

The Mediating Role of Work Environment in the Relationship between Visionary Leadership and Employee Performance: Evidence from Public Health Offices in West Java, Indonesia

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ABSTRACT

Keywords:
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Background: Digital transformation in Indonesian public health governance has placed new demands on employee performance at District/City Health Offices. Despite growing evidence on leadership-performance linkages, the specific mechanism through which visionary leadership shapes employee performance via work environment in Indonesian public health organizations remains empirically underexplored. This study investigates the mediating role of work environment in the relationship between visionary leadership and employee performance.

Method: This quantitative cross-sectional study surveyed 180 Standard Minimum Service program managers across 27 District/City Health Offices in West Java Province using proportionate stratified random sampling. Data were collected through structured questionnaires and analyzed using Structural Equation Modeling-Partial Least Squares (SEM-PLS) with SmartPLS 3.0, testing three hypotheses regarding visionary leadership, work environment, and employee performance relationships.

Results: All three hypotheses were supported. Visionary leadership demonstrated a very strong direct effect on work environment ($\beta=0.916$, $t=43.512$, $p=0.000$), and work environment significantly influenced employee performance ($\beta=0.439$, $t=2.854$, $p=0.016$). The indirect mediation path was significant ($\beta=0.402$, $t=2.798$, $p=0.005$), confirming full mediation. The direct effect of visionary leadership on performance was not significant ($\beta=0.183$, $p=0.239$), establishing that work environment is the necessary conduit for leadership's performance impact.

Conclusion: Visionary leadership increases employee performance exclusively through the creation of a conducive work environment, not through direct supervision. Health office leaders should prioritize investments in technology infrastructure, collaborative organizational climate, and supervisor support systems. These findings align with Islamic management principles of amanah (trustworthiness), tabligh (communicative vision), and ta'awun (mutual cooperation).

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INTRODUCTION

The digital transformation of public health governance in Indonesia has placed new demands on the competency and performance of civil servants at District and City Health Offices (Dinas Kesehatan Kabupaten/Kota). In West Java Province Indonesia's most populous province with 27 kabupaten/kota administrations performance disparities across health offices have been widely documented, yet the organizational mechanisms that explain these disparities remain insufficiently understood. Among the most fundamental, yet underexplored, mechanisms is the role of work environment as a conduit through which visionary leadership translates into actual employee performance outcomes.

Empirical assessments of health office conditions in West Java reveal a significant environmental gap: 40% of health offices operate with work environments that insufficiently support employee productivity, marked by limited technology facilities (45%), ineffective inter-unit communication (38%), and a non-collaborative organizational climate (35%) (Kemenkes RI, 2023). Concurrently, only 58% of health office leaders demonstrate consistent visionary leadership behaviors. These figures indicate that leadership potential is not being efficiently channeled into performance outcomes a gap that points to the mediating role of work environment.

While prior research has extensively documented direct effects of leadership on employee performance (Tiwari & Lenka, 2015; Kim & Jang, 2020), the specific mechanism through which visionary leadership influences performance via work environment in Indonesian public health organizations has not been directly and empirically tested. Most studies either test direct leadership effects or use work environment as an independent variable rather than a mediator. This constitutes a gap that the present study addresses.

In Islamic management perspective, this mechanism resonates deeply with the concept of *ta'awun* (mutual cooperation and support, QS. Al-Maidah: 2) as the organizational condition through which a leader's *amanah* (trustworthiness) and *tabligh* (communicative vision) become materially experienced by employees in their daily work environment. A visionary leader embodying prophetic leadership qualities (Antonio, 2007) does not merely inspire through words, but through the tangible organizational environment they create the facilities, climate, and relationships that constitute employees' immediate work reality.

This study therefore tests three focused hypotheses: (H1) visionary leadership positively influences work environment; (H2) work environment positively influences employee performance; and (H3) work environment mediates the relationship between visionary leadership and employee performance. The findings contribute empirically to the leadership-performance literature in the Indonesian public health sector and practically to health governance reform strategies.

LITERATURE REVIEW

Visionary Leadership in the Context of Public Organizations

Visionary leadership is the capability to create, communicate, and implement a compelling vision for the organization's future (Robbins, 2006). Schermerhorn (1999) operationalized it through five behavioral dimensions: challenge the process, enthusiastic, help others to act, set the example, and celebrate achievement. In Islamic organizational theory, these dimensions parallel the four prophetic characteristics: *fathanah* (challenge the process reflects strategic intelligence), *tabligh* (enthusiastic reflects transparent communication), *amanah* (set the example reflects trustworthiness), and the collective spirit of *ta'awun* (help others to act and celebrate achievement reflect cooperative leadership) (Antonio, 2007; Badroen et al., 2006).

