

THE ROLE OF ORGANIZATIONAL COMPATIBILITY IN MEDIATING AND MODERATING KNOWLEDGE-ORIENTED LEADERSHIP ON EMPLOYEE PERFORMANCE

^a Ramdani Bayu Putra, ^b Havidz Aima, ^c Yulasm

ABSTRACT

Purpose: This study aims to identify and analyze the role of organizational fit in mediating and moderating knowledge-oriented leadership on employee performance.

Theoretical framework: Research on the factors that influence employee performance has been carried out a lot. Organizations need to seek the application of knowledge-oriented leadership and organizational compatibility as important factors affecting employee performance. This leadership encourages innovation, creativity, and continuous learning, so that it can improve employee performance in the long term, (Ismail Al-Alawi, Yousif Al-Marzooqi and Fraidoon Mohammed, 2007; Hermastho, 2021). Furthermore, organizations that have a high level of compatibility tend to have employees who are more satisfied and motivated in doing their jobs, (Kristof, 1996; Hidayat, Tjahjono and Fauziyah, 2017).

Design/methodology/approach: The object of this research is the Padang City Regional Secretariat Office with a total of 222 respondents. The research data is primary data collected through questionnaires relating to all research variables. The research model is Structural Equation Modeling (SEM) by processing data using smart pls 3.

Findings: The results of the hypothesis conclude, knowledge-oriented leadership has a strong and significant effect on organizational suitability and employee performance at the Padang City Regional Secretariat. The mediating effect of organizational fit is a factor that strengthens employee performance. However, organizational compability does not moderate the influence of Knowledge Oriented Leadership on employee performance.

Research, Practical & Social implications: Research findings can be useful for organizations to maximize knowledge-oriented leadership and organizational compatibility to improve employee performance, both directly and indirectly.

Originality/value: Organizational Compatibility is an important factor in strengthening or mediating knowledge-oriented leadership to improve employee performance. However, Organizational Compatibility does not moderate knowledge-oriented leadership to improve performance. This is due to the suitability of the characteristics between the organization and employees is not fulfilled either in quantity or quality.

^a Doctoral Candidate in Program Management Science, Faculty of Economics and Business, Putra Indonesia University YPTK Padang, Indonesia, E-mail: ramdhani_bayu@upiyptk.ac.id, Orcid: <https://orcid.org/0000-0002-4683-3273>

^b Professor of Management Science, Faculty of Economics and Business, Putra Indonesia University YPTK Padang, Indonesia, E-mail: havidz.aima@yahoo.com, Orcid: <https://orcid.org/0000-0002-5057-5027>

^c Doctoral of Management Science, Faculty of Economics and business, Putra Indonesia University YPTK Padang, Indonesia, E-mail: yulasmii@upiyptk.ac.id, Orcid: <https://orcid.org/0000-0003-0381-474X>



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O PAPEL DA COMPATIBILIDADE ORGANIZACIONAL NA MEDIAÇÃO E MODERAÇÃO DA LIDERANÇA ORIENTADA PARA O CONHECIMENTO NO DESEMPENHO DOS FUNCIONÁRIOS

RESUMO

Objetivo: Este estudo tem como objetivo identificar e analisar o papel da adequação organizacional na mediação e moderação da liderança orientada para o conhecimento sobre o desempenho dos funcionários.

Quadro teórico: A pesquisa sobre os fatores que influenciam o desempenho dos funcionários tem sido muito realizada. As organizações precisam buscar a aplicação da liderança orientada ao conhecimento e da compatibilidade organizacional como fatores importantes que afetam o desempenho dos funcionários. Essa liderança incentiva a inovação, a criatividade e a aprendizagem contínua, para que possa melhorar o desempenho dos funcionários a longo prazo (Ismail Al-Alawi, Yousif Al-Marzooqi e Fraidoon Mohammed, 2007; Hermastho, 2021). Além disso, organizações que têm um alto nível de compatibilidade tendem a ter funcionários mais satisfeitos e motivados em fazer seu trabalho (Kristof, 1996; Hidayat, Tjahjono e Fauziyah, 2017).

Projeto/metodologia/abordagem: O objeto desta pesquisa é o Escritório da Secretaria Regional da Cidade de Padang, com um total de 222 entrevistados. Os dados de pesquisa são dados primários coletados por meio de questionários relacionados a todas as variáveis de pesquisa. O modelo de pesquisa é a Modelagem de Equação Estrutural (SEM) através do processamento de dados usando smart pls 3.

