

Research Article

Does Women Leadership Matter for the Organization Effectiveness and Performance?

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Abstract: This study aims to explore the direct effect of women leadership on organization performance through organization effectiveness in the city of Banda Aceh, Indonesia. 130 women employees in the 28 women organizations headquartered in Banda Aceh, Indonesia were selected as the sample of the study using the proportional stratified random sampling. The data of this study were gathered by distributing questionnaires and analyzed using the structural equation modeling (SEM). The study found that women leadership positively affected both organizational effectiveness and performance. The study also found an indirect effect of women leadership on organization performance through organization effectiveness. These findings suggest that to further improve the performance of the organization; it should be focused on improving organizational effectiveness.

Keywords: Women leadership, Organization effectiveness, Organization performances, SEM.

INTRODUCTION

The organization is subordinate-leader related networking to achieve a common goal. It is also known as a joint activity carried out by several people who are useful in carrying out the vision and mission that has been previously set. An ideal organization has a clear structure and characteristics. The organization structure is the arrangement and the relationship between employees and their positions existing in an organization in carrying out its operational activities to achieve organizational goals. The importance of the organization structure is to show up the clarity of responsibility because each organization member involved in the organization is charged with duties and responsibilities. Job clarity and coordination are explained in the organization structure. Coordination is needed for communication to have a positive impact on the development of the organization according to organization characteristics, namely voluntary, social, independent, and non-profit based on democratic principles.

In Indonesia, the principle of the organization must be following the national philosophy of Pancasila and the 1945 Constitution of Indonesia. The Law No. 17 of 2013 states that the

community-based organization is organizations that are built and founded by the community voluntarily due to the same principles, interests, unity, and objectives to participate in the development to achieve the goal of the Unitary State of the Republic of Indonesia based on the national philosophy of Pancasila. More specifically, the legal status of an organization is regulated in the Law No. 16 of 2017, namely the issuance of Registered Certificate and the Ministry of Home Affairs No. 57 of 2017 related to organization registration, namely the authority of issuing Registered Certificate to the Ministry of Home Affairs with proposals through Directorate General of National Unity and Politics of each region.

The sturdy organization has good clarity on various aspects as stated in the statutes and laws that an organization must have names, attributes, symbols, location, principles, vision, mission, structure, responsibilities, costs, strategies for problem-solving, escort and dissolution of organizations. The identity of an organization can be a reflection of success for other organizations and the community realized by a work program that consists of the main work program and supporting work programs. Following the vision and

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mission determined so that organizational performance can be achieved optimally, Mouheriono (2012) states that organization action is the level achieved in the implementation of activity designing targets, expectations, goals, which come together simply in the organization. Organization performance and other important components in the organization structure will be a measure in determining organizational effectiveness. This is in line with Richard (2013) statement that organizational effectiveness will be attained if the important components in the organization structure such as chief executive officers, directors, divisions and so forth.

Women organizations are a system of collaborative activities whose leaders and members are dominated by women in carrying out a plan that is assembled in the form of a vision and mission to achieve a common goal. The involvement of a woman in an official or unofficial organization is based on the will to achieve certain purposes such as gaining insight, sharpening and developing skills. At a glance, women organizations seem to be able to be run successfully, efficiently, quickly, easily and responsibly for human needs but are sometimes confusing. Women organizations should at least be able to achieve goals effectively and efficiently if technical skills and managerial skills can be run well and supported by solid unity such as good cooperation to realize maximum organization goals. When involved in an organization, a woman usually chooses an organization that relates to her principles and characteristics and also having a good structure in it. Because a women organization that is worthy of choice is determined from its basic characteristics such as having a clear structure and also sufficient supporting technology.

To maintain the role and effectiveness of women organizations in order to stay exist and be trusted by the community, it can be done by empowering them through policy facilities in the form of a regulations that motivates organization development and capacity of institutions by preparing documents, expanding networks of cooperation, motivation, skills, planning and mentoring, strengthening leadership and followers, subordinates, reward, research for progress, and empowering human resources with the provision of knowledge and counseling. Besides, cooperation and support from other organizations are also needed, such as rewards, subsidies, and motivation for each organization's activities to facilitate its performance in carrying out its rights and obligations.

To become a strong organization, women organizations must have the authority to manage all operational activities independently and transparently and also have the authority to control finance and organization attributes that are in line with the regulations for achieving targets set in the organization.

