Mediation Role of Transformational Leadership and Organizational Culture on the Effect of Organizational Politic Toward Strategy Implementation of Local Government Taks Forces In East Java

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Abstract*: In government governance of Regency and City in East Java, Region Head is assisted by local instruments that are accommodated in secretariats and Local Government Task Force/ Satuan Kerja Perangkat Daerah (LGTF/SKPD). LGTF as the assistant of local region head becomes important phenomenon to be explored due to the mediation role of transformational leadership and organizational culture toward the relationship between organizational politic and strategy implementation. This research is aimed to examine and describe (1) the mediation role of transformational leadership toward through organizational politic toward organizational culture, (2) the mediation role organizational culture on the effect of organizational politic toward strategy implementation, (3) the mediation role of transformational leadership on the effect of organizational politic toward strategy implementation, and (4) the mediation role of organizational culture on the effect of transformational leadership toward strategy implementation, and (5) the mediation role of transformational leadership and organizational culture on the effect of organizational politic toward strategy implementation. The populations of this research are those LGFTs in the form of Departments, Institutions, or Offices in Regencies/Cities at East Java Province; there are 936 LGTFs. The sample is 150 LGTFs that are taken using multi-stage sampling technique. This research reveals that: (1) there is the mediation role of transformational leadership on the relationship between organizational politic and organizational culture, (2) there is no mediation role of transformational leadership on the relationship between organizational politic and strategy implementation, (3) there is no mediation role of organizational culture on the relationship between organizational politic and strategy implantation, (4) there is mediation role of organizational culture on the relationship between transformational leadership and strategy implementation, and (5) there is mediation role of transformational leadership and organizational culture on the relationship between organizational culture and strategy implementation.*

Keywords:*organizational,politic,transformational,leadership,organizational,culture,strategy,implementation*

I. Background

Local government as the element of local government governance based on the local autonomy principle has right, authority, and responsibility to manage and regulate its institution and its local society's needs based on the applicable law. Local autonomy is complete manifestation of the decentralization term. In the governance of local government, the head of local region is assisted by local government's elements. In general, local government elements include staff element that help to arrange policy and coordination which is accommodated in secretariat institution, specific supporting elements of local government head's task in local policy arrangement and implementation accommodated in technical institution, as well as local affairs' element accommodated in local department institution.

The implementation of strategic management on local government is the manifestation of New Public Management (NPM). It is mentioned by Christopher Hood (http://dinoyudha. wordpress.com, 2009) that NPM has some characteristics as the following: 1) professional management in public sector, 2) emphasizing on output and outcome control, 3) breaking down into some task forces in public sector, 4) creating competition in public sector, 4) adopting business sector management style into public sector management, and 6) discipline and resource saving. The characteristics of NPM are also in strategic management process particularly in strategy implementation that is manifested in the program arrangement with objective achievement orientation based on organization's vision and mission, budget arrangement related to the resources that will be processed to be the output, and procedures definition that are professionally conducted to produce efficient processes for achieving the intended result. As explained by Gaspersz (2004), action plan is a detail description of the strategies and steps in defining strategic plan; according to Jennings (1999), strategy implementation is related to the interpretation on strategic decision into real action to achieve the expected level of the performance. In public organization, strategy implementation is a crucial step in strategic management. Strategy implementation

substantially interprets the elements of strategy formulation such as the program, budget, and procedure as the operational description of the vision, mission, objective, and strategy of an organization.

The strategy implementation process conducted by Local Government Task Force is complex, since there are several parties (stakeholders) that have particular interests on the strategy implementation. It is mentioned in Law No. 32/2004 Article 19 about Local Government that the government governance is established by Local Government and Local House of Representative. Therefore, the strategy implemented by LGTF (*Satuan Kerja Pemerintah Daerah*/ Local Government Task Force) as the technical instigator of local government is inseparable with stakeholder's influence that is centrally linked to the LGTF's workflow such as other LGTF in internal organization, local region head, local parliament, society, private sector, and other parties. As explained by Smina and Nistelrooij (2006), public organization has more characters with several decision makers, much different in its stakeholders, more intensive on its organizational dynamics, and more democratic on its organizational design. The strong organizational politic of legislative body and government administration process create important decision in public sector organization. Hayes (2001) describes that public organization can be conceptualized as a group on constituents that each of the parties influence one on another to achieve the objective.

Fotter (1981) explains that public organization formally is part of government organization since its authority is obtained from formal assignment which is formulated based on applicable law; furthermore, social control of public organization is conducted through political control. Based on the explanation, the Law No.25/2004 about National Development Plan System, there are five approaches of the overall series of planning: (1) political, (2) technocratic, (3) participative, (4) top-down, and (5) bottom-up. According to Glueck and Jauch (1984), there are three approaches in strategic decision making such as rational-analytical, intuitive-emotional, and behavioral-political. It shows that in strategic management process, it is inseparable from the influence of organizational politic. Political approach in strategic management process, primarily on strategy implementation, is conducted by considering some pressures and interest from several parties (stakeholders) that are influenced by the decision of strategic management process mainly during program arrangement, budget arrangement, and procedure implementation as the process of strategy implementation.

