

# Philosophical Concept of Leadership in Supply Chain Affecting the Community Perception in the East Java Government of Indonesia

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**Abstract---** This study aims to analyze the community perception towards the leadership style in supply chain that can be used to participate in the regional government. It also has a purpose to formulate a leadership style in supply chain that can encourage the community to actively participate in the local government. This study uses the descriptive qualitative approach to describe and explain the phenomenon of regional government leadership comprehensively. The research takes place in three regencies/ cities in East Java, Indonesia. The research finding shows that the public perception tends to choose the consultative, participative, and combination of both. The leadership style in supply chain is indicated by high involvement of public perception and trust given to subordinates. The leadership style in supply chain that is in line with the stakeholder's expectation is the participative, consultative, and transformational styles.

**Keywords:** Supply Chain, Leadership style, Public Perception, Government Policy.

## 1. Introduction

There are three important aspects to run the decentralization era in Indonesia, namely transparency, accountability, and creativity of the state apparatus. Hemphill [1] explains that the leadership style in supply chain becomes essential to decide the direction of the decentralization policy. There are two important things required to achieve an accurate, thoughtful, fair, and effective government: a leader's ability and personal resources. They should be promoted by perception and public participation. Since Indonesia is a democratic country, it needs the public participation in the political decision making. To carry it out, the leader has to implement the regional autonomy and raise public participation in

government programs. Ali [2] explains that there are two important elements that underlie the public service: efficiency and equality. The regional autonomy needs the equality of efficiency and democracy values. It is carried out by the regional leader and community.

East Java has several regional governments or parliaments whose duty is to meet the community's need to involve better in the political decision-making process. As the head of the region, a Regent should be able to create a sustainable public opportunity for their community to achieve the aim of better public political involvement [3]. There are a few indicators showing the improved political participation of the community: more comprehensive language of communities, more policies related to public participation, and more capital to fund programs through the participatory leadership. Related to issues above, this study aims to investigate the community's perception towards regional leaders' leadership styles in supply chain. In addition, the researcher attempts to develop a model of leadership style in supply chain which can affect the community's perception participating in the local governance.

## 2. Literature Review

There are two major factors that affect the democracy. First, it is the community's capability to have an easy access to information. The second factor is the participation of community to plan and carry out the democracy [4]. By having the easy access to information and participating in the democracy process, the community is able to commit themselves to the process and eventually achieve more proper

governmental services. Bass and Bass Bernard [5] explains that the community can control their representatives in the parliament via organizations that speak up their ambition.

The participatory leader should have an ability to listen to the aspiration of community and environment. They are also expected to be creative and encourage their subordinates to be full of ideas as well. In addition, they are supposed to make a breakthrough with a more modern way to run the government. The new management should create a cleaner and accountable government with stronger community empowerment [6].

In the past five years, the public participation in the government shows an improvement. However, it depends on the Regent's leadership. The decentralization has risen some participatory activities that are commenced by the governments, community organizations, and partnership with and without funding from the international donors. From many activities, some of them are innovative. For example, Non-Governmental Organizations (NGOs), regional government, Innovation Foundation Regional Government (YIPD), Committee of Regional Autonomy Watch, and mass media collaborate to encourage the community to be more actively participate in the public policy making. In addition, the community gets more socially active which leads them to demand more opportunity to participate in the process of public policy making.

Leadership style is used to give impact to the community or subordinates. With the leadership style in supply chain, one can also achieve one's goal. Within an organization, its aim is obtained when the leadership is effective. In other words, the organization success depends on the leadership quality. It can be reflected from the performance of employees [7-10]. Ali [2] and Jain, et al. [11] define the leadership as an individual behavior to direct the group activities to achieve a shared goal. Reisel, et al. [12] explain that more specific goals can be reached by the effect of interpersonal in a given situation. In addition, Abduvaliyev, et al. [13] states that the rational perspective and practical praxis strategy make the leadership philosophy that are useful to interpret the epistemological assumption as well as to describe the leadership problem nowadays. Moreover, the leadership also affects others to contribute to the achievement of common goals [14]. Another definition of leadership is stated by Jacobs and Jaques [15] saying that it is a series of action to give meaning to shared attempts and the eagerness to try to reach desired aims. Meanwhile, Avolio, et al. [16], defines the leadership as one's capability to persuade group behaviours without intimidation.