Constatações: Os resultados da hipótese concluem que a liderança orientada ao conhecimento tem um forte e significativo efeito na adequação organizacional e no desempenho dos funcionários na Secretaria Regional da Cidade de Padang. O efeito de mediação da adequação organizacional é um fator que fortalece o desempenho do funcionário. No entanto, a compatibilidade organizacional não modera a influência da Liderança Orientada ao Conhecimento no desempenho dos funcionários.

Pesquisa, implicações práticas e sociais: Os resultados da pesquisa podem ser úteis para que as organizações maximizem a liderança orientada ao conhecimento e a compatibilidade organizacional a fim de melhorar o desempenho dos funcionários, direta e indiretamente.

Originalidade/valor: a compatibilidade organizacional é um fator importante no fortalecimento ou mediação da liderança orientada ao conhecimento para melhorar o desempenho dos funcionários. No entanto, a compatibilidade organizacional não modera a liderança orientada ao conhecimento para melhorar o desempenho. Isso se deve à adequação das características entre a organização e os funcionários que não é atendida em quantidade ou qualidade.

Palavras-chave: desempenho do funcionário, liderança orientada ao conhecimento, compatibilidade organizacional.



1 INTRODUCTION

Organizations face increasingly complex and dynamic challenges in the era of globalization and rapid information technology. Rapid economic, political and social changes and advances in technology can affect employee performance and organizational success. Employee performance is work performance produced by employees in carrying out their organisational duties and responsibilities. At this time, an employee's success is evaluated not only on the quantity and quality of work they accomplish but also on their technological proficiency, (Putra, Aima and Yulasmi, 2022; Tahiri *et al.*, 2022). Employees are required to be able to adapt to changes and technological developments quickly and sustainably, (Putra *et al.*, 2019; Ramadhanu *et al.*, 2019; Rishna, 2022). This is because technology can lighten the workload and be able to increase work efficiency and can affect employee performance, (Firdaus *et al.*, 2022).

For this reason, one approach that can optimize the achievement of employee performance is through effective management strategies and practices. In this context, the application of knowledge-oriented leadership and organizational compatibility is a key factor in improving employee performance.

Knowledge-oriented leadership refers to the ability of leaders to develop, manage and utilize organizational knowledge to achieve better goals. This type of leadership has been recognized as an important factor in improving employee performance. In addition, Knowledge-oriented leadership prioritizes the development and utilization of organizational knowledge which includes developing knowledge, skills and attitudes of employees to ensure their readiness to face challenges and changes that occur within the organization, (Farooq Sahibzada *et al.*, 2021; Putra, Aima and Yulasmi, 2022)

Furthermore, organizational compatibility refers to the extent to which organizational values and norms are aligned with individual needs and preferences. In the context of public sector organizations organizational compatibility refers to the level of compatibility between organizational characteristics and employee characteristics, which can affect employee performance. This level of conformity includes organizational values, organizational culture, and tasks assigned to employees, (Kasmir, 2016).

As a public sector organization, the government makes every effort to ensure excellent service to the public through the performance of its employees. The low quality of human resources and the limited number of personnel are problems in providing excellent service to the community. Some of the service portraits that we often witness



and occur, are the absence of service announcements displayed, the neglect of public service standards, the potential for legal uncertainty and maladministration of public services. There is no published fee standard, so the potential for extortion, brokers and bribes is commonplace, (Andhika, 2022).

The results of the assessment by the Ombudsman of the Republic of Indonesia, of 25 ministries, 14 institutions, 34 provincial governments, 98 city governments and 415 district governments, in 2022 the number of agencies entering the green zone is 52.96%. The number of public service delivery agencies assessed included 586 agencies, but 272 agencies (46.42%) entered the green zone, 250 agencies (42.66%) yellow zone, and 64 agencies (10.92%) in the red zone. (Edwar, 2023).

Furthermore, at the provincial government level, of the 34 provincial governments assessed, 19 provincial governments (55.88%) entered the green zone, 13 provincial governments (38.24%) entered the yellow zone, and 2 provincial governments (5.88%) in red zone. Then at the city level, of the 98 city governments assessed, 53 city governments (54.08%) entered the green zoning, 42 city governments (42.86%) entered the yellow zoning, and 3 city governments (3.06%) entered the green zoning. red. Finally, at the district level, of the 415 district governments assessed, 170 district governments (40.96%) were in the green zoning, 186 district governments (44.82%) were in the yellow zoning, and 59 district governments (14.22%) were in the red zoning, (Asisten Ombudsman RI, 2023; Edwar, 2023).

This fact shows that the implementation of services provided by the government to the community has not been maximized both in quality and quantity. This condition is also reflected in the Regional Secretariat of the City of Padang (Sekda), as an agency with the duties and functions of assisting regional heads in carrying out their duties in carrying out government administration, law, organization, management of regional goods, finance, personnel, general and providing administrative services to regional apparatus.

