

## THE STUDY OF SITUATIONAL LEADERSHIP STYLE ON AN INDONESIAN CONSTRUCTION COMPANY

Theresita Herni Setiawan\*, Adrian Firdaus & Andre Dwi Putra

Civil Engineering Department, Engineering Faculty, Universitas Katolik  
Parahyangan, Bandung, Indonesia 40141

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\*Corresponding author  
herni@unpar.ac.id

### Abstract

Situational leadership is defined as a style of leadership in which a leader manages to adapt his/her style in order to suit the situation. This situation refers to the circumstances among the leader's employee which could enhance the success of the related project/work. The study is aimed to determine the suitability between the type of the employee and the situational leadership style of the project manager on a construction company. The circumstances of the employee are represented by their commitment and competence maturity level. The suitability result could give an insight to the project manager to enhance the success of their project. This study utilises a descriptive statistical analysis through a questionnaire survey and interview to a construction company in Indonesia. This company is selected because it is one of the biggest construction company in Indonesia. This research observed four high rise building projects which are constructed by this company in 2017 in Bandung, Indonesia. The result summary of the four projects shows a suitability between the type of employee (D3) and the project's manager situational leadership style (S3). In accordance with the situational leadership theory, this suitability could produce a great situation between project manager and his/her employee, enhancing the accomplishment of the project. The company should keep this suitability, if such a shifting happens among the team, a re-identification is recommended. This could help project manager to understand his/her new employee, so he/she could adapt to the new situation and transform his/her leadership style to fit the new type of employee. This could enhance the overall performance of the company.

*Keywords:* Situational leadership style, commitment maturity level, competence maturity level, supporting behaviour, directive behaviour

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## 1.0 INTRODUCTION

Kartini and Kartono (2008) stated that leadership style is defined as character, habit, temperament, nature, and personality which differ a leader within his/her interaction to others. Toha (2010) interpreted the leadership style as behaviour norms which is used by a leader to influence his/her subordinate. Herujito (2006) implied that leadership style is not a talent, so that it could be learnt and applied in accordance with the existing situation. A project manager should understand his/her role and responsibility upon all project activities as well as perform all of his/her managerial function. Situational leadership is defined as a style of leadership in

which a leader manages to adapt his/her style in order to suit the situation (Spahr, 2015). This situation refers to the circumstances among the leader's employee which could enhance the success of the related project/work.

In Indonesia, several researcher including Sinollah (2010), Hidayati (2015), Farma (2016), and Azizah *et al.* (2017), have delivered the study of situational leadership style, but all of those studies did not take construction industry as their research object. This paper accommodates the research gap by selecting construction project as the research object. The study is aimed to determine the suitability between the type of the employee and the situational leadership style of the project manager on a construction company in Indonesia. The

observed projects are four high rise buildings which is functioned as apartment which were still under construction in 2017. The type of employee is represented by their commitment and competence maturity level. The suitability result could give an insight to the company to improve their performance.

## 2.0 LITERATURE REVIEW

The ability to control and monitor resource utilisation to achieve organisation's goal is considered as a managerial function of a project manager (Arifin, 2005). Fiedler (1978) in Esther (2011) proposed a basic situational model for leadership effectivity which is known as Contingency Model of Leadership Effectiveness. This model explained the relationship between leadership style and profitable situation.

Hersey and Blanchard (1988) stated that a leader should possess three capabilities in applying the situational leadership model, which are diagnosis, flexibility, and partnering for performance. Furthermore, Hersey and Blanchard (1988) introduced a four-quadrants-chart of situational leadership style, consisting of task behaviour indicator in horizontal axis, and relationship behaviour indicator in vertical axis. This situational leadership style emphasizes more to the employee, in which the leader, in this case a project manager, should be flexible. The flexibility in this case is defined as an action towards the employees in accordance with their needs.

