

TRANSFORMATIONAL LEADERSHIP AND AGILE GOVERNANCE IN PUBLIC SERVICE PROVIDING ORGANIZATIONS

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Abstract

Covid-19 has become a complex social challenge, both at the national and local levels. The pandemic has left government officials, both national and local and citizens alike, struggling to cope with the threat of infection and the risk of loss of life. Leaders respond to and deal with the Covid-19 pandemic with all its challenges and problems through regional policies, coordination or cooperation with the central government, and active participation of citizens. These responses and policies focus, among other things, on health, economic, social and humanitarian aspects. According to Hanafi et al. Leaders have a significant meaning for handling the Covid-19 pandemic. Leaders have the opportunity to know more about the conditions for various issues handling the pandemic in the regions. The policies of these regional leaders also have the opportunity to be directly felt by residents at the local level (Hanafi et al., 2020). This study aims to analyze the influence of Transformational Leadership on Agile Governance. This study uses a quantitative method. The model used in this study is a causality model and to test the hypothesis proposed in this study, the analytical technique used is SEM (Structural Equation Modeling) which is operated through the SmartPLS program. The results of the study concluded that Hypothesis Testing H1: There is a positive and significant influence between Transformational Leadership and Agile Governance. Based on the data calculated using the Bootstrapping Technique, the statistical T value of the relationship between these two variables is 39,530 with a p value of 0.000. Thus, the hypothesis can be accepted, which means that there is a positive and significant influence between Transformational Leadership and Agile Governance.

Keywords: Transformational Leadership, Agile Governance, SEM (Structural Equation Modelling).

INTRODUCTION

The government is obliged to serve every citizen and resident to fulfill their basic rights and needs within the framework of public services which is the mandate of the 1945 Constitution of the Republic of Indonesia. In accordance with the general principles of good governance and corporations and to provide protection for every citizen and resident from abuse of authority in the administration of public services. According to Yehezkiel Dayan Kawet (2014) in his research on the Effect of Public Service Leadership in North Tomohon District, Tomohon City Public services are currently still determined by leaders in an organization, how a leader controls his subordinates in working for a demand that must be carried out in satisfying the community. The leadership of an organization really determines the good or bad of the services that are run in any agency (Kawet, 2014). Leadership can have a considerable effect on the overall improvement of ethics in public service (Haq, 2011). The figure of a leader has a very strategic role not only in organizing but also in realizing the welfare of the wider community. This is because leaders can determine which direction and steps to achieve goals by coordinating their employees. The good and bad nature of the leader will affect the achievement of the work targets or vision and mission that have been proclaimed.

Research on several types of leadership by Cho et al shows that transformational leadership has a very good influence on the performance of companies that are undergoing change (Cho et al., 2019), Morales et al. (García-Morales et al., 2012) show that transformational leadership has an effect on the performance of organizations. Other researchers say that workers who are supervised by transformational leaders will feel motivated and experience increased skills and working mood, because it encourages a culture of innovation and an unyielding spirit and continues to learn in the face of changing turbulent environmental conditions (Winasis et al., 2020)

Covid-19 has become a complex social challenge, both at the national and local levels. The pandemic has left government officials, both national and local and citizens struggle to cope with the threat of infection and the risk of loss of life. Leaders respond to and deal with the Covid-19 pandemic with all its challenges and problems through regional policies, coordination or cooperation with the central government, and active participation of citizens. These responses and policies focus, among other things, on health, economic, social and humanitarian aspects. According to Hanafi et al., leaders have a significant meaning for handling the Covid-19 pandemic. Leaders have the opportunity to know more about the conditions for various issues handling the pandemic in the regions. The policies of these regional leaders also have the opportunity to be directly felt by residents at the local level (Hanafi et al., 2020).

Azhar and Azzahra in their writings stated that the global COVID-19 pandemic provides lessons and of course direct practice of implementing good governance and policies taken by the government in making decisions for the community. Good implementation of government is concretely carried out through various policies in the form of legal products to reduce the positive number of Covid-19. To implement good governance, of course the government must have a good public communication approach so that the public is able to accept and implement the policy (Azhar & Azzahra, 2020) (Fikri & Azhar, 2020).

The local government has the opportunity to make the district government an agile, agile government as a whole. The Covid-19 pandemic creates coercion so that an agile government can be realized more quickly, according to Wasitiono and Rohmadin (2020). Countries around the world have had to respond to the COVID-19 outbreak with limited information and a lot of uncertainty. Their ability to be agile and adaptive has been emphasized, especially in terms of timing of policy action, degree of centralization of decisions, autonomy of decisions and balance between change and stability (Janssen & van der Voort, 2020). The momentum of the Covid 19 pandemic poses a challenge to district/city governments to develop strategies for implementing Agile Governance, namely through rearranging the organizational chart and government machinery. Internal and external that undergo disruptive changes (Wasitiono & Rohmadin, 2020).