The role of organizational politic tends to be more intense during strategy implementation, since there are several parties (stakeholders) involved in strategy implementation which have power and authority with different objectives and interests. By the power they have, each of the LGTF tries to obtain, develop, and utilize its power and other organization's resources for each own interest in the organization. Therefore, as the role of organizational politic toward strategy implementation exists, it needs a leader to influence and direct all of those parties (stakeholders) in program arrangement, budget arrangement, and execute the procedures to achieve the intended objectives. As explained by David (2005), strategy implementation requires distinctive motivation skill and leadership skill.

Program arrangement, budget arrangement, and procedure implementation are conducted annually and prepared by making some adjustments on environment change in order to achieve long term objectives based on the vision and mission of an organization. Strategy implementation in LGTF is identical with the change due to environment effect and environment change that tend to generate organizational politic. Therefore, in its implementation, it requires a leader who is able to manage the organizational politics' effect on the strategy implementation based on the organization's vision and mission. Communicate with others, groups, or stakeholders is the important role of a leader to define successful strategy implementation since basically those parties have different interest that may confront each other. Mentioned by Kotter (1996) that stakeholder relationship brings particular challenge when an organization wants to make a change if each of the individuals tries to impede each other unless they agree and work cooperation. Based on Kuhl *et.al.* (2005) a leader in an organization should get involved in lateral leadership to create similar perception, influence political process, and develop trust. Transformational leadership is able to identify those who are able to support or hinder an initiative, establish a network with them, and communicate in credible way about what are needed to do. Transformational leadership involves personal identity which ideally is able to empower all of the parties in an organization as well as other related parties. When there is clear and agreed direction, it will generate enthusiasm among subordinates and stakeholders to implement that strategy. They tend to think that they are able to implement the strategy with fresh and creative ideas to achieve the objectives based on the vision and mission that are delivered by their leader. Through transformational leadership, it will amplify organizational politics role on strategy implementation.

The role of organizational politic toward strategy implementation causes the role of transformational leadership through organizational culture. A leader of an organization during strategy implementation will face some basic assumptions such as beliefs and value system which are meaningful for organization's members. According to David (1984), basic assumption in an organization is the rule or guidance about how to behave in the organization. Therefore, the leader of an organization and other stakeholders who want to achieve successful strategy implementation should be directed and refer to the applicable basic assumptions of the organization. It

is in accordance with Heide's *et.al.* (2010) statement, successful strategy implementation is affected by organizational culture's factor since the factor will define how things are done in the organization. Hence, transformational leadership is very important for public (government) organization to mediate the role of political organization on organizational culture as well as the role of organizational culture on strategy implementation.

        This research aims to examine and describe (1) the mediation role of transformational leadership on the effect of organizational politic toward organizational culture, (2) the mediation role organizational culture on the effect of organizational politic toward strategy implementation, (3) the mediation role of transformational leadership on the effect of organizational politic toward strategy implementation, and (4) the mediation role of organizational culture on the effect of transformational leadership toward strategy implementation, and (5) the mediation role of transformational leadership and organizational culture on the effect of organizational politic toward strategy implementation.

II.   Conceptual Framework And Hypothesis

        Research variables consist of organizational politic, transformational leadership, organizational culture, and strategy implementation. The conceptual framework of this research is presented in Fig. 1.
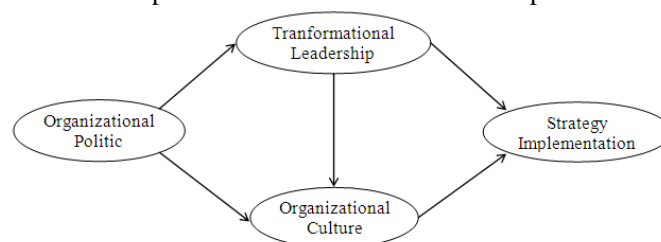

Fig. 1: Conceptual Framework

Research Hypotheses

H_1 :   The mediation role of transformational leadership occurs between organizational politic and organizational culture.

H_2 :   The mediation role of transformational leadership occurs between organizational politic and strategy implementation.

H_3 :   The mediation role of organizational culture occurs between organizational politic and strategy implementation.

H_4 :   The mediation role of organizational culture occurs between transformational leadership and strategy implementation.

H_5 :   Mediation roles of transformational leadership and organizational culture occur between organizational politic and strategy implementation.

III.   Method

        This research is located at East Java Province, Indonesia, in 2011. East Java is the main indicator of national's economy after *DKI* (*Daerah Khusus Ibukota*/Special Region of National Capital) Jakarta and West Java Province. There are three foremost sectors that enforce the economic growth of East Java: trade, industry, and agriculture. The contribution of East Java province toward national economy is the second largest after *DKI* Jakarta. The number of East Java's *PDRB* (*Produk Domestik Regional Bruto*/ Gross Regional Domestic Product) contribution toward National *PDB* (*Produk Domestik Bruto*/ Gross Domestic Product) in recent last decade is consistently around 15 percent toward Indonesia's Gross Domestic Product.