Each of the four different situational leadership styles, coded S1 – S4, should match with the respective type of employee, coded D1-D4. The type of employee is determined by their competence and commitment maturity level. The explanation of each situational leadership style followed by its suitable type of employee is shown below:

### 1. Directing (S1)

The leader in this style is classified as "instruction", where the task is focused to train the employee, which is suitable with a low competence level and high commitment level employee (D1)

### 2. Coaching (S2)

The leader in this style is classified as "consultation", which is suitable with a moderate competence level and low commitment level (D2) employee.

### 3. Supporting (S3)

The leader in this style is classified as "participation", which is suitable with a moderate competence level and variable commitment level (D3) employee.

### 4. Delegation (S4)

The leader in this style is classified as "delegation", which is suitable with a high competence level and high commitment level (D4) employee.

The suitability between the leader's situational leadership style and the type employee could prevent any managerial problem which could interfere the progress of the project. If such an unsuitability occurs, the leader should be flexible and change his/her style to match the type of employee.

## 3.0 METHODOLOGY

This study utilises a descriptive statistical analysis through a questionnaire survey and interview to a construction company in Indonesia. This company is selected because it is one of the biggest construction company in Indonesia (Lia, 2018).

This research observed four high rise building projects which are constructed by this company in 2017 in Bandung. Bandung is selected because it is one of the biggest cities in Indonesia based on the number of population (Indonesian Ministry of Home Affairs, 2018). These buildings are utilised as apartments, coded as Apartment TT, Apartment HR, Apartment MAJ, and Apartment GC.

The questionnaire is distributed to the total of 40 respondents from those four projects. These numbers have covered all employees under a project manager in each project's organigram. The respondent's working experience varies from 2 to 10 years, in order to ensure the reliability of the answer as well as the diversity of view point.

The first part of questionnaire is intended to identify the competence and commitment level of the employee. The maturity level is obtained using three commitment variables, which are affective (consists of 3 indicators which are emotional, identification, and employee participation); continuance (consists of 2 indicators which are drawbacks of leaving the organization and employee's need of the organization); and normative (consists of 2 indicators which are loyalty and obligation to the organization) (Allen, 1990). Those indicators are derived into 24 sub-indicators (Allen, 1990). Wellington (2009) introduced two competence indicators which are capabilities and availabilities. Those indicators are derived into 9 sub-indicators (Wellington, 2009).

The first part of the questionnaire consists of 24 questions of commitment sub-indicators, and 9 questions of competence sub-indicators. Each question is answered using Likert scale, with the value of 1 (low) to 5 (high). The value of each question is then be accumulated, and the commitment and competence level could be determined using the accumulated value based on these Table 1 and Table 2.

**Table 1** Value Range of Employee Commitment Maturity Level

Accumulated Value Range	Employee Commitment Maturity Level
100.8 – 120	High
81.6 - 100.8	Moderate High
62.4 - 81.6	Medium
43.2 - 62.4	Moderat Medium
24 - 43.2	Low

**Table 2** Value Range of Employee Competence Maturity Level

Accumulated Value Range	Employee Competence Maturity Level
37.8 – 45	High
30.6 - 37.8	Moderate High
23.4 - 30.6	Medium
16.2 - 23.4	Moderate Medium
9 - 16.2	Low

In the second part of the questionnaire, the respondents are asked to identify the situational leadership style of their respective project manager. This part consists of the total of 24 questions, in which each situational leadership style (S1 – S4) is represented by 6 questions (Hersey and Blanchard, 1988). Each question is answered using Likert scale, with the value of 1 (strongly disagree) to 5 (strongly agree). The value of each question is then be accumulated, and the situational leadership style of each project manager could be determined based on the biggest accumulated value of each style.

Moreover, an interview is also conducted to the four project managers of each project. This interview is intended to identify the situational leadership style of each project manager. The interview's question is arranged in-line with the 24 questions of the second part of the questionnaire. The result of this interview will then be compared to the result of the second part of the questionnaire.

## 4.0 RESULTS AND DISCUSSION

### 4.1 Results

The validity check is performed to all questionnaire's respond using Pearson Corrected Item with 0.572-0.930 value of commitment variable, 0.502-0.750 value of competence variable, and 0.533-0.934 value of leadership style characteristic. All results are considered valid since the value is more than 0.3.