Goetsch and Davis [17] believe that leadership, facilities, and management commitment are three important factors influencing the organization to carry out their activities. The first factor, leadership, utilizes one's influence to encourage others to achieve certain aims without intimidation. Referring to this notion, Hemphill [1] recognize that communication processes are quite essential in the leadership. A Greek philosopher, Allegory Plato notices that becoming a leader is difficult. He can get lost in the dark if he runs without critical reasoning. As a result, not everyone can be an ideal leader [13].

When the leader leads his subordinates to achieve their organizational goals, he should know that they willingly do it without hesitation. In addition, the organization or company leader should know what forces drive his subordinates' behavior. The employees in the company expects that they can build a good relationship with their leader. Referring to this idea, the good leader should know what forces exist in their subordinates, so they can select the correct behavior of power [18].

Timpe [19] states that subordinates' perception towards the leadership behavior is affected by the leader's ability to make their member commit to the organization. Therefore, their perception highly depends on how good the leader is to make a decision. Therefore, the leader should be able to reassure their subordinates to get involved to solve the organizational problem so that they can draw the line between their needs [20]. There are two things that influence one's understanding to their surrounding: needs and desires. All in all, the good leader can drive people to achieve certain purposes without intimidating them. Instead, they utilize the communication process that raises interaction between them.

### 3. Methodology

A descriptive qualitative approach is used in this study. The researchers attempt to illustrate and analyse extensively the leadership style in supply chain of some regional governments. There are three regional governments in which the research is conducted. They are Lumajang regency, Pamekasan regency, and Kediri city. The study is carried out in six months. The population of the study is the leaders of those three regions as well as the communities there. Meanwhile, the sample is the Regent, regional secretary, heads of Regional Work Units (SKPD), council and community leaders, village chief, NGOs, and journalists. The sample is important because it can portray this study.

There are two types of data derived from this study: primary and secondary data. The first type of data is obtained from the in-depth interview and questionnaire. The interviewees in the in-depth interview are the Regent, regional secretary, heads of Regional Work Units, council and public figures, village chief, and NGOs. The questions in the interview are related to the leadership style in supply chain of the regional governments. In addition, the questionnaire is distributed to the respondents in order to identify the leadership style in supply chain of regional government and their perception towards the regional government. The data analysis is carried out qualitatively by referring to the model developed by [21]. There are three steps of the data analysis, namely data reduction, display, and verification.

#### 4. Result and Discussion

##### **The Analysis of the Leadership Style in Supply Chain of Some Regional Governments in East Java**

There were some different leadership styles in supply chain performed by the leaders of regional government. They were influenced by the objectives the leaders were going to achieve as well as individual's growth and development. The study found out that the regents and mayor in the research setting combined some leadership styles in their government. There were three combination of leadership styles in supply chain indicated in this study: participatory, consultative, and discretionary styles.

From three leadership styles, the leaders of regional governments were likely to apply the discretionary style. The respondents of one-dimension leadership stated that Lumajang and Pamekasan regents were confident about their subordinates' capability to perform their jobs. One-hundred percent of the respondents agreed with this statement. Meanwhile in Kediri, the result was quite different. The percentage of agreement was 71.42%. The finding obtained from respondents agreed with the interview result done in Lumajang, Pamekasan, and Kediri. It was found out that the leaders of regional government gave the general direction of policies, while the implementation of it was carried out by their subordinates. It reflected the leaders' belief to their subordinates' capability. Due to their leaders' faith, the subordinates felt trusted so that they could be more innovative and creative as well as less burdened by their jobs.

The leaders' trust to their subordinates was quite important as the subordinates were parts of the organization. Trust was needed to empower the subordinates so that they could perform and function better in their jobs. However, the respondents

disagreed with the idea of fully delegating the policy implementation to the subordinates. All respondents in Lumajang disagreed. Disagreement was also stated by three quarter of respondents in Pamekasan, with 16% stated that they strongly disagreed.

Kediri respondents responded variably: about 50% said disagree, 15% answered strongly disagree, and 14.28% showed agreement. It meant that most subordinates contradicted the idea of delegating the policy implementation to the subordinate. It was due to the reason that the subordinates were uncontrollable without the leader's supervision. As a result, the goals were not achieved optimally. In other words, the absence of leader would make the subordinates less discipline. It was expected that the government involved the subordinates and communities in the decision-making process to show that they believed in their capability.

