County Magistrate Leadership Behavior and County Government Performance: Mediating Effect of Subordinate Trust

Jiazheng Ma* (Shanghai Administration Institute, Shanghai 200233)

Abstract: Subordinate trust as an important dependent variable of leadership behavior and the key independent variable of organization performance, its medium function between county magistrate leadership behavior and government performance cannot be ignored. This paper regards social exchange theory and transformational leadership theory as a foundation, through an empirical research approach to analyze the mediating role of subordinate trust. Research results show that the mediating effect of subordinate trust exists between county magistrate leadership behavior and county government performance. Among that, the impact of transformational leadership behavior to the government performance through subordinates trust is stronger than transactional leadership behavior’s. The direction of the indirect effect on government performance that different county magistrate leadership behavior has is in accordance with the direction of direct effect. Furthermore, population control variables such as gender, age, length of work have no significant influence on the research results.

Key words: leadership behavior; subordinate/ follower; trust; government performance

1. Introduction

With the further reform of China's administrative system, the functions of different levels of government are becoming much clearer. Local governments, particularly county governments have become the main provider of public services in the process of performing government functions. From the central to local, scholars have actively committed to assist all levels of government in seeking for effective approaches to improve the quality of public products or services, and then get better government performance to enhance the govern ability. The improvement of leadership behavior and the upgrading of leader's effectiveness are becoming the key components of those approaches. More and more scholars began to focus on a specific question: how does the government achieve organizational performance improvement by improving leadership and the overall quality of subordinate civil servants on the context of China, and issues especially regarding local government level are becoming hot topics. Therefore, the focus on the county government, an important part in China’s administrative system which is the connecting link between central and local, and the county level study of leadership behavior issues and their impact on government performance are undoubtedly necessary and meaningful.

* Jiazheng Ma (1983-), PhD, lecturer in Shanghai Administration Institute. E-mail: majiazheng@gmail.com
2. Theoretical background and hypotheses

Subordinate trust as an important dependent variable of leadership behavior and independent variable of organizational performance, its intermediary effect between county magistrate leadership behavior and county government performance cannot be ignored. Especially for county magistrate, the highest leader of county government, the nature of his work and his responsibilities made him complete the tasks usually through this approach, which is "through a variety of leadership behavior to make subordinates understand task requirements -> subordinate’s execution -> objectives achievement". Thus, the subordinates become the key link of completing organizational goals. According to the Leader-Member Exchange theory (LMX), when a subordinate gets some tasks from his leader, how to deal with them depends on how close the relationship between the leader and him is. When he and the leader have trust relationship (aka they are "insiders"), he will choose positive behavior to complete the instructions, in order to consolidate bilateral relations. Those pro-active behaviors can usually get a higher personal job performance and organizational performance. It looks like that leadership behavior influences the performance indirectly. However, if mutual trust is lacking between them (aka they "outsiders"), subordinates most likely to choose non-active approach to work, even deliberately delay or slack. The direct consequence is to reduce personal and organizational performance, and make leadership behavior indirectly produce negative impact on performance. Therefore, subordinate trust has clear media role between leadership behavior and organizational performance. It can enhance the influence of leadership behavior to organizational performance.

For different types of leadership behavior, leadership behavior’s impact on subordinate trust formation is different. Based on the transformational leadership theory and social exchange theory, transformational leadership behavior has the most significant contribution on the formation of subordinate trust, which is bigger than transactional leadership behavior’s contribution. The laissez-faire leadership behavior can weaken the formation of subordinate trust. Since subordinate trust is a mutual trust relationship. Once it established, consolidation of this relationship needs both sides’ contribution. According to Serva et al (2005), the establishment of trust begins with the voluntary input from person A to person B. These two people will connect with each other through the feedback from person B to person A. This feedback also can be treated as voluntary input. If person A is satisfied by the feedback from person B, he will continue to maintain or increase voluntary input. If person B wants to maintain this trust relationship, he also needs to maintain or increase the corresponding feedback to person A. With the consolidation of trust relationship, content and strength of the voluntary input from two people will increase. The factors which are associated with the voluntary input will also have corresponding increase. For example, if some leadership behavior from county magistrate inspires the formation of subordinate trust, with consolidation of subordinate trust, other relevant factors of subordinate trust (such as job performance, organizational commitment, etc.) will also be improved. For the factors that have more influence on the formation of subordinate trust, they also have higher influence on other
related factors of subordinate trust. So, when the subordinate trust as a medium, the transformational leadership behavior, which has largest contribution to the formation of subordinate trust, will also have the highest influence to the organization performance which is related with subordinate trust.

Therefore, based on literature review, we make the following assumptions of the mediating effect of subordinate trust between county mayor leadership behavior and county government performance:

H1: Subordinate trust is the mediating variable between county mayor leadership behavior and county government performance;

H2: The impact of transformational leadership behavior of county mayor on county government performance through subordinate trust is bigger than of transactional leadership behavior.