Previous research on employee performance found that knowledge-oriented leadership did not have a significant effect on employee performance (Yang, Huang and Hsu, 2014; Novitasari *et al.*, 2021). Furthermore, research (Almatrooshi *et al.*, 2020; Rehman, 2020; Farooq Sahibzada *et al.*, 2021; Hermastho, 2021; Latif, 2021), demonstrating leadership by empowering knowledge has a practical impact on employee performance. furthermore Human Resource Management (HR) Practices,



Transformational Leadership, and Organizational Commitment are important factors that influence employee performance in organizations, (Hubais, Islam and Atiya, 2023).

The inconsistency of findings between researchers is a research gap that must be reviewed between the influence of knowledge-oriented leadership and employee performance. Furthermore, in order to fill the void in the literature, the update in this research is to make organizational compatibility a variable that mediates and moderates the relationship between knowledge-oriented leadership and employee performance.

Therefore, the purpose of this study was to analyze the impact of knowledge-oriented leadership on employee performance, both directly and indirectly, mediated and moderated by organizational compatibility. So that the findings of this study can contribute to the Padang City Regional Secretariat, in an effort to improve employee performance by maximizing knowledge-oriented leadership and organizational compatibility in the future.

2 THEORITICAL FRAMEWORK

2.1 EMPLOYEE PERFORMANCE

Employee performance is the result of employees' work, both in quantity and quality, in supporting the achievement of organizational goals contained in the vision and mission of the organization, (Robbins and Coulter, 2017). Employee performance is an individual result through productivity levels, work results achieved according to tasks within a certain period of time, through indicators namely quality, quantity, timeliness, goal completion, personal knowledge or creativity, (Ximenes *et al.*, 2019; Mandiyasa *et al.*, 2022; Nugraha and Suryadi, 2022). James *et al.*, (2012) performance leads to success in carrying out tasks and achieving planned goals. Thus in general it can be interpreted, that the performance of employee responsibilities which is the end result of work productivity both in quality and quantity, (Abdelhay *et al.*, 2023; Popov, 2023; Tahir *et al.*, 2023). Employee performance is feedback and is an important factor for the sustainability and development of the organization in the future. This means that continuous employee feedback in the form of performance becomes a modern approach to performance management and is able to change organizational culture for the better to encourage performance, engagement and growth, (Kaikhosroshvili, 2023).

Kasmir (2016), stated that employee performance is influenced by various factors, including ability and expertise, knowledge, job design, personality, work motivation,



leadership, leadership style, organizational culture, job satisfaction, work environment, loyalty, commitment, and work discipline. This statement indicates that knowledge factors and leadership style are among the components of knowledge-oriented leadership factors. Additionally, organizational compatibility, which comprises ability and expertise, knowledge, job design, personality, and work motivation factors, pertains to the alignment of characteristics or values between employees and organizations. Performance in the structure of task performance comprises of job specific behaviors which includes basic job responsibilities given as a part of employee job description, (Harlianto and Rudi, 2023).

2.2 KNOWLEDGE-ORIENTED LEADERSHIP

Knowledge-oriented leadership is a form of leadership based on developing and applying knowledge to achieve organizational goals. Knowledge-oriented leadership has been stated as a combination of two forms of models, transformational and transactional, as well as communication and motivational capacities, all used to become a vessel for good knowledge flow to create innovation and creativity, (Donate, 2015, 2022; Mehouchi, Grandadam and Cohendet, 2016; Naqshbandi, 2018). However, Wagner *et al.* (2021) state that the positive impact of knowledge sharing on creativity and sustainable innovation is not known to employee performance, so further research is required.

This leadership encourages innovation, creativity and continuous learning to improve employee performance in the long term (Ismail Al-Alawi, Yousif Al-Marzooqi and Fraidon Mohammed, 2007; Hermastho, 2021). However, to achieve this goal, knowledge-oriented leadership must be matched with the suitable organizational compatibility. The study Alzghoul *et al.* (2023) investigates how strategic thinking and knowledge-oriented leadership drive the creative performance of employees in the Arab HEI.

2.3 ORGANIZATIONAL COMPATIBILITY

Organizational compatibility is the level of compatibility between the values and culture of the organization with the values and needs of employees. Organizational compatibility is expressed as a form of Person-organization fit, which is defined as the suitability between organizational values and individual values, (Kristof, 1996; Hidayat, Tjahjono and Fauziyah, 2017). According to Kristof, (1996) Person Organization Fit can



be interpreted in four concepts, namely: a). Appropriate value is the suitability of individual intrinsic values with the organization, b). Goal suitability is the suitability of individual goals within the organization in this case the leaders and co-workers, c). Fulfillment of employee needs is the suitability of employee needs and strengths that exist in the work environment with organizational systems and structures, and d). The suitability of personality-cultural characteristics is the suitability of the personality of each individual and the climate or organizational culture.