Research population is the all of the *Satuan Kerja Perangkat Daerah* (SKPD/ Local Government Task Forces) of each Regency/City in East Java as the research object. Based on the multi-stage sampling technique, it obtains 150 samples as the respondents of this research. Data analysis utilized in this research is Path Analysis. Based on the research objective, this research is included in explanatory research as it is aimed to find the explanation on the causal relationship or inter-variables relationship through hypothesis testing (Umar, 2004).

IV.   Result And Discussion

4.1. Instrument Test

        Instrument's validity test of this research is conducted by using Pearson's Correlation tool to reveal the level of research instrument validity; meanwhile, Cronbach's alpha is utilized to measure the reliability of the research instrument. If the correlation value is higher than 0.30, it indicates valid score; on the contrary, if it is below 0.30, the instrument is not valid and cannot be proceeded for further step of the research. Related to

Cronbach's alpha score, if it is more than 0.60, it demonstrates reliable instrument; yet, if it is less than 0.60, the instrument is not reliable.

The test on the organizational politic (X1) variable is measured by using six indicators such as resource constraint (X1.1), ambiguous decision (X1.2), complex objective (X1.3), coalition (X1.4), hidden intention (X1.5), and subjective performance criteria (X1.6) with 21 question items. The result shows that the correlation score of the 21 question items is higher than 0.30; and, the Cronbach alpha coefficient is higher than 0.60 (0.775). For transformational leadership (Y1) variable, it has four indicators including individual influence (Y1.1), inspirational motivation (Y1.2), individual attention (Y1.3), and intellectual stimulation (Y1.4) with 13 question items. Transformational leadership (Y1) variable obtains overall correlation scores beyond 0.30 and Cronbach alpha coefficients beyond 0.60 (0.748). The test on the organizational culture (Y2) variable is measured based on seven indicators such as innovation and risk (Y2.1), attention on detail (Y2.2), result orientation (Y2.3), human orientation (Y2.4), team orientation (Y2.5), aggressiveness (Y2.6), and stability (Y2.7) with 26 question items. For the result of validity and reliability tests on the organizational culture (Y2) variable, all of the correlation scores are higher than 0.30 as well as it Cronbach alpha coefficients are higher than 0.60 (0.827). For strategy implementation (Y3) variable, it has three indicators including program (Y3.1), budget (Y3.2), and procedure (Y3.3) with 12 question items. Strategy implementation's (Y3) overall correlation scores are beyond 0.30; and, its Cronbach alpha coefficients are beyond 0.60 (0.652) as well. To conclude, all of the utilized instruments are valid and reliable.

4.2 Factor Analysis Result

The score of loading factor indicates the weight of each indicator as the measurement for each latent variable. Loading factor with the highest score implies that the indicator is the strongest measure of particular variable (dominant factor). The measurement model is presented in Table 1.

Table 1: Outer Loading Score of Each Variable

Indicator	Organizational Politic (X1)		Transformational Leadership (Y1)		Organizational Culture (Y2)		Strategic Implementation (Y3)	
1	X1.1	0.637*	Y1.1	0.540*	Y2.1	0.663**	Y3.1	0.812**
2	X1.2	**0.753***	Y1.2	**0.913***	Y2.2	0.660*	Y3.2	**0.867***
3	X1.3	0.655*	Y1.3	0.893*	Y2.3	0.530*	Y3.3	0.787*
4	X1.4	0.635*			Y2.4	0.617*		
5	X1.5	0.623*			Y2.5	**0.698***		
6	X1.6	0.500*			Y2.6	0.599*		
7					Y2.7	0.696*		

Note: * indicates *p*-value < 0.05; and, ** indicates fix

On organizational politic variable (X1) which has six indicators including resource constraint (X1.1), ambiguous decision (X1.2), complex objective (X1.3), coalition (X1.4), hidden intention (X1.5), and subjective performance criteria (X1.6), the highest loading factor score is obtained by ambiguous decision (X1.2); therefore, ambiguous decision is the dominant indicator that shapes organizational politic variable. On transformational leadership variable (Y1) which has four indicators such as individual influence (Y1.1), inspirational motivation (Y1.2), individual attention (Y1.3), and intellectual stimulation (Y1.4), the highest loading factor is obtained by inspirational motivation (Y1.2) as the dominant indicator that builds organizational politic (Y1) variable. Among seven indicators of organizational culture variable (Y2) including innovation and risk (Y2.1), attention on detail (Y2.2), result orientation (Y2.3), human orientation (Y2.4), team orientation (Y2.5), aggressiveness (Y2.6), and stability (Y2.7), team orientation (Y2.5) indicator has the higher loading factor which means that it is the dominant factor that constructs organizational culture variable. On the strategy implementation (Y3) variable consisting of three indicators such as program (Y3.1), budget (Y3.2), and procedure (Y3.3), the dominant indicator is budget (Y3.2) indicator as it has the highest loading factor. As the dominant indicator, budget (3.2) takes the highest role in constructing strategy implementation.