In addition to rights and authority, women organizations must also fulfill their obligations to carry out their activities in accordance with organization goals by maintaining religious norms, culture, codes of ethics and customs, unity, public order and always positioning themselves to benefit the community and create peace both within the organization and outside the organization. In terms of internal interests, an organization is also required to be able to manage finances transparently and accountable.

The reason behind the importance of establishing women organizations, which are clean of things that are contrary to the principles of ideology and the provisions of the laws of the Republic of Indonesia, is that these women organizations are considered capable of answering national problems and polemics specifically related to women rights. Women organizations seek to obtain justice and equality of positions that are free from any discrimination, and to achieve that expectation, an idea to form a progressive women organization needs to be carried out.

The performance of women organizations is not only based on the hard work of members of women organizations but also supported by the performance of a leader in leading and embracing members and managing organization activities. The effectiveness of women leadership roles in a women organization can be seen from the positive results of their ability to manage women organizations. According to Robbins and Coulter (2013), women leadership has a huge effect on achieving women organization goals because the activities and performance of members in women organizations are largely influenced by the presence of female leaders.

The underlying phenomenon of this research is the rise of women role as leaders, especially in the women organizations in the province of Aceh, Indonesia. There has been much successful female leadership, but there has been still negative perceptions judging that women leadership is weak, emotional, and often irrational. Behind the opportunity as a leader, it turns out that the weakness of women leadership in the organization is the physical limitations and scope of movement that women have. Likewise, the duties and responsibilities of women in the household that cannot be left behind make women leaders have no adequate time to concentrate on organization activities. Besides, women leadership is still considered to be less assertive in acting and making decisions that are still complained of by members of the organization. A woman leader of an organization should always be aware of the importance of her position for the advancement of her organization, especially concerning her ability to manage and run the work program that has been designed.

Based on these backdrops, this study aims to explore the role of women leadership in improving organizational effectiveness and enhancing organizational performance. It also attempts to assess the mediated effect of organization effectiveness on the influence of women leadership on organization performance in the province of Aceh, Indonesia. The findings of this study are hoped to shed some lights for the public organization to enhance the effectiveness and performance of women organization.

The rest of the study is structured in the following sequences. Section 2 reviews the relevant selected previous studies, Section 3 provide the empirical framework on which the analysis is based. Section 4 provides the findings and discussion, and finally, the conclusion is made in Section 5.

LITERATURE REVIEW

Organization Performances

Organization performance is the level of achievement of individual success within a certain period in each of the fulfillment of its obligations relating to various opportunities such as performance, goals, and characteristics that have been designed and agreed upon by all members in an organization. The answer to the success or failure of an organization is achieving its intended target, which is its performance (Ardiansyah *et al.*, 2018). An organization is said to be high-performing if the organization can produce a planned performance at high quality by using great human resources. According to Mouheriono (2012), organization performance is a reflection of the level of ability to achieve expectations in carrying out something related to planning activities and the provisions of designing and achieving the target organization that is packaged in the form of good progress in the organization.

Organization performance also questions the appropriateness of the organization's vision and objectives with the existing facts, economic, cultural and political factors, as stated by Pasolong (2010) organization performance that is overall success for the needs determined by each organization relating to strategic activities in developing existing skills are organized sustainably to achieve perfect organization needs. Organization performance is measured by focusing on efficiency that is the key to planning, goal setting, and development of relevant measures, formal reporting, results, and use of information. Every target that has been agreed upon must be considered and carried out according to the plan that has been set together so that the performance is more maximal and the organization develops quickly (Wilson, 2012). Besides, organization performance is influenced by factors such as the external environment, motivation or organization motivation, and organizational capacity.

Referring to Mouheriono (2012), that organization performance indicators consist of seven characteristics that can be used as a measure of organization performance, as follows: (1) Effective: measuring the target achieved correctly; (2) Efficient: measuring business results related to the use of a small cost; (3) Productivity: measure the level of effectiveness of an organization; (4) Security: measure the overall level of security for leaders in fulfilling their duties and obligations with guaranteed security; (5) Quality: measure the match between the ability of leaders and organization performance achieved; (6) Safety: pay attention to and ensure the physical and spiritual health of members of the organization and a clean work location; and (7) Punctuality: measure the level of discipline of the leader and maximum use of time.