Based on the research of Kurniawan et al (2021) local governments have implemented Agile Governance with aspects of innovation, visionary managers, autonomy and networks, structured coordination, transparency, open and egalitarian communication (D. I. Kurniawan et al., 2021). Local government MLM (Musi Rawas, Lubuklinggau and Musi Rawas Utara)

during the covid-19 pandemic formed the Covid-19 Handling Task Force, refocused the budget and recruited Covid-19 volunteers. This seemed to be a form of Agile Governance conducted by the local government. In Indonesia, until now, little research on Agile Governance has been carried out, previous research on reorganizing governance in Indonesia in facing the Covid-19 momentum using Agile Governance theory is still in the form of literature studies and uses qualitative methods (Wasisitiono & Rohmadin, 2020). Danar Ilham Kurniawan (2021) researched Agile Governance as a form of transformation of Local Government Innovation by conducting a study on the Banyuwangi Regency government (D. I. Kurniawan et al., 2021).

Research on Agile Governance abroad which is the reference in this study, namely Alexander JH De O Luna et al in his writing Governance for Agile Management of Enterprises A Management Model for Agile Governance in 2013 stated that Agile Governance as a way to achieve organizational goals more quickly (De O'Luna et al., 2013). The results of research by Alexander JH De O Luna et al in 2014 entitled State of the Art of Agile Governance: A Systematic Review formulated the definition of convergent and the six principles of Agile Governance (J.H. de O Luna et al., 2014). Alexander JH De O Luna et al (2015) in his article Agile Governance Theory: conceptual development using the Dubin theory development method to formulate a conceptual framework for the Theory of Agile Governance (J. H. de O Luna et al., 2015). In 2019 Alexander JH De O Luna et al developed a theory from a conceptual framework into a measurement element needed to test Agile Governance (Luna et al., 2019)

Based on the data that the authors collect and describe above about the condition of public services, there are still many problems that become public complaints and the need for strong change leadership during the Covid-19 pandemic and agile governance or Agile Governance which from some literature qualitative methods are mostly used in the research. Therefore, to fill this gap, researchers are interested in conducting in-depth research on Agile Governance implemented in the Musi Rawas, Lubuklinggau and North Musi Rawas (MLM) areas by transformational leaders in public service organizations during the Covid-19 pandemic. This study analyzes the relationship between the variables of Transformational Leadership and Agile Governance, the novelty is that this study uses the quantitative methods.

Based on the formulation of the problem as stated above, the objective of this study is: To analyze the influence of Transformational Leadership on Agile Governance.

LITERATURE REVIEW

Definition of Governance

Governance in administrative science or political science has become a topic mostly discussed. Currently, governance is widely discussed with the understanding and interpretation of governance as governance, governance or government management (Hayat, 2019). The terms Government and Governance are often interpreted the same way and are considered to have the same meaning. Government and governance are not the same term, even though both have goals that oriented towards the objectives of authority and power to carry out security and conduct activities; on the contrary, governance refers to the creation, implementation, and

performing activities that are supported by the common goals of citizens and organizations, which possible or not.

According to Richards and Smith (2002) in Jordan et al (2003), government is bureaucracy, legislation, financial control, legislation, and power. On the other hand, governance refers to the increasingly widespread use of non-regulatory policy instruments. This aspect of policy instruments focuses attention on cooperation proposed, designed, and implemented by non-state actors working with state actors (Jordan et al., 2003). The World Bank defines governance as the way in which power is exercised in the management of a country's economic and social resources for development. In its definition, the World Bank highlights the administrative aspects of government, emphasizing the following key issues: reforming civil service, streamlining the public sector, delivering service, contracting out public interventions, and building institutional capacity.

Agile Governance

In various studies, agile governance appears in the organizational area and encourages people to apply agile organizational governance to improve organizational performance and productivity processes (Luna et al., 2014). Agile Governance is defined as the organization's ability to respond quickly to unexpected changes in meeting the demands and needs of an increasingly changing society (D. I. Kurniawan et al., 2021). In addition, Agile Governance is also defined as the ability of the organization to be able to perform cost efficiency and increase the speed and accuracy in exploiting opportunities to make innovative and competitive actions (Vernanda, 2009). The phenomenon of agile governance emerges in the context of the organizational environment, encouraging people to apply agile capabilities to governance capabilities to provide business agility (J.H. de O Luna et al., 2014). Their main concern is to provide faster, better and cheaper value to businesses in continuous cycle. In an organizational context, governance is the keystone for creating the necessary involvement of all organizational units, achieving greater corporate agility and supporting its overall strategy. (J. H. de O Luna et al., 2015)

Governments need to adapt to changes in their internal and external environments and create systems that enable them to scan trends, identify developments, predict their potential impact on organizations, and quickly learn how to implement changes to their standard operating procedures. In response, government organizations are adopting an agile approach as part of their process redesign, project management, and software development approaches. Although agility and adaptability have long been used in the private sector, agility and adaptability have also long been used in literature and public sector practice (Mergel et al., 2018).