4.3. Path Assumption Test

Linearity test on the variables relationship of this research uses Curve Fit method. The result indicates that all of the relationships of the model are linear. Next, Kolmogorov Smirnov test is utilized to examine the normality assumption of the residuals among path analysis equations. The tests on the three equations demonstrate 0.754, 0.144, and 0.625 scores respectively which are higher than 0.05; thus, the residual normality assumption is met.

4.4. Path Analysis Result

The first stage of path analysis is goodness of fit model's test. The total coefficient of determination is 36.07%; this number indicates that data variability that is able to be explained by the model is 36.07%. In other

words, 36.07% information contained in the data can be explained by the model; whereas the rest 63.91% is explained by other variables which are not yet included in the model.

Hypothesis test is conducted by observing the t-statistic score of each direct effect's path partially. The complete analysis result is presented in Table 2.

Table 2. The Result of Variable Relationship's Effect of the Path Model

Variable Relationship	Coefficient	t-statistic	*p*-value	Description
Organizational Politic (X1) toward Transformational Leadership (Y1)	0.318	4.069	0.000	Significant
Organizational Politic (X1) toward Organizational Culture (Y2)	0.083	0.997	0.320	**Non Significant**
Transformational Leadership (Y1) toward Organizational Culture (Y2)	0.257	3.078	0.002	Significant
Organizational Politic (X1) toward Strategy implementation (Y3)	0.307	3.962	0.000	Significant
Transformational Leadership (Y1) toward Strategy implementation (Y3)	0.084	1.052	0.295	**Non Significant**
Organizational Culture (Y2) toward Strategic Implementation (Y3)	0.257	3.361	0.001	Significant

Source: Processed Research Data, 2011

In the graphical display, the path analysis test result of the table above is presented in Fig.2:
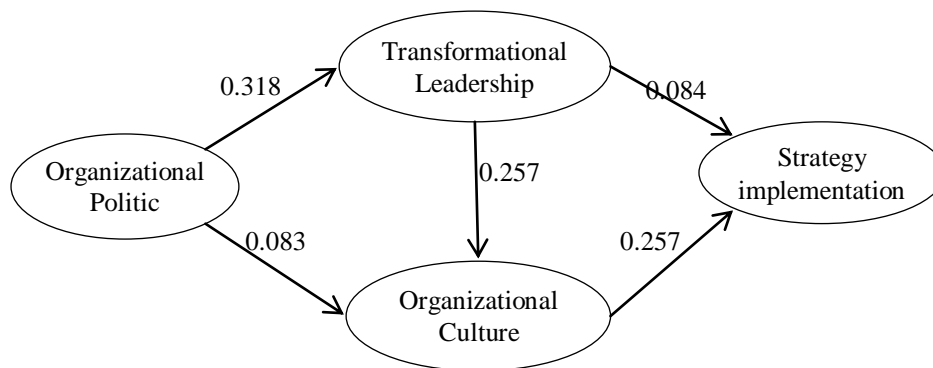

Fig. 2: Analysis Result of Path Model Diagram

Hypothesis test result of the mediation role on the inter-variables' effect is presented in Table 3

Table 3: Test Result of the Variable's Mediation Role in Path Model

Variable Relationship			Coefficient of Mediation Role	Description
Independent	Dependent	Mediation		
Organizational Politic (X1)	Organizational Culture (Y2)	Transformational Leadership (Y1)	0.318x0.257= 0.081	Significant
Organizational Politic (X1)	Strategy implementation (Y3)	Transformational Leadership (Y1)	0.318 x 0.084 = 0.026	Non Significant
Organizational Politic (X1)	Strategy implementation (Y3)	Organizational Culture (Y2)	0.318 x 0.257 = 0.081	Non Significant
Transformational Leadership (Y1)	Strategy implementation (Y3)	Organizational Culture (Y2)	0.257x0.257= 0.066	Significant
Organizational Politic (X1)	Strategy implementation (Y3)	Transformational Leadership (Y1) and Organizational Culture (Y2)	0.318x0.257x 0.257 = 0.020	Significant

Source: Processed Research Data, 2011

Based on the Table 3 about the hypothesis test result, it can be explained:

1. There is indirect effect of between organizational politic and organizational culture through transformational leadership mediation with 0.081 indirect effect coefficient. Considering both of the direct effects between organizational politic and transformational leadership as well as between transformational leadership and organizational culture are significant, it concludes that there is indirect effect between organizational politic and

organizational culture through transformational leadership. It implies that stronger organizational politic results in stronger organizational culture when transformational leadership is stronger as well.