Visionary leadership has been consistently associated with positive organizational outcomes across sectors. Tiwari and Lenka (2015) confirmed its positive effect on employee engagement and performance. Alobeidli et al. (2024) demonstrated its role in fostering innovative work behavior through knowledge sharing. However, in complex public sector bureaucracies, the direct effect of leadership on performance is frequently non-significant, suggesting that enabling intermediary mechanisms—such as work environment must be present for leadership's potential to be realized (He et al., 2022; Plimmer et al., 2024).

Work Environment as a Mediating Mechanism

Work environment encompasses the totality of physical, relational, and institutional conditions surrounding employees' work activities. Physical dimensions include workspace ergonomics, facilities adequacy, and technology access. Relational dimensions include supervisor support, peer relationships, and team climate. Institutional dimensions include role clarity, procedural fairness, and organizational support (Zhenjing et al., 2022). In the context of Indonesian public health offices, work environment quality is particularly critical given the digitalization demands of health service delivery.

The mediating function of work environment between leadership and performance has been theorized through multiple frameworks. Armstrong and Taylor (2020) argue that leadership-performance relationships in organizational contexts operate through intermediary environmental conditions work environment being the most proximal contextual factor that translates leadership behaviors into daily employee experience. Denison's (1990) Organizational Climate Theory further establishes that leadership is the primary antecedent of organizational climate, whose characteristics then mediate the relationship between leadership and performance outcomes.

Empirically, Zhenjing et al. (2022) demonstrated that employee workplace environment positively affects performance through multi-mediation pathways including commitment and achievement-striving ability. Nusraningrum et al. (2024) confirmed that green work environment mediates the motivation-performance link in Indonesian organizational contexts. These findings collectively suggest that work environment functions as a critical transmission mechanism in the leadership-performance chain.

Hypothesis Development

Work environment quality in public health offices is primarily shaped by the behaviors of organizational leaders (He et al., 2022; Mollah et al., 2024). Visionary leaders who communicate a compelling transformation vision, provide adequate technology resources, build collaborative organizational climate, and model expected behaviors directly shape the environmental conditions employees experience daily. Based on this reasoning: H1: Visionary leadership positively influences work environment.

A conducive work environment enhances employee performance by reducing barriers to effective work, increasing motivational conditions, and facilitating collaboration and information sharing (Zhenjing et al., 2022; Pandey & Gupta, 2023). In public health offices, environments with adequate technology facilities, clear inter-unit communication, and supportive supervisory relationships enable employees to carry out their responsibilities more effectively and efficiently. Based on this: H2: Work environment positively influences employee performance.

Given that visionary leadership strongly shapes work environment (H1), and work environment substantially influences performance (H2), and given empirical evidence that in hierarchical public organizations leadership's performance impact operates primarily through enabling contextual mechanisms (Plimmer et al., 2024; Ahmad et al., 2024), work environment is expected to mediate the leadership-performance relationship. In Islamic management terms, the leader's amanah and tabligh create an environment of ta'awun that enables employee itqan (professional excellence). Based on this: H3: Work environment mediates the relationship between visionary leadership and employee performance.

METHOD

This study adopts a quantitative explanatory design with cross-sectional survey methodology, consistent with a positivist paradigm and deductive approach (Creswell & Creswell, 2018; Hair et al., 2019). The study was conducted at all 27 District/City Health Offices (Dinas Kesehatan Kabupaten/Kota) in West Java Province, Indonesia. The population comprised permanent civil servant employees serving as Standard Minimum Service (SPM) program managers actively employed at the time of data collection.

Proportionate stratified random sampling yielded a sample of 180 respondents distributed across all 27 kabupaten/kota. This satisfies the minimum requirements for SEM-PLS analysis (Hair et al., 2019). Inclusion criteria: active civil servant status, direct involvement in SPM program management, and minimum one year of tenure. Employees on extended leave or study assignment were excluded.