Dimensions and Indicators of Agile Governance

In this study, the author uses the dimensions of Agile Governance according to Luna et al because Luna et al have translated the concept of Agile Governance into operational forms in their research in 2019 identifying six theoretical units (constructions) that help describe and explain agile governance phenomena through their relationships and interactions. Four of them are in an organizational context, i.e., within open boundary theory: Business operations [B],

Effect of moderating factors [M], Agility [A], and Governance capability [G]. And two are outside the organizational context, namely Environmental Factors (E) and Value Delivery (R) (Luna et al., 2019). The dimensions of Agile Governance according to Luna et al (2019) are:

1. Environment Factor (E), the influence of environmental factor [E] describes the effect that is felt in the organizational context due to the influence of the external environment in which the organizational context is located.
2. Moderator Factor (M), The effect of moderator factor [M] describes the effect that is felt in the organizational context due to the influence of the inhibiting or limiting factors that form part of this context
3. Agile Capabilities (A), Agile ability [A] represents the ability to acquire, develop, apply and develop competencies related to changing environment quickly and adaptively, taking into account the principles, values, and practices of agile and lean philosophy in an organizational context.
4. Governance Capabilities (G), Governance capabilities [G] identify the ability to acquire, develop, apply, and develop dynamic competencies related to the way the organizational context is conducted, managed, or controlled, including the relationships between the parties involved and their objectives is regulated (e.g., processes, policies, laws, customs, and institutions).
5. Business Operations (B), Business operations [B] characterize a set of organized activities that are part of the day-to-day functioning of a business, carried out to deliver value delivery, including (but not limited to): processes, functions, services, products, projects, practice and behavior
6. Value Delivery (R), Value delivery [R] describes the ability to generate results for the business (and the ongoing benefits arising from it) by providing value, including all forms of value that determine the health and well-being of the organization in the long term.

Leadership

The understanding of Leadership has been presented by many experts including Badeni (2013: 2). Leadership can be defined as a person's ability to influence a group towards achieving goals. Robbins and Judge (2015: 410) state that leadership is the ability to influence a group towards achieving a vision or set of goals. According to Newstrom, leadership is the process of influencing and supporting others to work enthusiastically towards achieving goals (Newstrom, 2011:171). According to Thoha (2010:15) leadership is the nature, character, or way of a person in order to foster and move a person or group of people so that they are willing, committed and loyal to carry out activities in accordance with their duties and responsibilities to realize predetermined organizational goals. Robbins in Molan (2006:36) argues that leadership has the ability to influence a group towards the achievement of goals. Based on the opinions above, it can be concluded that leadership is a person's ability to mobilize and utilize organizational resources to achieve predetermined goals.

Transformational leadership style

Transformational leadership is considered an effective way to mobilize subordinate members of a group to put the organization first and strive to work beyond expectations (Bass & Riggio, 2006; Burns, 1978; Northouse, 2007). Transformational leaders pay attention to the development needs of each follower. Transformational leaders are able to change the consciousness of the followers to old problems by using new ways, and the leader is able to get followers to expend extra effort to achieve group goals. Tjiptono argues that the transformational leadership model is more based on the leader's efforts to change the values, beliefs, and needs of subordinates (Tjiptono, 2011: 27), "Transformational leadership is a long-term perspective, which not only emphasizes attention to the present situation but also pays attention to future situations. Which will come".

Transformational leadership is leadership that is able to make changes in an organization. The opinion of Pawar and Eastman in Pareke (2011:45) states that transformational leaders can create a dynamic organizational vision that is often needed to create innovation. The characteristics of transformational leaders are

- a) Charisma: gives vision and a sense of mission, instills pride, and earns respect and trust.
- b) Inspiration: communicating high expectations, using symbols to focus on efforts, describing important intentions in simple terms.
- c) Intellectual stimulation: encourage intelligence, rationality, and careful problem solving.
- d) Individual consideration: provide personal attention, serve employees personally, train and advice.