2. The role of organizational politic toward strategy implementation through transformational leadership mediation obtains indirect effect coefficient of 0.026. Considering that there is one non significant relationship among the two direct effects, which is on the effect of organizational politic toward organizational culture, it concludes that there is no significant indirect effect of organizational politic toward strategy implementation even it is mediated by organizational culture.

3. The indirect role of organizational politic toward strategy implementation through organizational culture obtains 0.081 path coefficient of the indirect effect. Considering that the direct effects of organizational politic toward organizational culture and organizational culture toward strategy implementation results in only one significant relationship among the two, then it concludes that there is no significant indirect effect between organizational politic and strategy implementation as mediated by organizational culture.

4.There is indirect effect of transformational leadership toward strategy implementation through the mediation of organizational culture since the coefficient of indirect effect is 0.066. Considering that both of the direct effect relationships between transformational leadership and organizational culture as well as between organizational culture and strategy implementation are significant, it concludes that there is indirect effect of transformational leadership toward strategy implementation through the mediation of organizational culture. It implies that stronger transformational leadership value results in stronger strategy implementation if the organizational culture is stronger as well.

5. The indirect effect of organizational politic toward strategy implementation through transformational leadership and organizational culture obtains 0.052 indirect effect's coefficient. Considering that the direct effect of organizational politic on transformational leadership, transformational leadership on organizational culture, and organizational culture on strategy implementation are all significant, it concludes that there is significant indirect effect of organizational politic toward strategy implementation through transformational leadership and organizational culture.

4.5. Discussion
4.5.1. The Role of Organizational Politic toward Organizational Culture
through Transformational Leadership

The test result indicates that better organizational politic results in stronger organizational culture if transformational leadership is stronger as well. It means that stronger organizational politic will result in better organizational culture if it is mediated by good transformational leadership. It implies that there is a resource constraint to achieve complex organization's objective which requires the role of transformational leadership. A leader who has charm or individual's influence in making a decision under a lot of pressures and different interests as the decision making process is open will be able to construct cooperation among LGTFs that are team-oriented in keeping the organization's stability.

According to Pearce & Robinson (2007), good leadership elements consist of vision, performance, principle, and persistence as the important ways that are utilized by leader in constructing organizational culture. That view corroborates the role of transformational leadership which has individual's role/charm to improve optimism, build trust as a symbol of success, nurture self-confidence and good attitude to achieve organization's objective that should be inserted and developed in organizational culture. The role of transformational leadership in structuring and developing government organizational culture mainly is directed to make the government officers to be able to comprehend vision and mission, encourage ability and willingness of those officers and task force to coordinate the effort in order to achieve objective as stated in the vision and mission of the organization. This finding amplifies Yukl's statement (2001) which says that only political coalition, not individual, that has pivotal role in organization. It implies that those officers have comprehensive understanding about the vision and mission of the organization, and devote their efforts to achieve the objective not merely due to individual's influence but more because of their responsibility as government officers who work for and get rewarded by the government not individual. Robbins (2003) explains that leader tend to come up in political matter; furthermore, Glueck and Jauch (1984) state that the important aspect of organizational culture is atmosphere dimension which is developed by leader's support. This statement confirms the role of transformational leadership as the mediation variable of the organizational politics' effect toward organizational culture.

This finding also supports Smina and Nistelrooij's (2006) finding which mentions that organizational culture, organizational politic, and transformational leadership are important parts that affect public organization's (government) dynamics in its strategy implementation to achieve organizational performance. It

is also in resemblance with Suri's (2007) statement that organizational politic provides ideological framework of an organization to define all of the organization's policies.

4.5.2. The Role of Organizational Politic toward Strategic Implementation through Transformational Leadership

The analysis result reveals that the indirect effect of organizational politic on strategy implementation through transformational leadership is not significant. The empirical analysis result also demonstrates that organizational politic is highly perceived by the head of Local Government Task Force due to resource constraint, complex objective, and ambiguous decision. Resource constraint (budget constraint) to implement the programs of each Local Government Task Force unit as well as the occurrence of the competition among the existing Local Government Task Forces to obtain optimum budget and allocate the budget involve several parties and conducted transparently to reinforce the role of transformational leadership in government organization. The objective of LGTF is the description of Local Region Head's vision and mission during the candidacy of Local Government Head (Regent/Mayor) based on the development plan discussion which adopts several interests during its implementation which is interpreted based on the need of each LGTF. In the effort of objective accomplishment by department/stakeholders, it causes a trade-off among interests of several parties as the form of organizational politic that requires the head of LGTF to have charm in nurturing self-confidence among his subordinates and other parties to conduct organization's tasks and to achieve organization's objectives based on the stated vision and mission.