The reliability check is performed to all questionnaire's respond using Cronbach's Alpha method with 0.962 value of commitment maturity level, 0.793 value of competence maturity level, and 0.956 value of situational leadership style characteristic. All results are considered reliable since the value is more than 0.6.

The result of the first part of the questionnaire, regarding the commitment and competence maturity level, are presented in the Table 3 and Table 4.

**Table 3** Value of Employee Commitment Maturity Level

Project Name	Value	Employee Commitment Maturity Level
Apartment TT	90.5	Moderate High
Apartment HR	74.5	Moderate High
Apartment MAJ	82.0	Moderate High
Apartment GC	100.6	High

**Table 4** Value of Employee Competence Maturity Level

Project Name	Value	Employee Competence Maturity Level
Apartment TT	37.9	High
Apartment HR	34.8	Moderate High
Apartment MAJ	34.1	Moderate High
Apartment GC	40.1	High

The result of the second part of the questionnaire, regarding the situational leadership style of each project manager valuation based on employee's point of view, is presented in the Table 5.

**Table 5** Situational Leadership Style Project Manager based on Questionnaire to Employee

Project Name	Situational Leadership Style
Apartment TT	S4
Apartment HR	S3
Apartment MAJ	S3
Apartment GC	S3

The result of the interview to the project manager, regarding their situational leadership style, is presented in the Table 6.

**Table 6** Situational Leadership Style Project Manager based on Interview to Project Manager

Project Name	Situational Leadership Style
Apartment TT	S4
Apartment HR	S3
Apartment MAJ	S3
Apartment GC	S3

### 4.2 Discussion

#### *Apartment TT*

The result from Apartment TT's employee shows a high level of commitment and competence maturity. This level is indicated by a decent acceptance and understanding of company's goal and value. Besides, the effort to stay in the company is considered high. These facts lead to D4 type of employee category for the employee.

The result of employee's valuation to the situational leadership style of their project manager is categorised as S4 style. It signifies that the project manager gives a full credence to the commitment and competence of his/her employee. The employee's valuation is then compared to the interview conducted with the project manager, resulting a similar style which is S4. It indicates that both valuation from employee and project manager are compatible. The comparison is summarised in the Table 7.

#### *Apartment HR*

The result from Apartment HR's employee shows a moderate high level of commitment and competence maturity. This level is indicated by a decent acceptance and understanding of company's goal and value. But the support from project manager is still required to motivate the employee. These facts lead to D3 type of employee category for the employee.

The result of employee's valuation to the situational leadership style of their project manager is categorised as S3 style. It signifies that the project manager needs to support his/her employee in order to enhance their confidence; and needs to involve his/her employee within the decision-making process. The employee's valuation is then compared to the interview conducted with the project manager, resulting a similar style which is S3. It indicates that both valuation from employee and project manager are compatible. The comparison is summarised in the Table 8.

### Apartment MAJ

The result from Apartment MAJ's employee shows a moderate high level of commitment and competence maturity. The result of employee's valuation to the situational leadership style of their project manager is categorised as S3 style. These facts lead to a similar discussion with the previous project. The employee's valuation is then compared to the interview conducted with the project manager, resulting a similar style which is S3. It indicates that both valuation from employee and project manager are compatible. The comparison is summarised in the Table 9.

### Apartment GC

The result from Apartment GC's employee shows a high level of commitment and competence maturity. This level is indicated by a decent acceptance and understanding of company's goal and value. Besides, the effort to stay in the company is considered high. These facts lead to D4 type of employee category for the employee.

The result of employee's valuation to the situational leadership style of their project manager is categorised as S3

style. It signifies that the employee possesses a maturity level which is more than the expectation of their project manager. The employee's valuation is then compared to the interview conducted with the project manager, resulting a similar style which is S3. It indicates that both valuation from employee and project manager are compatible. The comparison is summarised in the Table 10.