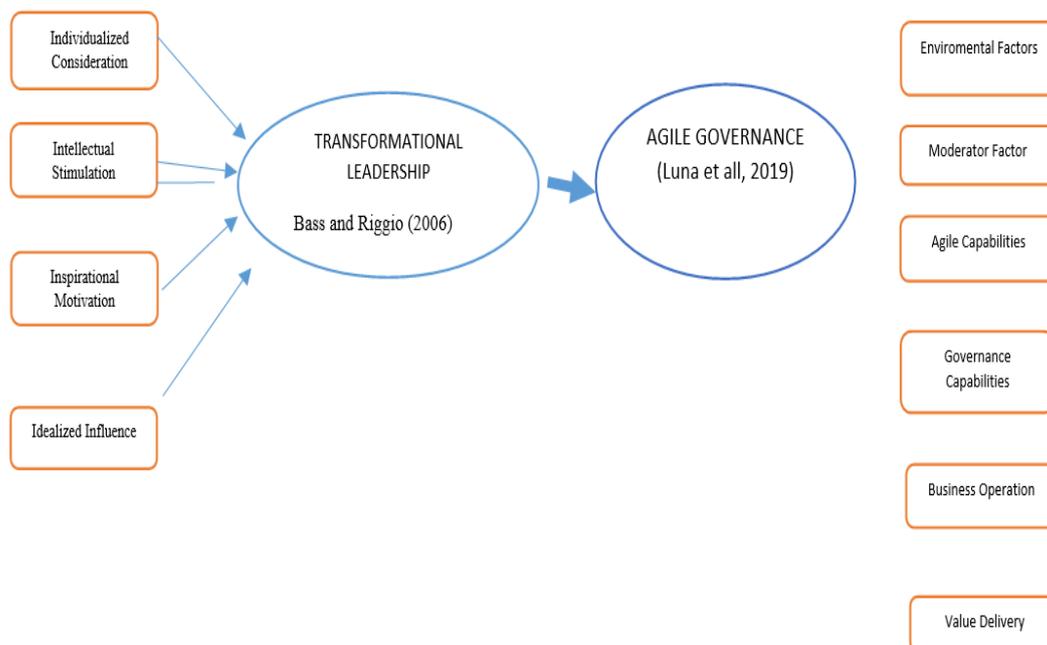
Transformational leadership is a process in which the leader seeks to build relationships with other organizational members to inspire the group as a whole (Northouse, 2007; Yahaya & Ebrahim, 2016). By refocusing on indifferent and uninvolved members, these unmotivated group members can be revived (Burns, 1978). In this study, the authors examine the transformational leadership that is needed in the era of the Covid-19 pandemic. Transformational leadership also seeks to create shared goals within organizational members; it enriches group members to look beyond individual needs and to focus on the health of the organization as a whole (Bass, 1990; Decker, 2018; Yahaya & Ebrahim, 2016). In Leadership, Burns (1978) stated that transformational leadership is a powerful tool for demonstrating the effectiveness of group members, as well as organizational and team development.

Conceptual Framework

This study analysis the transformational leadership factors with four dimensions according to Bass and Riggio in the application of Agile Governance in MLM Local Governments (Musi Rawas, Lubuklinggau and Musi Rawas Utara). Researchers used the Agile Governance model with six dimensions according to Luna et al. This agile organizational concept is used to analyze agile governance models in local governments in facing the Covid-19 pandemic.

peneliti menggunakan model Agile Governance dengan enam dimensi menurut Luna dkk, Konsep organisasi tangkas ini digunakan untuk menganalisa model agile governance pada pemerintah daerah dalam menghadapi pandemi Covid-19.

Gambar 1. Conceptual framework



Source: processed by researchers

Hypothesis

Hypothesis is an initial assumption/temporary conclusion of the relationship between the independent variable and the dependent variable before conducting research and must be proven through research. Based on the theoretical framework above, the research hypotheses proposed in this study are as follows:

Hipotesis 0 (H0) : There is no positive and significant effect between Transformational Leadership and Agile Governance

Hipotesis 1 (H1) : There is a positive and significant influence between Transformational Leadership and Agile Governance

METHODS

Research design

It is a framework or plan for conducting a study or research that will be used as a guide in collecting and analyzing data. According to Creswell (2016: 3) there are three types of research, namely: qualitative, quantitative, and mixed methods research. This research is a type of quantitative research and uses a field approach. The reason for choosing quantitative method

is that a quantitative method has advantages in terms of efficiency. Quantitative analysis works using samples to solve the problems at hand. Quantitative methods can perform several tasks according to the demands of researchers, namely looking at comparisons, knowing relationships, and also cause and effect.

The model used in this study is a causality model and to test the hypothesis proposed in this study, the analytical technique used is SEM (Structural Equation Modeling) which is operated through the SmartPLS program. SEM is a multivariate statistical technique which is a combination of factor analysis and regression analysis (correlation), which aims to examine the relationships between variables that exist in a model, both between indicators and their constructs, or relationships between constructs (Santoso, 2007). In SEM there are 3 (three) activities simultaneously, namely checking the validity and reliability of the instrument (confirmatory factor analysis), testing the relationship model between variables (path analysis), and getting a suitable model for prediction (structural model and regression analysis). To perform SEM data processing more easily, the help of statistical software is used. In this study, the SEM data was processed using PLS (Partial Least Square).

This research, according to the level of explanation, intends to explain the position of the variables studied and the relationship between those variables and other variables. This study is intended to test the hypothesis. The results of the study will explain the causal relationship between variables through hypothesis testing. The purpose of the study was to determine the relationship between variables, namely the Transformational Leadership (X1) and Agile Governance (Y1) variables.

Research Location and Time

The research was conducted at the Regional Government of Musi Rawas Regency, Lubuklinggau City and North Musi Rawas Regency, while the unit of observation was the Regional Apparatus Organization for Public Service Providers, namely the Department of Population and Civil Registration, the Office of Investment and One Stop Integrated Services and the Regional General Hospital. These three agencies are public administration units that are the locus of the 2020 Public Service Evaluation Assessment in accordance with the Decree of the Minister of State Apparatus Empowerment and Bureaucratic Reform No. 188 of 2020 concerning the Determination of the 2020 Public Service Evaluation Locus for the local government level which are the DPMPTSP and Disdukcapil also the RSUD which in 2020 the public services were not evaluated due to the busyness of handling COVID-19.