Organizations with a high degree of compatibility tend to have employees who are more satisfied and motivated to do their jobs. Therefore, this research model tries to analyze the impact of organizational compatibility in moderating and mediating the influence of knowledge-oriented leadership on employee performance.

2.4 HYPOTHESIS DEVELOPMENT AND CONCEPTUAL FRAMEWORK

2.4.1 Effect of knowledge-oriented leadership on organizational compatibility

Knowledge-oriented leadership a leadership style that develops knowledge transfer and executes new ways of thinking within the organization towards the implementation of the work of subordinates, (Mabey, Kulich and Lorenzi-Cioldi, 2012; Mabey and Nicholds, 2015). Research Novitasari *et al.* (2021), Found knowledge-oriented leadership to have a significant positive effect on knowledge management capabilities (organizational compatibility). Another study by (Chen *et al.*, 2012) revealed, the role of Knowledge-oriented leadership is unavoidable for innovation which is at the core of sustainable organizational growth in meeting organizational needs and challenges. However, some researchers argue that to manage knowledge effectively, leaders are required to adopt a combination of leadership styles, and not just adopt a single leadership style like knowledge-oriented leadership, (Donate and Sánchez de Pablo, 2015).

H₁: There is a positive and significant effect of Knowledge oriented Leadership on Organizational Compatibility

2.4.2 The Effect of organizational compatibility on employee performance

Robbins et al. (2015), personal characteristics are one of the aspects that determine the suitability between employees, organizations and work. This fit is organizational compatibility, also known as personal organizational fit (POF). POF is the conformity between the values adopted by the organization and the values expected by workers.



Individuals whose values are compatible with those in the organization tend to have attitudes and behaviors that support work performance.

Research Anindita (2020), found that the suitability of employee characteristics affects employee performance. The results of the study Demir, Demir and Nield (2015), revealed that person organizational fit, which is organizational compatibility, has an effect on determining work performance. Research Rajper, Ghumro and Mangi (2020), stated that person organizational fit, which is the suitability of individual values, has an effect on the performance of government employees. Research Widyana (2021), reveals that competency compatibility between employees and the organization impacts the creation of performance results for employees of PT. BPR Indra Chandra. Research (Rifqi and Ningsih, 2022), also states that organizational compatibility, which is person organizational fit and person job fit, has an effect on determining employee performance at work.

H₂: There is a positive and significant effect of organizational compatibility on employee performance

2.4.3 Effect of knowledge-oriented leadership on employee performance

Leadership that is knowledge-oriented is described as "an attitude or action of a leader who adopts knowledge in motivating and developing his subordinates to encourage the creation of a culture of work, sharing and utilization of new knowledge to bring about changes in thinking between individuals and groups, (Naqshbandi, 2018).

Research Rehman (2020) reveals that knowledge-oriented leadership has a positive and significant effect on employee performance. Research Novitasari *et al.* (2021) found that knowledge-oriented leadership has no effect on increasing innovation performance in employees. The results of the study Yang, Huang and Hsu (2014) state that cooperation and trust which are indicators of knowledge-oriented leadership do not contribute significantly to employee performance. Research Almatrooshi *et al.* (2020); Hermastho (2021), their research reveals that knowledge-oriented leadership can influence organizational performance. Another study by Sahibzada (2021) dan Latif *et al.* (2020) states that knowledge-oriented leadership can influence employee performance at work.

H₃: Knowledge-oriented leadership significantly, with a positive slope, affects employee performance



2.4.4 The Effect of organizational compatibility in mediating Knowledge-oriented leadership on employee performance

The knowledge-oriented leadership model is leadership that prioritizes the dissemination of knowledge values and new ways to subordinates and motivates them so that this knowledge is able to generate new ideas and creativity that can help carry out tasks and work effectively and efficiently. This role will be more visible and optimal when this type of leadership is able to create compatibility and balance (organizational compatibility) between the potential, competency requirements expected by the organization and the competency characteristics and skills possessed by HR. With the fulfillment of this suitability, it is hoped that the process of creating ideas and knowledge can encourage employees to be able to generate new knowledge and new innovations which can be an advantage in improving their performance. Research related to the mediation of organizational compatibility variables on the influence of knowledge-oriented leadership on employee performance has yet to be found by researchers to conduct and publish it.

