples to get more generalized results. Further research can also consider the

antecedents and other moderating factors that can explain adaptive performance in a more complete manner.

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