Population and Sample

The population of this study was 1742 public servant at the Public Service Providers at the Population and Civil Registry Office, the Investment Service and One Stop Integrated Services, and Regional General Hospitals in Musi Rawas Regency, Lubuklinggau City and North Musi Rawas Regency.

The number of cluster samples/sections is determined by taking into account Roscoe's opinion that the minimum sample for each section is 30 samples (Trislianto, 2020) and Arikunto's

(2010) opinion says that if the population is more than 100, the sample is 10-15% or 20-25% (Sugiyono, 2011) Determination of the total number of samples and the number of samples of each agency by considering the opinions of Roscoe and Arikunto, a sample of each agency or division is determined as shown in table 1. Below:

Table 1: Number of Samples for each Agency

No	Agencies	Sub Population	Number of samples for each section
Musi Rawas District			
1.	Dinas Kependudukan dan Catatan Sipil	62	30
2.	Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu	67	30
3.	RSUD Sobirin	635	95
Lubuklinggau City			
1.	Dinas Kependudukan dan Catatan Sipil	58	30
2.	Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu	48	30
3.	RSUD Siti Aisyah	449	70
Kabupaten Musi Rawas Utara			
1.	Dinas Kependudukan dan Catatan Sipil	40	30
2.	Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu	37	30
3.	RSUD Rupit	346	55
Total Population		1742	400

Research variable

This study examines the influence of an agile government model on the performance of public services during the Covid-19 pandemic in Musi Rawas Regency, Lubuklinggau City and North Musi Rawas Regency. There are 2 variables that will be examined in this study, including 1 (one) dependent variable, namely the Transformational Leadership (TL) variable and the independent variable, namely Agile Governance (AG). Each variable has dimensions and indicators to be tested.

The focus of the study for each dimension in Transformational Leadership and Agile Governance can be seen in table 4 below:

No.	Variable	Dimensions	Indicators
1.	Transformational Leadership (Bass & Riggio, 2006)	1. Idealized Influence	Leaders are role models and examples to whom followers to look up.
		2. Inspirational Motivation	Leaders motivate and encourage subordinates by giving meaning to their work.
		3. Intellectual Stimulation	Leaders influence followers in ways that innovate and create by questioning theories, reframing problems, and addressing old problems in different ways.

	.	4. Individualized Consideration	Leaders pay attention to an individual's needs for achievement and growth by acting as a mentor or coach
2.	Agile Governance Luna et al (2019)	1. Enviromental Factors	1. Technological Impact 2. Influence of Regulatory Institution 3. Influence of Competitiveness 4. Economic Influence 5. Market Turbulance
		2. Moderator Factor	1. Organizational Culture Refractoriness 2. Leadership inadequacy 3. Entrerprise Architecture Inadequacy 4. Business Model Inadequacy 5. Low-Skilled People
		3. Agile Capabilities	1. Flexibility 2. Leanness 3. Agility 4. Adaptability
		4. Governace Capabilities	1. Strategic Alignment 2. Decision Making 3. Control 4. Compliance
		5. Business Operation	1. Business Process – Driven Approach 2. Project – Driven Approach 3. Best Practices Adoption
		6. Value Delivery	1. Utility for product or service 2. Warranty for product or service 3. Time to market for product or service

Research Instruments

Instrument is a tool when the researcher uses a method (Arikunto, 1998:137). There are 2 instruments used in this study, namely data collection instruments and expert validation and verification instruments. The instrument for the initial data collection used was a list of semi-structured interview questions while the quantitative data collection used was a questionnaire. Arikunto (1998: 140) reveals that "questionnaires are a number of written questions that are used to obtain information from respondents in terms of reports about themselves, or things they know". Meanwhile, for expert validation and verification, it is used to judge the questionnaire instrument.

Data collection technique

Based on the nature or type, the data collected and analyzed is quantitative data. In this study, researchers used two kinds of data sources according to the classification of types and sources, namely: Primary data and secondary data. Primary data is the data obtained from the first source, or data collected by researchers directly from the source (Alfatih, 2016). Secondary data is the data obtained indirectly from a second or third party, for example data from documents, reports, records, journals, proceedings and so on (Alfatih, 2016) which complement and strengthen primary data. Data analysis is carried out to break down the overall

data into smaller components to determine the dominant component, compare one component to another, and Data analysis techniques answer the problem formulation or compare one or several components with the whole. Structural Equation Modeling analysis method (SEM) consists of two approaches, Covariance Based SEM (CBSEM) approach and Partial Least Square (PLS). PLS is a powerful analytical method because it is not based on many assumptions. The PLS (Partial Least Square) approach does not assume that the data can be in the form of nominal, category, ordinal, interval and ratio (distribution free).