This project shows an unsuitability between the type of employee (D4) and the project's manager situational leadership style (S3). Based on the situational leadership theory, in this case, the project manager should be flexible and adapt to his/her type of employee. The project manager should swift from "supporting style" (S3) to "delegation style" (S4). The recommended action for the project manager is to give a full credence to his/her employee to handle any responsibilities or tasks. The project manager should be aware that he/she has a high commitment and competent employee. So he/she does not need to be worried about the result of their employee's work. This recommended action could build a comfortable environment between project manager and their employee, which could prevent any managerial problem and enhance the project success.

Table 7 Summary of Apartment TT

Employee Maturity Level		Type of employee	Employee's Valuation to The Situational Leadership Style of Their Project Manager	In-Depth Interview Conducted with The Project Manager
Commitment	Competence			
90.5	37.9	D4	S4	S4
Moderate High	High			

Table 8 Summary of Apartment HR

Employee Maturity Level		Type of employee	Employee's Valuation to The Situational Leadership Style of Their Project Manager	In-Depth Interview Conducted with The Project Manager
Commitment	Competence			
74.5	34.8	D3	S3	S3
Moderate High	Moderate High			

Table 9 Summary of Apartment MAJ

Employee Maturity Level		Type of employee	Employee's Valuation to The Situational Leadership Style of Their Project Manager	In-Depth Interview Conducted with The Project Manager
Commitment	Competence			
82.0	34.1	D3	S3	S3
Moderate High	Moderate High			

Table 10 Summary of Apartment GC

Employee Maturity Level		Type of employee	Employee's Valuation to The Situational Leadership Style of Their Project Manager	In-Depth Interview Conducted with The Project Manager
Commitment	Competence			
100.6	40.1	D4	S3	S3
High	High			

### General Discussion

The general result of the employee's commitment and competence maturity level is moderate high, which leads to D3

category. This level is indicated by a worthy reception and understanding of company's goal and value. But the support from project manager is still required to motivate the employee. The detail of the result is presented in the Table 11.

The result summary of project manager's situational leadership style based on employee's point of view (indicated by the biggest value) is S3 (supporting). The detail of the result is presented in the Table 12. This style indicates that the project manager leaves decisions to his/her employee. Even though the project manager still could participate in process of decision-making, the final decision is left to his/her employee. The overall result shows a suitability between the type of employee (D3) and the project's manager situational leadership style (S3). Based on the situational leadership theory, this

suitability could generate a good circumstance between project manager and his/her employee, enhancing the smoothness of the project.

The company should maintain this suitability, if such a shifting happens among the team, a re-identification is recommended. This could help project manager to understand his/her new employee, so he/she could adapt to the new situation and transform his/her leadership style to fit the new type of employee.

**Table 11** Employee Commitment and Competence Maturity Level

Project Name	Maturity Level	
	Commitment	Competence
Apartment TT	90.5	37.9
Apartment HR	74.5	34.8
Apartment MAJ	82	34.1
Apartment GC	100.6	40.1
Total	347.6	146.9
Average	<b>86.9</b>	<b>36.725</b>
Level	<b>Moderate High</b>	<b>Moderate High</b>
Type of Employee	<b>D3</b>	

**Table 12** Project Manager Situational Leadership Style

Project Name	Project Manager Situational Leadership Style			
	S1	S2	S3	S4
Apartment TT	225	228	177	229
Apartment HR	203	220	265	227
Apartment MAJ	235	243	246	240
Apartment GC	225	212	246	237
Total	888	903	934	933
Average	222	226	<b>234</b>	233
Biggest Value	<b>S3</b>			

## 5.0 CONCLUSIONS

The result summary of the four projects shows a suitability between the type of employee (D3) and the project's manager situational leadership style (S3). In accordance with the situational leadership theory, this suitability could produce a great situation between project manager and his/her employee, enhancing the accomplishment of the project. The company should keep this suitability, if such a shifting happens among the team, a re-identification is recommended. This could help project manager to understand his/her new employee, so he/she could adapt to the new situation and transform his/her leadership style to fit the new type of employee. This could enhance the overall performance of the company.

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