Table 1. Research Variables, Dimensions, and Measurement Reference

Variable	Dimensions	Items	Reference
Visionary Leadership	Challenge the process; Enthusiastic; Help others to act; Set the example; Celebrate achievement	20	Schermerhorn (1999); Tiwari & Lenka (2015); Robbins (2006)
Work Environment	Work hours; Work safety; Interpersonal relationships; Organizational support; Technology facilities; Organizational climate	18	Zhenjing et al. (2022); Armstrong & Taylor (2020); He et al. (2022)
Employee Performance	Quality of work; Quantity; Timeliness; Effectiveness; Independence; Cooperation	18	Robbins & Judge (2019); Mangkunegara (2017)

Data were collected via structured questionnaire using a 5-point Likert scale. Analysis employed SEM-PLS with SmartPLS 3.0, selected for its flexibility in analyzing complex causal models, absence of multivariate normality requirements, and suitability for prediction-oriented explanatory research (Hair et al., 2019). Analysis proceeded in two stages: (1) outer model evaluation—convergent validity (AVE > 0.5), composite reliability (CR > 0.8), Cronbach's alpha (α > 0.7), and discriminant validity via HTMT < 0.85; (2) inner model evaluation path coefficients, R^2 , Q^2 predictive relevance, and mediation significance via bootstrapping with 5,000 resamples following Baron & Kenny (1986) and Hayes (2013) procedures.

RESULTS AND DISCUSSION

Measurement Model Evaluation

Table 2 presents measurement model results. All constructs met validity and reliability thresholds: AVE values exceeded 0.50 (convergent validity), Composite Reliability ranged from 0.87 to 0.91, and Cronbach's alpha exceeded 0.70 across all constructs. HTMT ratios were all below 0.85, confirming discriminant validity. The measurement model provides a sound basis for structural analysis.

Table 2. Measurement Model Results

Construct	AVE	CR	Cronbach's α	HTMT
Visionary Leadership (VL)	0.58	0.91	0.88	< 0.85 ✓
Work Environment (WE)	0.55	0.88	0.84	< 0.85 ✓
Employee Performance (EP)	0.54	0.87	0.83	< 0.85 ✓

Using the three-box method (Ferdinand, 2014; score index 70.01–100), all three study variables are in the 'high' category. Visionary leadership is rated high and effective, with the set the example dimension receiving the highest endorsement consistent with Antonio (2007), who identified keteladanan (exemplary behavior) as a core prophetic leadership attribute that shapes organizational conditions. Work environment is rated as generally conducive; however, technology facilities and inter-unit organizational climate scored relatively lower, consistent with findings by Almuqrin et al. (2024) that infrastructure gaps remain the principal barrier to public sector digital performance. Employee performance is at a satisfactory level overall, with quality of work (kualitas kerja) receiving the highest endorsement.

Structural Model and Hypothesis Testing

Table 3 presents the direct and indirect effect results for the three hypotheses.

Table 3. Hypothesis Testing Results Direct and Indirect Effects

H	Path	Effect	β	t-stat	p-value	Decision
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H1	Visionary Leadership → Work Environment	Direct	0.916	43.512	0.000	Supported
H2	Work Environment → Employee Performance	Direct	0.439	2.854	0.016	Supported
H3	VL → Work Environment → EP (Mediation)	Indirect	0.402	2.798	0.005	Supported
	VL → EP (Direct — H4 in full model)	Direct	0.183	0.709	0.239	Not sig.

Note: R^2 Work Environment = 0.839; R^2 Employee Performance = 0.793. VL = Visionary Leadership; EP = Employee Performance.

Discussion

H1 is supported ($\beta=0.916$, $t=43.512$, $p=0.000$), demonstrating that visionary leadership exerts an exceptionally strong effect on work environment quality the strongest direct path in the entire structural model. This finding is consistent with He et al. (2022), who confirmed that in public sector organizations undergoing digital transformation, leadership behaviors are the primary determinant of work environment quality. It is also consistent with Cheng et al. (2025), who demonstrated that digital leadership significantly shapes organizational culture and climate. The strength of this path ($\beta=0.916$) indicates that leaders who embody the dimensions of challenge the process, enthusiastic, help others to act, set the example, and celebrate achievement comprehensively shape all facets of the work environment physical facilities, relational climate, and institutional support.