Hypothesis testing

The hypothesis is tested by looking at the value of t-statistics and probability values. The level of confidence used is 95%, so the level of precision or the limit of inaccuracy is $(\alpha) = 5\% = 0.05$. And produce a t-table value of 1.96. So, the criteria for acceptance/rejection of the hypothesis if the value of t-statistics is less than the value of t-table (t-statistics < 1.96), then H_0 is accepted and H_1 is rejected. If the t-statistic value is greater than or equal to the t-table (t-statistic 1.96), then H_0 is rejected and H_1 is accepted.

RESULT AND DISCUSSION

Overview of Research Objects

In this study, the population studied were all employees, both civil servants and honorary staff who work in public service delivery units that became the objects of research, namely the Population and Civil Registration Office, the Investment and One Stop Integrated Service Office and the Regional General Hospital in the Government of Musi Rawas Regency, Lubuklinggau City and North Musi Rawas Regency. The instrument used in the study was a questionnaire which was given directly to the respondents in each agency that became the research locus. Total questionnaires distributed were 400 questionnaires. Based on the data of 400 respondents, the respondent data was recapitulated in this study, in table 4.2. The following presents the profile data of respondents who have participated in this study.

Research Result Data Analysis

Data analysis carried out in this study includes: analysis of the measurement model (outer model) and analysis of structural models (inner model). The measurement model is used to test validity and reliability, while the structural model can be used to test the causality of hypothesis testing with a predictive model (Jogiyanto & Abdillah, 2019). The results of data analysis can be presented as follows:

1. Path Coefficient

Path Coefficient or path coefficient has the meaning of the magnitude of the influence of the latent variable with its indicators on other variables with its indicators. The results of the calculation of the path coefficient can be seen in the table below:

Table 3: Path Coefficient

	Agile Governance	Transformational Leadership
Agile Governance (AG)		
Transformational Leadership (TL)	0,858	

In table 3, it can be seen that the path coefficient of the Agile Governance variable is 0.858, meaning that the Transformational Leadership variable has an influence of 86.8% on Agile Governance.

Construct Reliability and Validity

The reliability and construct validity values serve to assess the feasibility of the tested latent variables. The results of the calculation of the reliability and validity construct values in this study are presented in table 4 below:

Table 4: Value of Construct Reliability and Validity

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Agile Governance	0,978	0,978	0,979	0,702
Transformational Leadership	0,964	0,965	0,967	0,663

The reliability value shows the accuracy, consistency and accuracy of a measuring instrument in making measurements according to Hartono (2008) in (Jogiyanto & Abdillah, 2019). In the reliability test, the Cronbach's Alpha value is used, based on table 8 above, it is known that the Cronbach's Alpha value for the Agile Governance variable is 0.978 and for the Transformational Leadership variable is 0.964. A construct is declared valid if the AVE value is above 0.5, based on table 8 above, it is known that the AVE value of all variables in this study has met the provisions, above 0.5.

Convergent Validity Test

To measure the convergent validity of the reflective indicators, the loading factor value of each indicator that measures the construct is used. In this study there are 2 constructs with the number of indicators between 10 and 25 each. The first test of the convergent validity test is the outer loading. The indicator is declared valid if the value of the outer loading indicator is more than 0.7 (Jogiyanto & Abdillah, 2019) the results of the initial calculation of outer loading with complete indicators are described in table 5 as follows.

Table 5: Outer Loading Values with complete indicators

INDIKATOR	TL	AG	INDIKATOR	TL	AG
a1	0,609		e1		0,788
a2	0,669		e2		0,796
a3	0,829		e3		0,623
a4	0,703		e4		0,429
a5	0,806		e5		0,522
b1	0,794		f1		0,807
b2	0,802		f2		0,828
b3	0,814		f3		0,567
b4	0,839		f4		0,845
b5	0,849		f5		0,824
c1	0,833		f6		0,792
c2	0,843		g1		0,869
c3	0,618		g2		0,693
c4	0,821		g3		0,860
c5	0,839		g4		0,853
d1	0,793		h1		0,879
d2	0,776		h2		0,854
d3	0,768		h3		0,858
d4	0,584		h4		0,848
d5	0,725		i1		0,817
			i2		0,783
			i3		0,861
			j1		0,883
			j2		0,817

Based on the table 10 Outer Loading Values above, almost all construct indicators have values above the rule of thumb 0.7. The value of outer loading > 0.7 is said to be ideal, meaning that the indicators in the study are said to be valid measuring the construct.