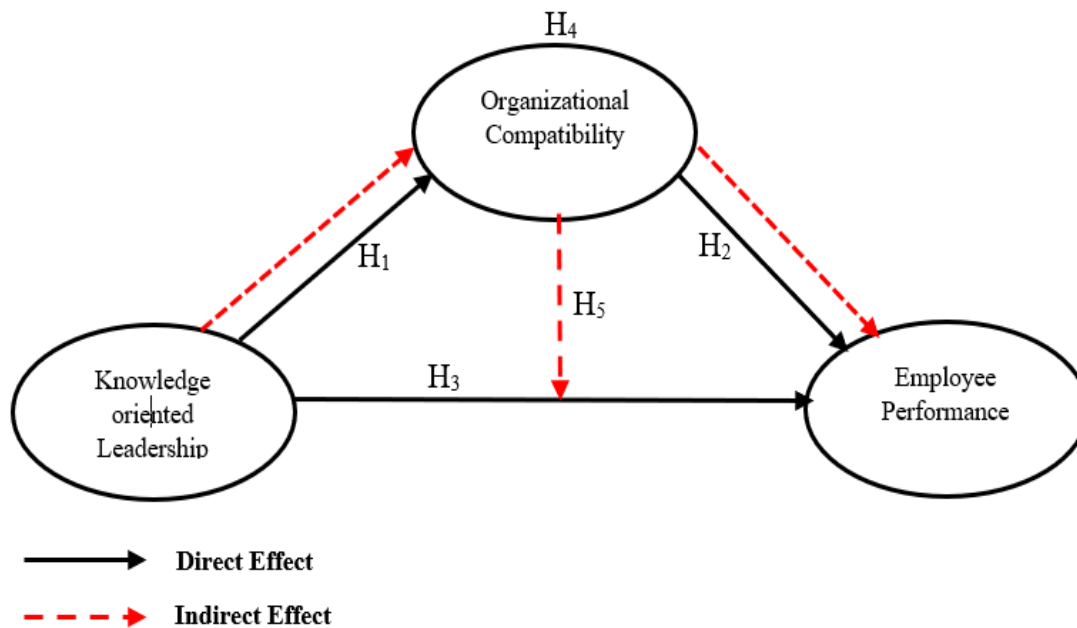
H₄: There is a significant effect of organizational compatibility in mediating Knowledge-oriented leadership on Employee Performance

2.4.6 The Effect of organizational compatibility in moderating knowledge-oriented leadership on employee performance

In this study, the role of the organizational compatibility variable besides being a mediating variable will also be measured as a moderating variable in strengthening or weakening the influence of knowledge-oriented leadership on employee performance. Leadership that can motivate subordinates with knowledge and learning will be able to create the ability to be creative and innovative in carrying out tasks and work. This ability will be maximized when there is a match between the competencies or values possessed by the organization with the competencies or values that exist within the employee, to optimize work performance or higher performance. No published studies address the results of earlier research on organizational compatibility factors that moderate the impact of knowledge-oriented leadership on employee performance.

H₅: There is a significant effect of organizational compatibility in moderating knowledge-oriented leadership on employee performance

Figura 1. Conceptual Framework



Source: Prepared by the authors (2023)

3 METHODOLOGY

This research is qualitative research which directly or indirectly explains the qualitative relationship between exogenous variables and endogenous variables. The 222 participants in this study were workers in the Regional Secretariat of the City of Padang. A sampling technique was applied, which was the census approach. The research variables include employee performance as an endogenous variable, organizational suitability as a mediator and moderator variable, and leadership-oriented as an independent or independent (exogenous) variable.

The research model is a structural equation model (SEM) using the SmartPLS 3 analysis tool. The data analysis technique consists of 2 stages, the first stage is testing the outer model related to instrument testing or validity and reliability testing. Determining the validity of all items or statement items was assessed using a loading factor ≥ 0.6 with a reliability level ≥ 0.7 and an AVE value ≥ 0.5 . In the second stage of testing the inner model, this test is useful for assessing whether the hypothesis is accepted or rejected. Hypothesis assessment can be measured using the value of the T-statistic or T-count compared to the T-table of 1.96 at an error of rejecting the data of 5%. If the T-statistic value ≥ 1.96 , then the hypothesis is accepted. Hypothesis evaluation can also be assessed by comparing the P value with 0.05, if the p-value ≤ 0.05 then the hypothesis is accepted.



4 RESULTS AND DISCUSSION

Following are the results of testing the data with Smartpls, which includes testing the outer model for testing the instrument (validity and reliability) and testing the inner model for testing the research hypothesis.