H3: The direction of the indirect effect on government performance that different county magistrate leadership behavior has is the same as the direction of direct effect.

3. Research methods

3.1 Samples and sampling

We surveyed 16 counties in Gansu Province of China. Respondents were totally county government staff. We required them to complete the questionnaires based on their own situation. The survey received 304 civil servants’ support. Removing the invalid questionnaires, final valid questionnaires is 216. The effective rate is 71.1%. The basic information of samples is as below (Table 1). Statistics information from the sample shows that, data spread evenly in every category and there is no undue concentration. Thus, the research data have good representation.

<table>
<thead>
<tr>
<th>Table 1 Sample Basic information</th>
</tr>
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<tbody>
<tr>
<td>Variable</td>
</tr>
<tr>
<td>Gender</td>
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<td></td>
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<tr>
<td>Age</td>
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<tr>
<td>Working age</td>
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<td>Highest education</td>
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<td></td>
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<tr>
<td>Administrative level</td>
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<td>----------------------</td>
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<tr>
<td>Division level</td>
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<tr>
<td>Assistant division level</td>
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<tr>
<td>Section level</td>
</tr>
<tr>
<td>Assistant section level</td>
</tr>
<tr>
<td>Under assistant section level</td>
</tr>
</tbody>
</table>

3.2 Measurement and analysis

3.2.1 Variable measurement

The questionnaire consists of four parts. “Leadership behavior” part used “Multifactor Leadership Questionnaire” (Bass & Avolio, 1997). Total number of questions is 36. “Government performance” part used “Competitive Value-based Organization Performance Measurement” (Quinn, 1988). Total number of questions is 16. “Subordinate trust” part used “Organization internal performance Measurement” (Nyhan, 1997) Total number of questions is 8. These three parts were using Likert scale form. Last part of the questionnaire collected personal information of the respondents, involving gender, age, seniority and other demographic control variables. We got the final questionnaire after optimizing the initial questionnaire.

3.2.2 Data analysis

Before using the structural equation modeling, we tested reliability and validity of the questionnaire. Factor analysis showed it has good construct validity. “Cronbach α coefficient” is 0.846, and “Split-half Reliability Coefficient” is 0.869. This means this scale has good internal consistency and high reliability. It can meet the follow-up analysis requirements.

First of all, we obtained the structural equation modeling by AMOS18.0 (Figure 1) and the degree of structural equation model fitting (Table2).

![Figure 1 Structural equation model diagram](image-url)
From above table, we can see, P value is above 0.05. It indicates that the structural equation model does not have significant statistically difference. So, the theoretical models and empirical models are fit. Meanwhile, RMSEA, NFI, CFI also meet the requirements of structural equation model validation. Therefore, it can be concluded, the result of model fitting is acceptable.

Then, we calculate the loading factor of measurement model (Table 3).

### Table 3 Loading factor of measurement model

<table>
<thead>
<tr>
<th>Potential variable</th>
<th>Observed variable</th>
<th>Standardized loading factor range</th>
<th>P value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transactional leadership behavior (TF)</td>
<td>5</td>
<td>0.524~0.627</td>
<td>all&lt;0.05</td>
</tr>
<tr>
<td>Transactional leadership behavior (TS)</td>
<td>3</td>
<td>0.545~0.608</td>
<td>all&lt;0.05</td>
</tr>
<tr>
<td>Laissez-faire leadership behavior (LF)</td>
<td>2</td>
<td>0.411~0.576</td>
<td>all&lt;0.05</td>
</tr>
<tr>
<td>Government Performance (GP)</td>
<td>4</td>
<td>0.633~0.751</td>
<td>all&lt;0.05</td>
</tr>
<tr>
<td>Subordinate trust (ST)</td>
<td>2</td>
<td>0.629~0.783</td>
<td>all&lt;0.05</td>
</tr>
</tbody>
</table>

From above table, we know that every standardized loading factor is significant at 95% confidence interval. The loading factors are all over 0.4. So the measurement model is well-structured and requires no correction.