Discriminant Validity Test

The discriminant validity test measures the parameters consisting of two types of calculations, first by looking at the comparison of the AVE root score with the correlation of the latent variables. The AVE root must be greater than the correlation score of the constructs in the model. The AVE root can be calculated manually, it can also be seen in the Fornell-Larcker table, the results of the model calculation using the PLS algorithm technique. This AVE root must be greater than the R-square value. The R-square value can be seen from the calculation results using the PLS algorithm for the quality criteria section. AVE root data from Fornell-Larcker and R-square criteria scores can be seen in tables 6 and 7 below:

Table 6: AVE roots of the Fornell-Larcker criteria score

	AG	TL
AG	0,838	
TL	0,861	0,814

Table 7: Value of R Square and R Square Adjust

	R Square	R Square Adjusted
AG	0,741	0,741

The Fornell-Larcker criteria table shows the AVE root value of each construct or variable. The AVE root value is then compared with the R2 value of the model. It is known that the R-square model has a value of 0.741. From table 4.23. It can be seen that the AVE root score of each variable is greater than the R-square value. Thus "**all variables are declared valid**" and can be used for further tests

Reliability Test

The reliability test can be seen from the Composite Reability and Cronbach's alpha values. A construct or variable is declared reliable if the Composite Reability value is > 0.7 and Cronbach's alpha > 0.6 (Jogiyanto & Abdillah, 2019)

This reliability test method is the same as the validity test above, the reliability test is also carried out using the PLS algorithm technique. The results of the reliability test are described in table 8 below:

Table 8: Value of Composite Reability and Cronbach's Alpha

	Composite Reliability	Cronbach's Alpha
AG	0,979	0,978
TL	0,967	0,964

Based on the Composite Reability values presented in table 13 above, it can be seen that the value of each construct meets the requirements, which is above 0.7, as well as the Cronbach's Alpha value of each construct which is above 0.6, this means that this research model reliable and can be used in the next test.

Structural Model Analysis (Inner Model)

In the SmartPLS version 3.0 application, structural model testing is carried out using bootstrapping and blindfolding techniques with a significance level of 0.05. In this research hypothesis the direction of the relationship between variables is clear, then one-tailed (1-tailed) test is used to test the one-tailed hypothesis, the T statistic must be above 1.64 (Jogiyanto, 2011: 73). Path Coefficient will describe the contribution or influence between construct variables, in PLS calculations are carried out through the bootstrapping procedure. The bootstrapping process represents non-parametric analysis precision estimation both on the outer model and on the inner model. The significance value is expressed in the value of the t-statistical test, which is used (two-tailed) t-value 1.65 (significant level 10%); 1.96 (significant level 5%); and 2.58 (significant level 1%). To assess the significance of the prediction model in testing the structural model, it can be seen from the t-statistic value between the independent variables to the dependent variable in the Path Coefficient table at the SmartPLS output below.

Table 9: Path Coefficient of bootstrapping calculation

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values
Transformational Leadership -> Agile Governance	0,861	0,860	0,022	39,530	0,000

Table 10 below shows the magnitude of the strength of the structural model. Changes in the value of R2 can be used to explain the effect of certain exogenous latent variables on endogenous latent variables, whether they have a substantive effect, this can be measured by the effect size F-square.

Table 10: Model Strength

Variabel Endogen	R Square	Kekuatan Model
AG	0,741	Model Kuat

Effect size q2:

Furthermore, the value of the q-square effect size is calculated. Effect size q2 shows the natural predictive value of the observed contribution to the formation of endogenous variables. The calculation formula for q2 is Q2 included minus Q2 excluded compared to 1 – Q2 included. Q2 predictive relevance included is the value of Q2 where all variables are included in the model. The value of Q2 predictive relevance included can be seen from the dependent variable Q2, in this study is Public Service Performance. Q2 predictive relevance excluded is the value of Q2 of the Transformational Leadership variable when the effect size of the variable is omitted from the model. The results of the calculation of q2 can be seen in table 11. Following:

Table 11: q² Effect Size

Variabel	Q ² predictive relevance included	Q ² predictive relevance excluded	q ²	Kategori
Agile Governance	0,621	0,515	0,112	Small effect
Transformational Leadership		0,621	0	Small effect

Hypothesis test

The hypothesis in this study can be seen from the calculation of the model using the PLS bootstrapping technique. From the results of the bootstrapping calculation, a statistical T value will be obtained for each relationship or path. The hypothesis can be accepted if the statistical T value is greater than 1.96 (Jogiyanto & Abdillah, 2019). The hypothesis can also be tested using a p value compared with an alpha value of 0.05, the hypothesis is accepted if the p value <0.05. The calculation results for hypothesis testing in this study will be described in table 12 below:

Table 12: T Statistical Value and P Nilai Value

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values
Transformational Leadership -> Agile Governance	0,861	0,860	0,022	39,530	0,000

Hypothesis Testing H1: There is a positive and significant influence between Transformational Leadership and Agile Governance.

Based on the data calculated using the Bootstrapping Technique, the statistical T value of the relationship between these two variables is 39,530 with a p value of 0.000, Thus the hypothesis can be accepted, which means that there is a positive and significant influence between Transformational Leadership and Agile Governance.