Ambiguous decision as the strongest driver of organizational politic shows that there are some pressures from other parties (stakeholders) that are affected by the decision; the decision is made by considering several interests of several parties/stakeholders. The decision making process is conducted in transparent situation which enforces organization's leader to improve high self-confidence and high ability to enhance optimism of his subordinates for achieving better future. Leader's figure is as the symbol of success which encourages citizenship and self-confidence among subordinates toward their leader in conducting their tasks and cultivate good attitude to achieve organization's objective. However, this condition does not affect strategy implementation mainly in adjusting the stated planning in the *APBD* (Local Income and Expenditure Budget) to the programs based on the functional aspect of the LGFT and program which prioritizes on the vision and mission achievement.

Program and budget arrangement in government organization is based on the applicable law and regulation so that when the resource constraint occurs, complex objective and ambiguous decision must meet the applicable law and regulation still. It indicates that better political organization does not cause significant effect on the strategy implementation eventhough it is mediated by transformational leadership.

4.5.3. The Role of Organizational Politic toward Strategy implementation through Organizational Culture

The result indicates that there is no significant indirect effect of organizational politic toward strategy implementation through organizational culture. The empirical finding shows that organizational politic is highly perceived by the Head of Local Government Task Force due to resource constraint on financing the activity of LGTF so that it instigates competition among LGTFs to achieve possible high budget. The resource allocation which involves long processes and several parties/stakeholders intensifies the climate of organizational politic. The aim of LGTF based on the defined vision and mission description through *musrenbang* (development plan discussion) by considering several parties' interests instigates comprehension on the objectives that should be adjusted to each of the LGTF's interest; thus, it causes a trade-off among those interests. The role of power in strategy decision making since it has to consider several interests and should be conducted in open state of affairs reflect high organizational politic in government organization.

Resource limitation often occurs in government organization since there is no equilibrium among LGTF's programs and activities compared to the available budget. Furthermore, the complex objective of LGTF as it comes from various interests can trigger competition among LGTFs themselves. Thus, through *musrenbang* (*musyawarah rencana pembangunan*/ development plan discussion), it can arrange strategic decisions that are needed to achieve organization's objective based on the vision and mission of the organization. Strategic decision in public organization is much driven by political interest. Just like a research from Miles (in Farrell & Petersen, 1982) which shows that the biggest public organization's achievement is affected by politics; it resembles the thought which states that organizational politic provides irrational influence in decision making process. Since strategic decision is much influenced by political interests, it should be balanced with rational-analytical and intuitive-emotional decision approaches.

Organizational politic which is highly perceived by the Head of LGTF do not have significant effect on organizational culture. It implies that even the organizational politic is high, organizational culture on government organization (LGTF) will remain stable. The strength of organizational culture on government

organization comes from all of the related parties in government governance, both individually or institutionally that are driven by core values of organization deeply and shared among all of the related parties. The core value of government organization is described on the officers who are able to clearly comprehend the vision and mission of organization, committed to work for achieving the vision and mission, and work in balanced0coordination among the peer officers, units, as well as other institutions.

Through the description related to the mission statement, it is further confirmed that the content of values in vision and mission will define the main activity of an organization. According to Heene, Desmidt, Afiff, and Abdullah (2005), culture perceives mission statement as an ideal instrument do deliver basic values conception of an organization that in turn will affect cultural identity and direction of the organization. The process of mission and mission accomplishment as the core value of an organization translated into objective and strategic action are perceived as crucial part in strategy implementation to achieve organization's objective. Therefore, organization's core value in the form of organization's vision and mission, committed to work for achieving the vision and mission, and working in coordination among officers, units, and other institution become the strong foundations of strategy implementation.

According to Ndraha (2005) the formulated and acknowledged document which contains vision, mission, credo, and etc. of an organization is the value system that wants to be delivered and internalized by all of the organization's elements; in other words, it is shaped as the culture of an organization reflected as its output. Therefore, organizational culture of government organization (LGTF) contributes considerable effect on the strategy implementation. The direct effect of organizational politic on organizational culture is not significant; thus, it concludes that there is no significant indirect effect of organizational politic toward strategy implementation through organizational culture.

4.5.4. The Role of Transformational Leadership toward Strategy Implementation through Organizational Culture

The analysis result indicates that there is indirect significant effect of transformational leadership on strategy implementation through organizational culture. When the coefficient of the indirect effect is positive, it implies that stronger transformational leadership results on more effective strategy implementation if organizational culture is stronger as well.

The Head of LGTF based on Article 28 of Law No.25/ 2004 has the responsibility to assist local government head in controlling development plan implementation; furthermore, the Head of LGTF is the assistant of Local Government Head (Regent/ Mayor) in local government governance. To carry out the tasks, when the research result reveals the need of transformational leadership, leadership must be based on the action that is guided by shared internalization. Block's (2003) research shows that transformational leadership among supervisors has positive relationship with the workers' perception related to their involvement, consistency, mission, and adaptation ability (organizational culture).