Finally, we calculate the structural model parameter estimates. (Table 4)

### Table 4 Structural model path coefficients

<table>
<thead>
<tr>
<th>Parameter defines</th>
<th>Standardized path coefficient</th>
<th>Standard error</th>
<th>Critical ratio</th>
<th>P value</th>
</tr>
</thead>
<tbody>
<tr>
<td>TF→ST</td>
<td>0.504</td>
<td>0.060</td>
<td>7.672</td>
<td>0.000</td>
</tr>
<tr>
<td>TS→ST</td>
<td>0.305</td>
<td>0.068</td>
<td>4.739</td>
<td>0.031</td>
</tr>
<tr>
<td>LF→ST</td>
<td>-0.236</td>
<td>0.119</td>
<td>-3.447</td>
<td>0.043</td>
</tr>
<tr>
<td></td>
<td>TF→GP</td>
<td>TS→GP</td>
<td>LF→GP</td>
<td>ST→GP</td>
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<td>-----</td>
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<td>--------</td>
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<td>--------</td>
</tr>
<tr>
<td>P</td>
<td>0.207</td>
<td>0.178</td>
<td>-0.126</td>
<td>0.531</td>
</tr>
<tr>
<td>t</td>
<td>3.145</td>
<td>5.241</td>
<td>-4.692</td>
<td>8.921</td>
</tr>
<tr>
<td>p</td>
<td>0.002</td>
<td>0.037</td>
<td>0.035</td>
<td>0.000</td>
</tr>
</tbody>
</table>

From the above table, we can see that all standardized path coefficients pass the significance test at the 95% confidence interval. All standardized path coefficients' P values are less than 0.05. The minimum absolute value of critical ratio is 3.145, and the maximum one is 8.921. From the standardized path coefficient, we know that transformational leadership behavior and transactional leadership behavior have a significant positive effect on subordinate trust and government performance, and the laissez-faire leadership behavior has a significant negative impact on subordinate trust and government performance. Meanwhile, the subordinate trust has a positive effect on government performance.

In addition, we did T test or ANOVA test for some demographic control variables to see the difference impact. For subordinate trust, different gender of the respondents didn’t have significant difference (t =-0.02, p> 0.05). Different age of the respondents had no significant difference (F =1.458, p>0.05). As the same, different working age of the respondents also had no significant difference (F =1.185, p> 0.05). For government performance, there was the same situation. Different genders of the respondents didn’t have significant difference (t =-0.559, p>0.05). Different ages of the respondents was no significant difference (F =0.749, p>0.05). Different working age of the respondents also had no significant difference (F = 0.762, p>0.05). So, we can say the relationships between all variables from the structural equation model were not the result of demographic control variables. Individual characteristics didn’t affect the results. The results were reliable.

4. Discussion and Conclusion

According to the results of structural model, we can see the indirect effects strength and total effects strength between three types county magistrate leadership behavior and government performance. We could get conclusions as following:

Firstly, when subordinate trust is as mediating role, the standards path coefficients from transformational, transactional and laissez-faire leadership behavior to government performance were 0.268, 0.162 and -0.125. They are totally not zero. According to Baron and Kenny’s (1986) definition of intermediate variables, subordinate trust definitely has intermediate effect. So, hypothesis H1 is supported. At the same time, the direction of direct effect from different leadership behavior to government performance is the same as the direction of indirect effect between them. So the hypothesis H3 was also supported.

Secondly, we can state intuitively from numerical path coefficient (0.268> 0.162), through subordinates trust, the influence from transformational leadership behavior to government performance is bigger than transactional leadership behavior to government performance.
Therefore, hypothesis H2 was proved.

Thirdly, comparing the total path coefficient and direct path coefficient (transformational type: 0.475 > 0.2087, transactional type: 0.340 > 0.178, laissez-faire type: -0.251 > -0.126), we know that when subordinate trust is as intermediary, the total effect are significantly higher than direct effect. Therefore, we have reason to suspect that subordinate trust is not only the intermediate variable between leadership behavior and government performance, but also the moderator variable likely. Because we did not test this type of variable in our research, so this status is only an interesting additional finding.

Finally, comparing the indirect and direct path coefficient (0.268 > 0.207), the indirect effect strength from transformational leadership behavior to government performance via subordinate trust is higher than the one that transformational leadership behavior effect on government performance. This is undoubtedly another evidence for subordinate trust may be a moderator variable.

In summary, this study analyzes the role and function of subordinates trust in the process of county magistrate leadership behavior affecting government performance, under the full attention of that as a close link in between leaders and subordinates, subordinate trust plays a catalyst role on the organizational performance improvement. Concerning about the media role of subordinate is undoubtedly essential for more comprehensive understanding on how leadership behavior impacts organizational performance and its process. Especially, analysis from social exchange perspective on the role of subordinate trust in the Leader-Member Exchange (LMX) will lead to more comprehensive and profound understanding of itself, and it’s also significant at certain level for drawing attention to subordinates function in the performance improvement process and making best use of it. But on the other hand, the analytical framework has been simplified regarding the interaction process between the county head and its subsidiaries, no detailed analysis of leadership process and the mechanism of external environmental factors. Only focus on the county magistrate, a relatively microscopic group, is clearly not enough for systematically understanding the leadership issues of public department. Therefore, we can base on the findings of this study and add more leadership elements in future studies so that the related research can be done deeply and systematically.

References

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