DISCUSSION

The influence of the Transformational Leadership variable on the Agile Governance variable is formulated with the first hypothesis, namely: "there is a positive and significant influence between Transformational Leadership and Agile Governance". The results of testing this hypothesis are accepted by looking at the statistical T value > 1.96 and p value < 0.05 . From the Path Coefficient value, it can be seen that the direct influence of the Transformational Leadership variable on Agile Governance is 86%. This means that there is a positive and significant direct relationship between Transformational Leadership and Agile Governance. The results of this study are in line with the findings of other studies such as research by Denning (2016) which suggests the relationship between Leadership and Agile Governance which states that an agile approach requires strong inspirational leadership (Denning, 2016). This is also expressed by Mergel (2018) that in the application of agile requires capacity, skills, culture, policy structure, and leadership (Mergel et al., 2018). Mangundjaya (2018) also states that a leader has a very important role in organizational change to make an agile organization, a reliable change leader must be able to stimulate change, direct, empower employees, evaluate, and monitor the change process (Mangundjaya, 2018). Transformational leaders are also agents of change in their organizations. Leaders can encourage their followers to change themselves by pushing their limits and adopting new ways of doing things (Bass and Avolio 1990 in (Cho et al., 2019). This shows that in the uncertain situation of the Covid-19 pandemic then transformational leaders can encourage the implementation of agile governance. According to Alatawi (2017) in Guisepe Alise's dissertation (Alise, 2021), Transformational leadership has been shown to produce results beyond expectations. Transformational leadership in this dissertation uses 4 dimensions proposed by Bass and Riggio (Bass & Riggio, 2006) namely: idealized influence, inspirational motivation, intellectual stimulation and individual consideration. In the dimension of idealized influence, these leaders act as role models (Braun et al., 2013). Idealized influence is a significant means of pushing the agenda of a leader or organization, a means of uncovering and exploiting contradictions between values and practices, alignment of values, reorganization of institutions where necessary, and governance of change" according to Burns (Alise, 2021). Burns' opinion in Alise's dissertation (2021) it

can be concluded that governance of change can be implemented through the ideal means of influence from a leader of change, during the covid-19 pandemic. According to Luna et al (2019), Agile Governance has dimensions, namely environmental factors, moderating factor effects, agility, governance capabilities, business operations and value delivery. Environment Factor (E), The influence of environmental factor [E] describes the effect that is felt in the organizational context due to the influence of the external environment in which the organizational context is located. Moderator Factor (M), the effect of moderator factor [M] describes the perceived effect in the organizational context due to the influence of the inhibiting or limiting factors that form part of this context. Agile Capabilities (A), Agile abilities [A] represent the ability to acquire, develop, apply and develop competencies related to changing environments quickly and adaptively, taking into account the principles, values and practices of agile and lean philosophies in an organizational context. Governance Capabilities (G), Governance capabilities [G] identify the ability to acquire, develop, apply, and develop dynamic competencies related to the way the organizational context is conducted, managed, or controlled, including the relationships between the parties involved and their objectives. It is regulated (e.g., processes, policies, laws, customs, and institutions). Business Operations (B), Business operations [B] characterize an organized set of activities that are part of the day-to-day functioning of a business, performed to deliver value delivery, including (but not limited to): processes, functions, services, products, projects, practices, and behavior. Value Delivery (R), Value delivery [R] describes the ability to generate results for a business (and the ongoing benefits that arise from it) by delivering value, including all forms of value that determine the health and well-being of an organization in the long term. McKenzie and Aitken argue that a leader needs agility to navigate a diverse and fragmented organization (McKenzie & Aitken, 2012). In the face of continuous change, it requires flexible and fast behavior. This requires a different leadership approach. Leaders must be able to deal with a complex environment, full of ambiguity and uncertainty. If in ordinary conditions, leadership is associated with the ability to influence the work team to achieve certain goals, then in conditions where change is always happening, it is not easy, goals also change easily, the ability of the work team can be very dynamic and become obsolete quickly. Kelly in his writings stated that organizational leaders (including government organizations) need to adapt their leadership style and character to the development of situations and conditions (Wasisitiono & Rohmadin, 2020), as we know the situation and conditions of the Covid-19 pandemic require a leader to be able to make decisions quickly. To maintain good governance. Based on the data obtained from the study, the authors argue that transformational leadership has the ability to change the work environment, work motivation, work patterns and work values perceived by subordinates so that in conditions of uncertainty during the Covid-19 pandemic, it is able to encourage the implementation of agile governance in making decisions quickly to continue carrying out good governance.

CONCLUSIONS

From the results of the research, data analysis and discussion that have been described in the previous chapter, it can be concluded that the relationship between Transformational Leadership and Agile Governance can be proven and accepted. Transformational Leadership

which is reflected by the influence of idealism, inspirational motivation, intellectual stimulation and individual consideration has a direct effect on Agile Governance through environmental factors, moderating factors, agile abilities, governance abilities, business operations and value delivery so that it can be concluded that the influence of Transformational Leadership on Agile Governance is positive and direct. That means, an organization that has Transformational Leadership then the implementation of agile governance or Agile Governance will run well.

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