The fact that the regents and mayor in the research setting did not apply the pure delegative style was in line with the finding from Goetsch and Davis [17]. They believed that an organization (district or city) would need a leader. The leader could be either chosen or volunteered. Even an organization that applied the participatory style would still need the leader to guide and give them constructive feedback. The leader would not only perform those two jobs, but they would also set goals, allocate resources, make changes, develop interpersonal contact with subordinates, direct the organization, and solve the problem when failure occurred. The organization would perform more efficiently with the leader than without one.

Hersey and Blanchard [22] explained that the delegative style was appropriate for subordinates who had high level of maturity and awareness of their responsibility. The leader's job was to direct and support the subordinates, then let them perform their jobs and fulfil their responsibilities confidently. The leader was also involved in the identification and discussion processes, but the decision-making was left to the subordinate. In other words, the delegative style involved the behavioral relationship and low task behavior.

The researchers showed the benefit of applying the delegative style. It was quite effective to identify the subordinates' capability and confident levels. When problem occurred in the organization, the leader would discuss it with them to achieve a collective agreement, then the decision making was done by the subordinates themselves. In other words, this type of leadership provided a little support and guidance to the subordinates. Bono and Judge [23] stated that the leadership effectiveness highly relied on the correspondence among the leader, followers, and situation.

This study also found out that the leaders of regional governments did not apply the directive style absolutely. In this directive style, the leader made the important decision. The leader became the center of all organizational activities. As a result, the subordinates had a little freedom to be creative. In other words, the directive style allowed the leader to tell the subordinates what to do, to compromise with the decision, and to have a one-way communication.

The research finding also revealed the phenomenon in which the leaders of regional governments had to provide detailed guidance for their subordinates because they considered that their subordinates had low capability to execute their responsibility. About 66.6% respondents in Lumajang disagreed to the statement, and the rest responded 'strongly disagree'. In Pamekasan, 16.6% responded 'strongly disagree' to the same claim. The result was also different in Kediri. About three quarter said that they disagreed to the statement and the rest claimed 'strongly disagree'. The result of questionnaire was consistent with the data obtained from the interview. The leaders instructed their subordinates to implement the policy and let them be creative and innovative as long as it did not violate the policy.

Some leaders were not willing to guide and involve their subordinates in the decision-making process. They only gave a public guidance about what to perform. This could not be right because they should also control the subordinates so that they could achieve their goal. This leadership style in supply chain could lead to abuse of authority because the subordinate misinterpreted the guidance; despite the fact that it was contradictory to this study.

The discretionary style often raised misunderstanding towards the leaders of regional governments. In general, a half of respondents from Lumajang, Pamekasan, and Kediri stated that they disagreed to the statement. Meanwhile, 20% explained that they strongly disagreed. To avoid the misunderstanding, there should be some space to harmonize and synchronize their understanding so that the policy could be implemented successfully.

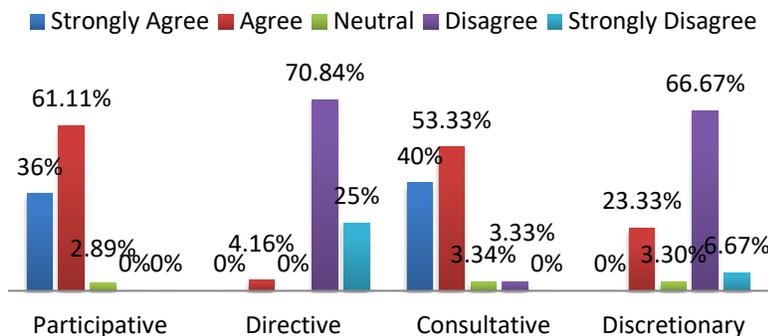
The subordinates and community's behaviors were highly influenced by their perception towards their leader's leadership style in supply chain. Their perception towards their leader's leadership style in supply chain was affected by their expectation and needs. Their perception was needed

to evaluate the leader's performance and policy. The evaluation would provide enough information about what leadership style was needed by the subordinates [24].