Table 1. Outer Model

Items	CPO	KJP	KOL	AVE	Crombach Alpha
CO1	0,604			0,576	0,877
CO2	0,681				
CO3	0,739				
CO4	0,751				
CO5	0,721				
CO6	0,703				
CO7	0,688				
CO8	0,705				
CO9	0,622				
CO10	0,673				
KL1			0,679	0,544	0,880
KL2			0,807		
KL3			0,775		
KL4			0,722		
KL5			0,742		
KL6			0,721		
KL7			0,746		
KL8			0,699		
KP1		0,696		0,564	0,887
KP2		0,604			
KP3		0,617			
KP4		0,646			
KP5		0,630			
KP6		0,690			
KP7		0,752			
KP8		0,683			
KP9		0,782			
KP10		0,722			
KP11		0,739			

Source: Prepared by the authors (2023)

The results of the outer model test found that all items or statement items that build each variable which includes knowledge-oriented leadership (KOL), organizational compatibility (CPO) and employee performance (KJP) variables are valid with an outer loadings value of ≥ 0.6 with an AVE value also above 0.5. Whereas for testing the level of reliability it has also been reliable, where the Cronbach alpha value of all variables with the statement items that form it is above the value of 0.7. Furthermore, the value of R square which is the simultaneous contribution of exogenous variables to endogenous variables and mediating variables can be seen in Table 2.

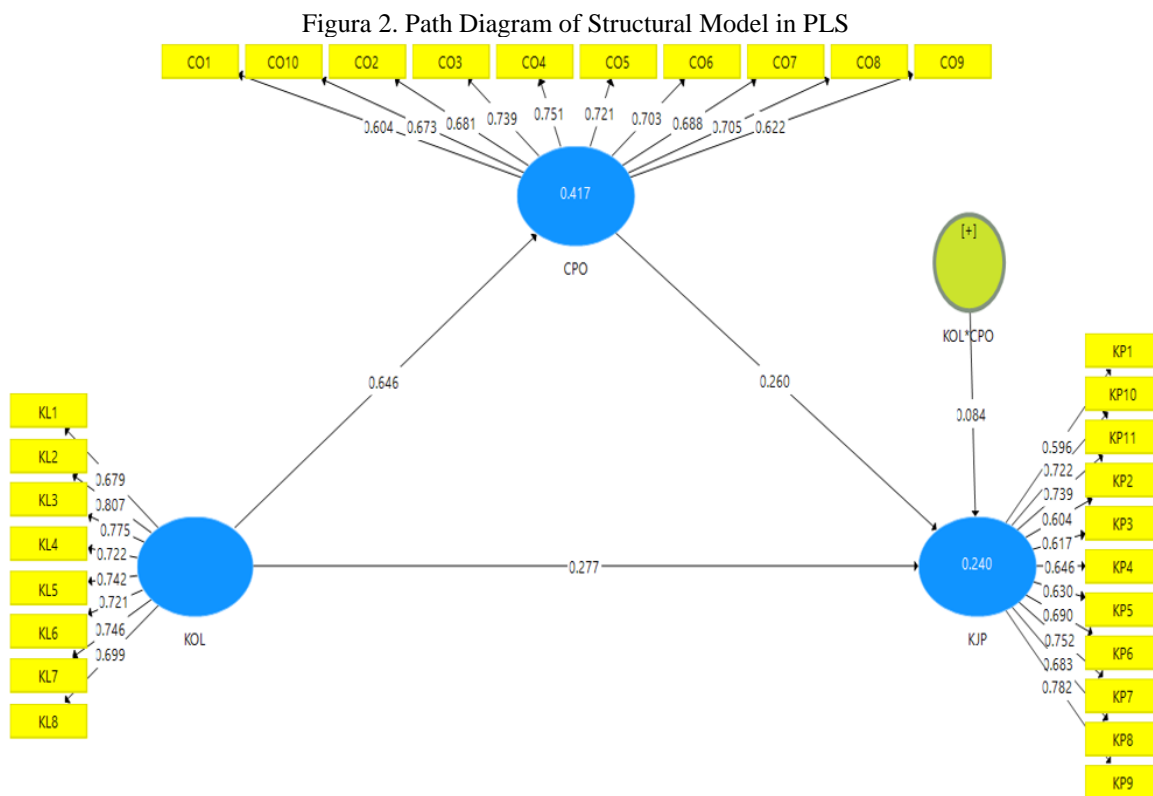


Table 2. R Square

Variable	R Square
Organizational Compatibility (CPO)	0,417
Employee Performance (KJP)	0,240

Source: Prepared by the authors (2023)

From Table 2, the R-square value of organizational compatibility (CPO) is a contribution or influence of knowledge-oriented leadership (KOL) variable of 0.417 or 41.7% with the remaining other factors not examined in this study. Furthermore, the R square value of Employee Performance (KJP) is the value of the contribution or simultaneous influence of knowledge-oriented leadership (KOL) and organizational compatibility (CPO) variables with a value of 0.240 or 24%, and the rest are other factors not examined in this study. Furthermore, the results of the inner model test are useful for evaluating research hypotheses.