Organization Effectiveness

Effectiveness is the achievement of targets promptly or setting clear targets from a set of ways and ensuring the accuracy of completion and decision making or said to be a benchmark of achievement. According to Richard (2013), effectiveness is a situation in determining the goals to be achieved and by utilizing facilities and having targeted and correct skills until the target is achieved maximally. Effectiveness also shows the magnitude of the results by planning. According to Purwaningsih (2010), effectiveness is the achievement of expectations of a target that reinforces the target level (quantity, quality, and period) or the percentage of targets achieved so that it can be an effective level organization.

Effectiveness becomes a picture related to the maximum results achieved by the organization and becomes a benchmark for the success of an organization that is influenced by several factors including the right target design, clear management, legal provisions that must be adhered to and the motivation of local residents or work environment, because the environment provides a major influence on organization performance (Rusli *et al.*, 2015). In the opinion of Richard (2013), the indicators for measuring organization effectiveness are: (1) Clarity of purpose; bring out various functions that can strengthen the organization and provide a focus on the organization to get good results; (2) Philosophy and value system; relating to the background of the organization formed relating to the rules and standard policies that are set together to become guidelines; (3) Composition and structure; providing the background and qualifications of organization members and dividing the tasks within the organization; (4) Organization technology; utilization of modern technology which is balanced with competence; and (5) Organization environment; work atmosphere in the organization and related to the physical environment.

Women Leadership

Women leadership performance is an element that is indispensable in enhancing high organization performance and is a measure to determine efforts to achieve satisfactory productivity, from the description. Mangkunegara (2010) argues that women leadership performance is a concrete action that is shown by individuals for the performance achieved by leaders who are aligned with their roles organized and all of them are bound and can be assessed by performance assessment. The purpose of performance appraisal is more focused on motivating women leadership to reach targets that have been designed. Related to women leadership performance, Daff (2013) argues that women leadership performance, which is performance related to the activities of each leader, is organized with maximum achievement standards. An effective and efficient organization is the hope of an organization so that it becomes the effort of leaders and members to improve their performance because good performing leadership and members will be the key to organization success (Majid *et al.*, 2016).

Furthermore, Artana (2012) describes leadership performance, namely the ability to influence and protect others so that the person follows and approves every decision he makes. Women leadership performance is influenced by internal factors and external factors. Women leadership performance can be measured by indicators, as follows: (1) Quality of work: all forms of units of measurement related to the quality of work; (2) Honesty: leads in terms of behavior, guided by norms, optimism, and noble character; (3) Initiative: directed and appropriate skills in designing and making decisions; (4) Presence: a subject is present at a place; (5) Attitude: thinking power and perception in studying certain aspects within the scope of the organization;

(6) Cooperation: refers to the practice of a person or group on a larger basis with mutually agreed upon methods and objectives; (7) Reliability: a design application in the organization so that it can carry out its functions properly; (8) Knowledge of work: foundation that must be owned by someone in carrying out what is their responsibility in the organization; (9) Responsibility: an action done by someone based on their duties and obligations; and (10) Utilization of work time: maximum use of time to achieve satisfactory performance.

RESEARCH METHOD

This study focuses on women organizations headquartered in the city of Banda Aceh, Indonesia. The objects of this study are women leadership performance, organization effectiveness, and performance of women organizations in Aceh. The population of this study is 28 women organizations with a total membership of 3.096 people. 130 members of those women organization were selected as the

respondent of the study using a stratified random sampling technique. To collect the data, structured questionnaires were distributed to the respondents and measured on the Likert scale.

Three variables are investigated in this study, namely women leadership performance (exogenous variable), organization effectiveness (mediating variable), and organization performance (endogenous variable). Women leadership performance is a concrete action shown by individuals for the performance achieved by leaders who are aligned with their roles organized and all of them are bound and can be assessed by performance assessment. Organization effectiveness is a situation in determining the goals to be achieved and the utilization of facilities and having directed and correct skills until the target is achieved maximally. Finally, organization performance is a reflection related to the level of ability to achieve expectations in carrying out something related to planning activities and provisions to design and achieve the packaged target in the form of progress in the organization. In this study, women leadership is measured using 10-indicator proposed by Artana (2012), and organization performance are measured by 7-indicator proposed by Mouheriono (2012), while organization effectiveness is measured by 5-indicator proposed by Richard (2013).