When running a regional government, the leaders tended to apply one particular style or combine two styles. Whichever style was implemented by the leader, there should be a good synergy between them and their subordinates. Bono and Judge [23] explained that the effective leader should be able to embrace the individual, group, and organization's goals. The effectiveness of a leader can be identified from what extend their purposes could be achieved. The individual could judge if their leader was effective by referring to the degree of satisfaction and experience that they obtained.

From the study about the leadership style of leaders in Lumajang regency, Pamekasan regency, and Kediri city, it could be concluded that the leadership style in supply chain was crucial to drive the subordinates. It was also important to mobilize them to achieve the goals of regional development the leaders played the critical role because they should be able to motivate their subordinates so that they could improve their performance to achieve a budget efficiency. Therefore, the regional government should be able to choose a leader who was capable to drive the human resources to the desired goals. They could apply whichever leadership style in supply chain in supply chain they would like as long as it suited to the condition of their respective area.

### **Analysis of Public Perception of Leadership Styles in East Java *Lumajang Regency***

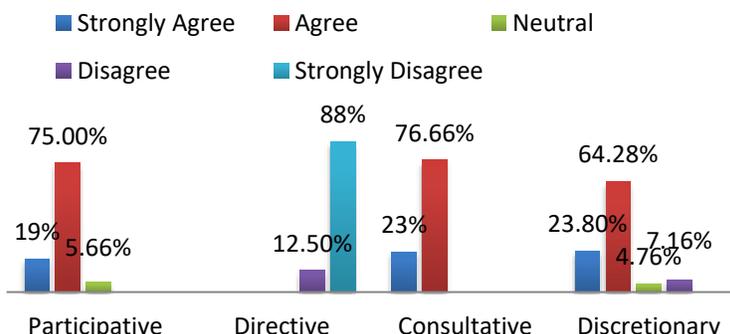


**Figure 1.** Public Perception towards Leadership Style in Lumajang Regency

Figure 1 provided useful information about the public perception towards the leadership styles in Lumajang regency. Generally, more than a half respondent agreed with the participative style and disagreed with the directive and discretionary styles. Less than 5% of respondents stood neutral and approximately 90% of respondents were fine with the consultative style.

According to the figure above, it could be concluded that Lumajang regent was likely to combine the participative and consultative styles, with the consultative style became the dominant one. However, in certain circumstance, he would apply the discretionary style with the regards that he committed and was subjected to the Strategic Plan, Constitution, National and Regional Budgeting.

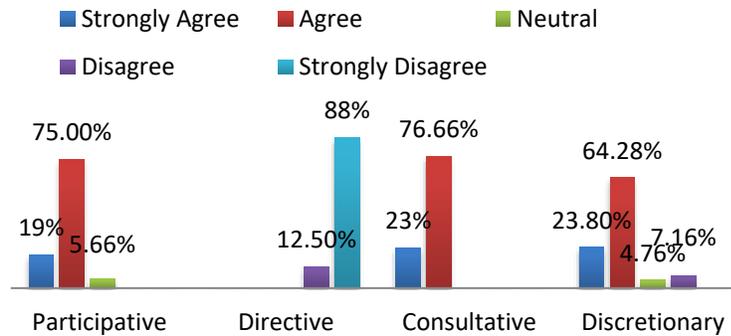
**Pamekasan Regency**



**Figure 2.** Public Perception towards Leadership Style in Pamekasan Regency

Figure 2 showed the finding of public perception towards leadership style in Pamekasan regency. Most respondents agreed with three leadership styles: participative, consultative, and discretionary styles. More specifically, three quarter of respondents supported the participative style. However, only 5% **Kediri City**

of respondents revealed that they were in the neutral position. Eespondents were likely to choose the participative, consultative, and discretionary styles. This finding was similar to Pamekasan regency. Seventy-five percent of respondents supported the participative and consultative styles. This figure was 10% higher than the discretionary



**Figure 3.** Public Perception towards Leadership Style in Kediri City

The percentage of respondents that strongly agreed with participative, consultative, and discretionary style was 19 percent, 23 percent, and 23.8 percent, respectively. In contrast, most respondents stated their disagreement with the directive style.