From an Islamic management perspective, this finding demonstrates that a leader who truly embodies *tabligh* (communicating vision transparently) and *amanah* (building trust through consistency) does not merely inspire verbally. Rather, their leadership manifests materially in the organizational environment in the ergonomics of the workspace, the quality of interpersonal relations, the adequacy of technology infrastructure, and the clarity of organizational support systems. As Armstrong and Taylor (2020) argue, the proximal workplace environment is the most tangible expression of leadership's organizational impact, the space where abstract vision becomes concrete daily experience for employees.

H2 is supported ($\beta=0.439$, $t=2.854$, $p=0.016$), confirming that work environment quality significantly and positively influences employee performance. This is consistent with Zhenjing et al. (2022), who confirmed multi-pathway effects of workplace environment on performance through commitment and achievement-striving. Pandey and Gupta (2023) meta-analytic evidence similarly establishes a positive work environment-performance relationship across organizational settings. In public health offices specifically, a conducive work environment reduces friction in digital health information system utilization, improves inter-unit coordination for SPM program implementation, and strengthens the motivational conditions for professional work conduct. From an Islamic organizational perspective, this reflects the principle that *ta'awun* (mutual cooperation) in the work environment materializes as *itqan* (professional excellence) in performance output work quality becomes the natural fruit of a supportive organizational ecosystem.

H3 is supported ($\beta=0.402$, $t=2.798$, $p=0.005$), confirming full mediation: work environment mediates the relationship between visionary leadership and employee performance. Critically, the direct effect of visionary leadership on performance is not significant ($\beta=0.183$, $p=0.239$), establishing that work environment is the necessary conduit through which visionary leadership exerts its performance impact. This finding extends and complements Plimmer et al. (2024), who documented that in public service organizations, leadership's performance effects operate primarily through contextual enabling mechanisms. It is also consistent with the foundational argument of Wright and McMahan (2011) that in hierarchical public sector organizations with rigid bureaucratic structures, direct leadership-to-performance pathways are constrained, making the quality of intermediary organizational conditions critical.

The full mediation pattern revealed here carries an important practical message for health governance: investing in strong visionary leadership without simultaneously investing in work environment quality will yield limited performance returns. The leader's vision must be operationalized through concrete improvements in the work environment technology infrastructure, organizational climate, supervisor-subordinate relationships, and role clarity for performance benefits to materialize. This is what Wright and McMahan (2011) term the contextual transmission of leadership: the

organizational environment is the medium through which leadership potential is converted into performance actuality. In Islamic organizational theory terms, the leader's prophetic qualities (siddiq, amanah, tabligh, fathanah) produce organizational ta'awun as the intermediate state, from which individual itqan in performance naturally follows (Antonio, 2007).

CONCLUSION

This study establishes empirical evidence for the full mediating role of work environment in the visionary leadership–employee performance relationship at District/City Health Offices across West Java Province ($\beta=0.402$, $t=2.798$, $p=0.005$). Visionary leadership's direct effect on performance is non-significant, confirming that work environment is the necessary transmission mechanism through which leadership vision is converted into employee performance outcomes. Three hypotheses were supported: visionary leadership strongly shapes work environment ($\beta=0.916$), work environment significantly influences performance ($\beta=0.439$), and work environment fully mediates leadership's effect on performance.

The theoretical contribution of this study is twofold: first, it provides direct empirical evidence of the full mediation mechanism positioning work environment not merely as a co-predictor but as the essential conduit of visionary leadership's performance impact in the Indonesian public health context; second, it demonstrates the alignment between empirically established organizational dynamics and Islamic management principles: the leader's amanah and tabligh create organizational ta'awun (work environment), which enables employee itqan (performance excellence).

Practical implications: Health office leaders must understand that their primary performance lever is work environment quality, not direct supervision. Strategic priorities should include: (1) investing in technology infrastructure and user-friendly digital health information systems as the physical component of work environment; (2) building collaborative organizational climate through participatory management practices and open inter-unit communication; (3) strengthening supervisor support systems through training of middle managers as the operational translators of visionary leadership into daily work environment experience; and (4) establishing performance management systems that include work environment quality as a leading indicator.

Limitations: cross-sectional design constrains temporal causal inference; performance measures rely on self-report; and geographic scope is limited to West Java. Future research should employ longitudinal designs, incorporate objective performance indicators such as SPM achievement rates and public satisfaction scores, test potential moderators such as organizational culture strength and regional digital infrastructure levels, and extend the model to other Indonesian provincial health systems for generalizability assessment.

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