To measure the interrelationships between variables, the Structural Equation Modeling (SEM) is used. The criteria that need to be considered to make the SEM path analysis model are: (1) recursive forms; (2) the nature of the relationship in the same direction; (3) additives, linear and causal, (4) the distribution is good and right; (5) apart from multicollinearity; and (6) overall variables can be measured, at least at intervals. The advantages of the use of SEM applications in this study are due to the high accuracy and speed of the results obtained from indicators and data analysis commonly used by an organization structure and able to confirm values theoretically between variables (Ferdinand, 2012).

This study estimates the following proposed research model:

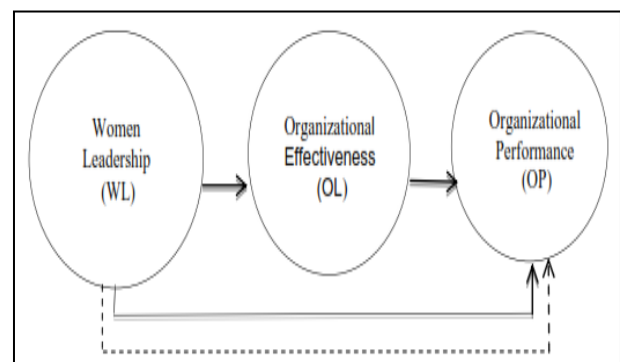


Figure1. The Proposed Research Model

The above-proposed research model is estimated using the following SEM equations are estimated o empirically explore the direct and indirect relationships between variables:

$$OE = \gamma_{11}WL + \zeta_1 \tag{1}$$

$$OP = \gamma_{21}WL + \gamma_{22}OE + \zeta_2 \tag{2}$$

Where OE is the organizational effectiveness; WL is the woman leadership; OP is the organizational performance; γ_{ii} are the estimated loading factors for each variable; and ζ_i are the structured error terms.

RESULT AND DISCUSSION

Characteristics of Respondents

In this study, the characteristics of respondents, comprising the age of the respondent, marital status, recent education, years of service, and income of the respondents are reported. All 130 members of women organization, 32.3% of them were having age between 25 to 35 years old, 58.5% with the age between 36 to 44 years old, and the rest 9.2% was with the age between 46 to 55 years old. Based on marital status, most of the respondents (82.3%) were married, and only 17.7% of respondents were single. Based on the level of education, the respondents were dominated by those who have an undergraduate degree (68.5%), followed by a master degree (27.7%), and high school (3.8%). Furthermore, based on the tenure, 10% of the respondent having 3-8 years' experience, 42.3% have a working period of 9-14 years, 46.2% with a work period of 15-20 years, and 1.5% have more than 21 years of service. Based on income, a total of 63.8% earned monthly income between IDR4,000,000 to IDR6,000,000, 31.5% earned income between IDR6,000,000 to IDR7,000,000, a total of 4.6% earned income between IDR9,000,000 to IDR10,000,000. Based on these results it can be concluded that most members of women organizations in the province of Aceh, Indonesia were dominated by respondents with an average age level of 36-44 years old, that is who is at the productive age level with undergraduate level of education so that they have a good sense of responsibility supported by a monthly income of IDR4,000,000 to IDR6,999,999 and working experience of 15-20 years working period.

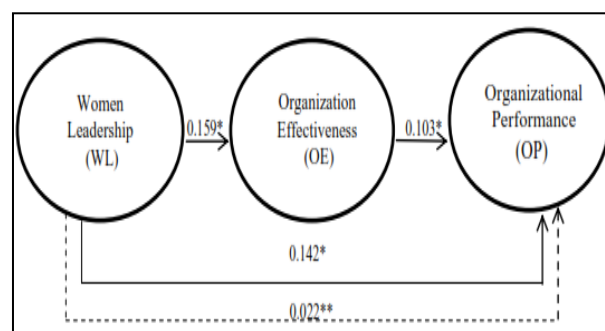
Next, to ensure the accuracy of the instruments, the validity and reliability tests were conducted. The study found that all variables in this study were valid because they have an estimated product moment of correlation coefficients above their critical value, namely between 0.388-0.846. In this study, the lowest product-moment value is 0.276 while the highest value is 0.834. Based on the reliability testing of alpha results on each variable, namely the female leadership performance variable (WL) obtained a Cronbach alpha value of 90%, organization effectiveness variable (OE) obtained a Cronbach alpha value of 143.8%, and

organization performance variable (OP) obtained a Cronbach alpha value of 90.7%. Thus, it can be concluded all variables were reliable as their values were greater than a Cronbach alpha of 0.90%.