### The Effect of Leadership Style in Supply Chain to the Public Perception

According to the research finding, it was revealed that the leaders of regional governments in Lumajang regency, Pamekasan regency, and Kediri city were likely to apply the combination of participative and consultative styles. The leader who implemented the participative style tended to trust their subordinates' capability to perform their job. In this leadership style in supply chain, the leader actively listened, accepted, cooperated, and encouraged their subordinates when making decision [22]. The leader also played other essential roles to guide, control the daily decision-making process, and solve problems coming from the subordinates. The leader respected, listened attentively, and facilitated the problem solving.

In addition, the leader who implemented the consultative style would interact much with their subordinates or organization members [22]. The leader played a role to consult, guide, motivate, and give suggestions in order to achieve the goals. The consultative style got many supporters. The leader not only gave guidance, but also tried to listen to the critics and suggestions from their subordinates. However, the control over the decision making was still in the hand of the leader.

The research finding somehow did not reveal the leader's behavior that could encourage the subordinate to improve themselves to work more

optimally. This was in line with the finding by [25]. He explained that the organization leader should be able to develop the transformational behavior to optimize the productivity and performance. In addition, Bono and Judge [23] believed that an individual would tend to have higher motivation when they recognized that their leader showed the transformational behavior. Mujiasih and Hadi [26] added that the transformational behavior could motivate someone to perform better to achieve the planned performance.

Avolio, et al. [16] explained that the leader who had the transformational behavior would have higher confidence level, be tough in a difficult situation to uphold the moral value, grow pride on their subordinates, have clear visions, have definite purpose, and be the role model for their subordinates. Moreover, the transformational leader would see, pay attention, and recognize individual's capability. They would be able to ensure their subordinates that they could increase their productivity, effort, commitment, and capacity.

Based on this analysis, the transformational behavior should be possessed by the leader, so they could implement better management. Therefore, the proposed leadership style in supply chain was the collaborative style. The participative style was the collaborative, consultative, and transformational leadership styles. The rationale was described in Table 1 as follows.

**Table 1.** The Leadership Style

<b>Leadership style</b>	<b>Explanation</b>
Participative Leadership	<ol style="list-style-type: none"> <li>1. They tend to trust their subordinates' capability to accomplish their job as the parts of their responsibility</li> <li>2. They listen, accept, cooperate, and encourage the decision-making process</li> <li>3. They provide guidance to their subordinates</li> <li>4. They keep monitoring, supervising their decision-making delegation and provide problem solving to their subordinates</li> </ol>
Consultative Leadership	<ol style="list-style-type: none"> <li>1. They interact a lot with their subordinates or organization members</li> <li>2. They provide guidance, motivation, and suggestions in order to achieve their goals</li> <li>3. They listen to the subordinates' critics and gather ideas and advise from the subordinates</li> <li>4. The decision-making remains in Regent's hands</li> </ol>
Transformational leadership	<ol style="list-style-type: none"> <li>1. They are confident, they present when the tough time occurs to uphold the moral values, grow pride on their subordinates, and have a clear vision (attributed charisma)</li> <li>2. They have a definite purpose to be followed by the subordinates voluntarily</li> <li>3. They try to motivate, stimulate, and attract their subordinates as well as ensure them about the organization's mission</li> <li>4. They see, pay attention, and recognize the individual's capability that is useful for the organization</li> <li>5. They ensure the subordinates that they could cooperate to improve their productivity, effort, commitment, and capacity.</li> </ol>

In conclusion, the researchers realized that there were some alternatives of leadership styles in supply chain that could be applied by the leader of regional governments. However, the researchers also identified that the leadership style in supply chain to improve their performance and public participation should suit the circumstances. The leadership style in supply chain applied in one condition might not be appropriate for different situation.

#### 4. Conclusion

The leadership style in supply chain implemented by some leaders of regional governments in East Java is supporting subordinates and having more interaction with them. In addition, the consultative style guides, motivates, and suggests improvement in order to achieve the goal of public involvement. It is guided by the strategic planning, constitution, and national budgeting. The leadership style in supply chain that the community is likely to choose is the consultative and participative styles or the combination of both. The proposed leadership style in supply chain is a style that is ideal to the stakeholders' expectation. Finally, the leadership style in supply chain that is most suitable to the circumstances of the research setting is the

participative, consultative, and transformational styles.

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