Source: Prepared by the authors (2023)

Figure 2, is a Structural Model Path Diagram in PLS which explains the relationship between items with constructs or variables indicated by the value of loading factors (outer model). Furthermore, the relationship between constructs or variables (inner model) with the value of the regression coefficient, either directly or indirectly. The following is a summary of the results of hypothesis testing in Table 3.



Table 3. Results of Hypothesis Testing of Direct Effect and Indirect Effects

	Original Sample (O)	T-Statistics	P-Values	Decision
KOL -> CPO	0,646	12,367	0,000	Accepted
CPO -> KJP	0,260	2,614	0,009	Accepted
KOL -> KJP	0,277	2,827	0,005	Accepted
KOL-> CPO-> KJP	0,168	2,448	0,015	Accepted
KOL*CPO -> KJP	0,084	1,365	0,173	Not Accepted

Source: Prepared by the authors (2023)

4.1 EFFECT OF KNOWLEDGE ORIENTED LEADERSHIP ON ORGANIZATIONAL COMPATIBILITY

The results of the SmartPLS test in Table 3, show that there is a positive and significant effect of knowledge-oriented leadership on organizational compatibility in Padang City Regional Secretariat employees. The regression coefficient value is 0.646, and the T-statistic is 12.367, with an error in rejecting the data (p-value) of 0.000. The hypothesis is accepted when the T-statistic value is more than 1.96, and the p-value is less than 0.05. These findings indicate that knowledge-oriented leadership at the Regional Secretariat of the City of Padang is able to encourage conformity between the values expected by the organization both in terms of competency, work professionalism and HR characteristics with the competency values and individual characteristics required by the organization. knowledge-oriented leadership, is leadership that gives employees the ability to think in new ways and create creations and innovations from the transfer of knowledge provided, (Mabey, Kulich and Lorenzi-Cioldi, 2012; Mabey and Nicholds, 2015).

These findings have succeeded in confirming research Novitasari *et al.* (2021), that knowledge-oriented leadership has a positive and significant effect on knowledge management capabilities (organizational compatibility). Studies conducted by Chen *et al.* (2012) reveal that the role of knowledge-oriented leadership is unavoidable for innovation which is at the core of sustainable business growth in meeting organizational needs and challenges. However, some existing researchers such as Donate and Sánchez de Pablo (2015) argue that in order to manage knowledge effectively, leaders are required to adopt a combination of leadership styles, and not just adopt a single leadership style.

4.2 THE EFFECT OF ORGANIZATIONAL COMPATIBILITY ON EMPLOYEE PERFORMANCE

The SmartPLS results in Table 3 show that there is a significant positive effect on organizational compatibility on the performance of Padang City Regional Secretariat



employees. With a regression coefficient value of 0.260 with a T-statistic of 2.614 and a p value of 0.009. T-statistic value > 1.96 and p-value < 0.05 , then the hypothesis can be accepted. These results indicate that organizational compatibility is owned by the organization both in terms of goals, culture and the characteristics possessed by employees tend to be fulfilled.

Robbins et al. (2015), stated that individual characteristics are one of the aspects that determine the suitability between employees, organizations and jobs. This suitability is organizational compatibility, also known as personal organizational fit (POF).

The findings of this hypothesis are consistent with Anindita, (2020), which states that the organizational compatibility of employees affects employee performance. This is also relevant to research (Demir, Demir and Nield, 2015), revealing that person organizational fit, which is organizational compatibility between the values that exist in employees, has an effect on determining work performance. Research (Rajper, Ghumro and Mangi, 2020), It also concluded that person-organization fit, namely the suitability of values between the organization and its employees, affects the performance of government employees. Furthermore, research (Widyana, 2021) reveals that person organizational fit (organizational compatibility) has a significant effect on the performance of PT employees. BPR Indra Chandra. Research findings (Rifqi and Ningsih, 2022) also state that organizational compatibility, which is person organizational fit and person job fit, has an effect on determining employee performance at work.