Leader and his subordinates are empowered based on the shared vision and mission; and, each party is interdependent as partner in work. The most important pattern on LGTF's Head in making a planning control (strategy implementation) and as the assistant of Local Region Head (Regent/ Mayor) is to communicate a clear vision and improve optimism among subordinates to achieve better future, focus on job accomplishment, and trusted as a symbol of organization's success, cultivate citizenship and self-confidence in conducting their task, as well as encourage good attitude to obtain organization's objective. All of those elements are directed to improve employee's and/or stakeholder's ability for attaining higher outcome. As explained by Thompson (2008), transformational leadership is a leadership which places and empowers his subordinates to go beyond a transactional relationship which considers only loss and profit analysis.

Strategic planning of LGTF as mentioned in Article 151 Law No.32/2004 about Local Government contains vision, mission, objective, strategy, policy, program, and development activity based on the task on function. In the implementation, the head of LGTF identifies, articulates, and helps others to internalize the shared values and beliefs as well as the vision and mission to become explicit so that they can be distributed based on its task and function with full of awareness. At this point, transformational leadership takes its role as the foundation of the important change and organizational culture development. Leader transforms expectation to be successful among his subordinates as well as the organization's values and develops organizational culture to achieve organization's objectives. Askanasy's *et.al.* (2000) finding shows that culture continuance can be achieved from role distribution of the leadership style in influencing its members to achieve organization's objectives.

The cultural values of an organization focus on the organization firmness become the foundation in strategy formulation. Described by Pearce and Robinson (2003), strategic management is centered to a belief that organization's mission can be best-achieved through systematical and comprehensive assessment toward internal capability and external environment of an organization; according to David (2006), strategy formulation includes vision and mission development, and select particular strategy that is going to be implemented. After

strategy formulation, the next process of strategic management is strategy implementation which is about how the strategy is conducted. Based on David and Wheelen (2003), to support strategy implementation, organization arranges programs, budget, and procedures that are needed to achieve organization's objective based on organization's vision and mission. Therefore, organizational culture based on strong influence of transformational leadership by the Head of LGTF becomes the foundation to arrange programs, budget, and procedures (strategy implementation) in government organization. Here, it reveals that there is strong effect of transformational leadership toward strategy implementation through strong organizational culture.

4.5.5.   The Role of Organizational Politic toward Strategy implementation
through Transformational Leadership and Organizational Culture
The analysis result indicates that the indirect effect of organizational politic toward strategy implementation through transformational leadership and organizational culture is significant. The coefficient of the indirect effect is positive which implies that stronger organizational politic results in more effective strategy implementation if transformational leadership and organizational culture are stronger as well.

Referring to Law No. 25/ 2004 about System of National Development Plan, development plant is arranged by considering political approach. It means that vision, mission, and program of an elected Regent/City Mayor becomes the middle range vision and mission of the local government; meanwhile the program of the elected Regent/City Mayor becomes the main policy and described in RPJM (*Rencana Pembangunan Jangka Menengah/*Medium Term of Development Plan). The arrangement processes of *RPJMD* (Local Government Medium Term Development Plan), *Rencana Kerja Pemerintah Daerah* (*RKPD*/ Local Work Plan), and *Rancangan Anggaran Pendapatan dan Belanja Daerah* (*APBD*/ Local Income and Expenditure Budget) show the occurrence of decision flow and action that are directed to the development of effective strategies to achieve organization's objective. One of the approaches that is utilized in strategic decision making based on Glueck and Jauch (1984) is descriptive approach. In descriptive approach, strategic decision is decided by considering some pressures from other parties that are influenced by the decision. Those who are involved in strategic decision making should adjust and discuss each other, as well as obey the rules of the game. Decision making should also consider whether the decision outcome is politically applicable.

Strategic decision that is much influenced by politics rather than regular decision (Luthans, 2006) and affected by any power which can be utilized to support particular parties (Robbins, 2006) is an ambiguous decision that opens multiple diverged interpretations. Ambiguous decision that is perceived in the process of strategic planning mainly during the strategy implementation stage on government organization indicates the most influential driver of organizational politic. It happens during strategic decision making process that should consider several pressures from several parties (stakeholders) that are influenced by the decision. It is made by combining several interests from several parties/stakeholders in open and transparent decision making process. The high effect of organizational politic on strategy implementation process mainly is on strategy implementation requires the role of the LGTFs' Heads to find the balance among several parties/stakeholders who have different objectives and interests in order to accommodate those interests at their best. According to Robbins (2003), charismatic leadership tends to come up in politics; while transformational leadership is charismatic leader. Kuhl *et.al.* (2005) mention that transformational leader has the ability to identify involved parties/stakeholders, open a network with them, communicate credibly with them related to what to do, and equalize as well as empower those parties/stakeholders.

Strong organizational politic reflected on the high ambiguity of a decision during strategy implementation stage in government organization triggers strong transformational leadership mainly on the individual's influence/charm to arise optimism among government officers as well stakeholders for achieving better future as they are able to obtain the defined objectives. The leader assures his subordinates or stakeholders to comprehend leadership as a symbol of organization's success. Through the power and authority they have, the Heads of LGTFs influence their subordinates and stakeholders to cultivate citizenship and self-confidence in handling their responsibility as well as encourage good attitude to achieve organization's objective. The presence of strong organizational politics' role on government organization's strategy implementation requires LGTF's leadership that is able to develop the needed individual's characteristics to utilize transformational leadership's behavioral skills effectively.