Finally, to ensure the appropriateness of the estimated model, the study conducted the goodness of fit of the estimated SEM and found than all the goodness of fit indices comprising X²-Chi-Square Statistics, Root Mean Square Error of Approximation (RMSEA), Goodness of Fit Index (GFI), Augmented Goodness of Fit Index (AGFI), Tucker-Lewis Index (TLI), and Comparative Fit Index (CFI) were better fit. The estimated value of the goodness of fit indices was above the cut-off value, indicating that the overall estimated SEM models better fit to provide the answer for the objectives of the study.

The Direct Effects of Women Leadership on Organization Effectiveness and Performance

The findings of this study, both direct and indirect effects between investigated variables are reported in Figure 2.



Note: * and ** indicate significance at the 1% and 5% levels, respectively.

Figure2. The Estimated SEM

As observed from Figure 2, the women leadership performance has a positive significant effect on both organizational effectiveness and organization performance in the Aceh province, Indonesia at the 1% level of significance. Specifically, an increase in a unit Likert scale of women leadership has contributed to an improved in organizational effectiveness and organizational performance by 0.159 and 0.142 unit at the Likert scale, respectively. This indicates that with the better performance of women leadership, it has improved the effectiveness and performance of women organizations in the province of Aceh.

These findings provide evidence on the misperception on women leadership that women tend to have weak leadership and have been obstacles for organization effectiveness and performance. Our study shows the ability of women leaders to promote organizational effectiveness and its performance. These findings are supported by Jogulu and Wood (2006), Harwiki (2016), Wani *et al.*, (2018), Maidawati *et al.*,

(2019), and Hanafi *et al.*, (2019) who found that women leadership has improved organization effectiveness as well as organizational performance. In their study, Pounder and Coleman (2002) identified that the differences in women and men leadership on organization effectiveness and performance was very much determined by the characteristics of employees, regardless of gender. The strong influences of men leadership on organization performance as compared to the women leadership was contributed by a higher education level possessed by men employees. If both woman and man have a similar education level, their leadership has no different influences on organizational performance. These findings further imply that to improve the effectiveness and performance of women organization, the leadership skills of women need to be improved such through gradual training and education program.

The Indirect Effects of Women Leadership on Organization Effectiveness through Organization Performance

Figure 2 also shows the indirect effects of women leadership on organization effectiveness through organization performance in the province of Aceh, Indonesia. As illustrated in Figure 2, organization effectiveness is found to significantly mediate the influence of women Leadership on organization performance. Particularly, the study documented that as the women leadership improves by a unit Likert scale, the organization performance would increase by 0.142 units in the Likert scale through the organization effectiveness. This finding shows that any effort to enhance women organization performance, it should be focused on enhancing organizational effectiveness. This could be done through ensuring the clarity of organizational vision and mission, clarity of organization rules and policies, strong composition and organization structure, adopting advanced technology, and strengthening organization environment and work atmosphere.

As our study found both a direct effect of women leadership on organizational performance and indirect effect of women leadership on organizational performance through organization effectiveness, thus the mediating variable of organization effectiveness is found to function as a partial mediator in influencing women organization performance in the province of Aceh, Indonesia. Thus, to enhance organization performance, the focuses should be emphasized on improving the effectiveness of the organization based on strengthening women leadership skills and abilities.

CONCLUSION

This study explored both the direct effect of women leadership on organizational performance and the indirect effect of women leadership on organizational performance through organization effectiveness in Aceh, Indonesia. Based on the SEM

analysis, the study found that women leadership has contributed to the improvement of organizational effectiveness and performance. This finding indicated the important role of women leadership in achieving the goals and performance of women organizations in Aceh, rejecting the misperception on the inability of women as an effective leader in public organizations. The study also found a significant indirect influence of women leadership on organizational performance through organization effectiveness. This particular finding implied the need to focus on improving the effectiveness of the organization based on strengthening women leadership skills and abilities to enhance organization performance.

Further studies on this topic could provide better and comprehensive empirical findings by considering more variables into the estimated model. These factors could cover both internal and external factors affecting organizational effectiveness and performances. Additionally, covering more women public organization into the analysis would also enrich the existing empirical evidence on the research topic. Finally, comparing the women leadership in both private and public women organization would also enrich the existing empirical findings on the investigated topic.

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