4.3 THE EFFECT OF KNOWLEDGE-ORIENTED LEADERSHIP ON EMPLOYEE PERFORMANCE

The findings of the SmartPLS analysis in Table 3 conclude that knowledge-oriented leadership significantly impacts the performance of Padang City Regional Secretariat employees. With a regression coefficient of 0.277, a T-statistic of 2.827, and an error in rejecting data (p-value) of 0.005. thus the T-statistic is more significant than 1.96, and the error leaving the data is small than 0.05, thus the hypothesis is accepted. This shows that knowledge-oriented leadership is a determining factor in achieving the performance of Padang City Regional Secretariat employees. In addition, this form of leadership is able to inspire increased knowledge and creativity as well as employee innovation in carrying out the duties and work of employees in producing performance. Theoretical studies state that knowledge-oriented leadership is "an attitude or action of a



leader who adopts knowledge in motivating employee development to encourage the creation of a work culture, sharing and utilization of new knowledge to bring about changes in thinking between individuals and groups", (Naqshbandi, 2018).

The findings are in line with Rehman (2020), which states that knowledge-oriented leadership has a direct and positive effect on organizational performance. This is also in accordance with the research of Almatrooshi et al. (2020); Hermastho (2021), According to their study's findings, knowledge-oriented leadership impacts organizational performance. Another research study (Sahibzada, 2021), (Latif *et al.*, 2020) found that knowledge-oriented leadership can influence employee performance at work.

4.4 THE EFFECT OF ORGANIZATIONAL COMPATIBILITY IN MEDIATING KNOWLEDGE-ORIENTED LEADERSHIP ON EMPLOYEE PERFORMANCE

The results of testing the data with SmartPLS in Table 3 show that organizational compatibility has a significant positive effect in mediating knowledge-oriented leadership on the performance of Padang City Regional Secretariat employees. With a regression coefficient value of 0.168, the T-statistic is 2.448, and the error in rejecting the data is 0.015. So that the T-statistic > 1.96 and the mistake of rejecting the data < 0.05 , the hypothesis is accepted. This shows that organizational compatibility as a form of suitability of employee characteristics both in terms of competence, ability and personal with the characteristics required by the organization, can be a catalyst in increasing the influence of knowledge-oriented leadership to improve employee performance.

These results are by the theory, stating "Knowledge is power" is a paradigm which states that knowledge is an important asset and strategy for organization and individual HR development, (Shamim *et al.*, 2016). The creation of harmony and suitability between the role of Knowledge-oriented leadership and organizational compatibility will be able to help employees to optimize their performance in supporting the achievement of better organizational goals. Research related to this hypothesis, has not found published literature from existing researchers



4.5 THE EFFECT OF ORGANIZATIONAL COMPATIBILITY IN MODERATING KNOWLEDGE-ORIENTED LEADERSHIP ON EMPLOYEE PERFORMANCE

The results of data analysis in Table 3 show organizational compatibility does not moderate knowledge-oriented leadership on the performance of Padang City Regional Secretariat employees. With a regression coefficient of 0.084, a T-statistic of 1.365, and an error in rejecting data (p-value) of 0.173. It can be interpreted further that the small T-statistic of 1.96 and the p-value, which is an error leaving extensive data of 0.05, then the hypothesis is rejected. These empirical findings reveal that organizational compatibility cannot strengthen the relationship between knowledge-oriented leadership to improving employee performance. In terms of suitability of competencies, abilities, culture and characteristics of existing human resources are still not properly met. So the role of knowledge-oriented leadership is less visible in motivating employee work productivity. This happens, due to differences in educational background and self-competence of employees who do not meet predetermined standards. The results of this study, have not found any previous research or literature that examines this issue, so this becomes a new paradigm for future research to be further developed and tested.

5 CONCLUSION

The findings of this study found the fact that knowledge-oriented leadership has a major role in supporting the creation of employee performance at the Padang City Regional Secretariat effectively. Either directly or indirectly through organizational compatibility as a mediating variable. However, if organizational compatibility acts as a moderating variable, then no increase in the effect of knowledge-oriented leadership is found on employee performance. Other findings also reveal that organizational compatibility has a direct effect on improving employee performance.

This research can be a recommendation for leaders and organizations, in an effort to improve employee performance. Leaders must be able to apply effective leadership in distributing knowledge more massively up to the technical implementation of tasks and employees' work. In recruiting employees, organizational leaders and related organizational units must be involved and contribute in determining the needs or characteristics of HR with the standards or characteristics of HR needed by the organization. Thus, high results and benefits will be obtained in the application of knowledge-oriented leadership with organizational compatibility in improving employee



performance both directly and indirectly.

For future researchers, they can refer to the findings of this study as a guide for further review and development. Either using additional factors or other variables in predicting employee performance or conducting comparative research based on certain factors in predicting differences in performance achievements between employees



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