The significant role of organizational politic toward strategy implementation is enough if it is only through transformational leadership; it also needs organizational culture to define strategy implementation effectiveness. Schein (2005) explains that possibly the only crucial parts to be conducted by a leader is building organizational culture. It means that transformational leaders must develop common principle about the importance of compliance and faith on a set of shared values.

To define organizational philosophy as a brief statement about values and beliefs, to develop programs and procedures, and the manifestation of values and beliefs on the leader's actions regularly and consistent implementation of that values and beliefs are parts of strategic management. Program and operation procedures

arrangement that are developed by the leader to build culture is the manifestation of strategy implementation. When a leader builds organizational culture, inevitably it strengthens his organizational politics' role on strategy implementation. Thus, it concludes that better organizational politic results in higher achievement of strategy implementation if it is mediated by transformational leadership and organizational culture.

V   Research Limitation

The limitations of this research are:
1. Research's respondents are the Heads of Local Government Task Force among Departments, Institutions, and Offices in Regency/City Governments of East Java Province which exclude other forms of Local Government Task Force such as General Election Commission's Secretariat, District, and Village Levels so that the result does not applicable for all of the Local Government Task Forces in Regency/City of East Java Province.
2. This research is conducted in Regencies/Cities of East Java Province so that the result related to the role of organizational politic, transformational leadership, and organizational culture toward strategy implementation cannot be generalized on the Local Government Task Forces of the different regions in Indonesia.
3. In this research, primary data collection is conducted by arranging interview based on the prepared questionnaire; moreover, data collection session is conducted during the working hours of the Local Government Task Force's Head. Taking this fact into account, the interview is not optimum since it is limited by time availability and other queuing responsibilities of the Local Government Task Force's Head to handle.
4. This research is conducted at public organization setting which substantially it contains political interest which is probably dominant; thus, the result may not be able to be generalized for profit-oriented organization (private sector).

V.   Conclusion And Suggestion

6.1 Conclusion

Based on the results above, it leads to the following conclusions:

1.   The effect of ambiguous decision is the strongest indicator of organizational politic which affects strong organizational culture that is oriented to vision and mission as well as take the effort to achieve the defined vision and mission in coordinative approach through individual mediation who has charm, symbol of organization's success, cultivates citizenship and self-confidence in task accomplishment, and nurture good attitude to achieve organization's objective.

2.   Strong transformational leadership primarily in improving optimism among his subordinates to achieve better future indicates leader as the symbol of organization's success, cultivate citizenship and nurture good attitude that result in effective strategy implementation, particularly during Local Income and Expenditure Budget (*APBD*) arrangement process through the mediation of organizational culture mainly which is oriented to vision and mission, and take the effort to achieve the vision and mission in coordinative approach.

3.   Strong organizational politic affects strategy implementation effectiveness through the mediation of transformational leadership and organizational culture. Organizational politic is mostly defined by the strength of individual's and group's role toward decision making process and decision outcome which accommodate several interests when the decision making process is done in open state of affairs so that it will encourage the effectiveness of strategy implementation primarily in budget arrangement (Local Income and Expenditure Budget). Strong organizational politic affects budget arrangement only if it is mediated by organization's leader who has charm, authority symbol, citizenship and self-confidence to carry out his task accomplishment as well as a leader who is able to nurture good attitude in achieving organization's objective; also, it needs strong organizational culture which are oriented to organization's vision and mission and take the effort to achieve the vision and mission in coordinative approach.

6.2. Suggestion

Based on the research results, it proposes some suggestions as follow:

1.   Strategy implementation mainly in budget arrangement processes Local Revenue and Expenditure Budget (APBD/*Anggaran Pendapatan dan Belanja Daerah*) cannot be separated from the strong influence of organizational politic as the manifestation of public organization's characteristic, primarily related to the ambiguous decision which is reflected on the decision making process that considers several pressures from several stakeholders, combine several interests, and open as well as transparent decision making process. Thus,

to achieve effective strategy implementation of the organizational politic, it needs to be mediated by strong transformational leadership and organizational culture.

2.   The strong role of organizational politic toward strategy implementation should be supported by strong transformational leadership, primarily in leadership determination which has individual/charismatic influence, leader's figure as the symbol of organization's success, cultivate citizenship and self-confidence in handling their responsibility, and encourage good attitude to achieve organization's objectives.

3.   To achieve effective strategy implementation from the strong influence of organizational politic, it requires strong transformational leadership and strong organizational culture as well. In LGTF, strong organizational culture must be shaped from the stable and firm established values of the organization mainly in defining the comprehension on vision and mission of the organization, vision and mission achievement, and work in coordination among peer officers, units, and other institutions.

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