

The Effect of Servant Leadership on Employee Performance with Employee Engagement and Organizational Citizenship Behavior (OCB) As A Mediation Variable in Mandiri Inhealth

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Abstract— Many companies in this era of openness and globalization offer products and services with relatively the same characteristics. This condition creates increasingly high competition in the business world, causing the business world to become very competitive, a business climate that is always changing and uncertain . This study analyzes the effect of servant leadership on employee performance with *employee engagement* and *organizational citizenship behavior* as mediating variables in Mandiri Inhealth companies. Determination of the sample using *proportionate stratified random sampling* method . The sample in the study amounted to at least 154 respondents but collected 206 respondents were analyzed using *Structural Equation Modeling* (SEM). The results of the study are there is a direct effect on *servant leadership* on employee performance, there is a direct effect on *servant leadership* on *employee engagement* , there is a direct effect on *employee engagement* on employee performance, there is a direct effect on *servant leadership* on *organizational citizenship behavior* , there is a direct effect on *organizational citizenship behavior* on employee performance, there is no indirect effect of *servant leadership* on employee performance through *employee engagement* mediation , there is an indirect effect of *servant leadership* on employee performance through mediating *organizational citizenship behavior*.

Keywords—*Servant Leadership, Employee Engagement, Organizational Citizenship Behavior, Employee Performance.*

I. INTRODUCTION

Many companies in this era of openness and globalization offer products and services with relatively the same characteristics. This condition creates increasingly high competition in the business world, causing the business world to become very competitive, a business climate that is always changing and uncertain. This requires the right efforts and company strategies so that the company's survival will be guaranteed .

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The success of an organization is influenced by the performance of individual employees, an organization will strive to improve the performance of its employees in the hope that the company's goals can be achieved. Performance is basically what employees do or don't do. Employee performance is what influences how much they contribute to the organization including output quantity, quality of output, long-term output, workplace attendance and cooperative attitude [1]. Changes in the company will be characterized by highly effective employee performance supported by a leadership style that serves with a sincere heart and especially in the world of services that this is very well implemented in order to establish good relationships with customers or survive in competition with other companies.

Improved employee performance has been widely studied through previous studies with a variety of variables and backgrounds. Previous research identified that performance is influenced by several variables namely servant leadership [2],[3],[4],[5].

Employee performance can continue to be built and improved on a regular basis, so the company does need to pay attention to factors that can support the improvement in performance with many employees violating the rules of discipline that have been implemented by the company from arriving late to absent without permission. This high level of absenteeism often occurs even though superiors have given a lot of reprimands and sanctions below is a list of employee absences during the period 2016 to 2017.

Table 1. Employee Attendance List of PT Mandiri Inhealth Jakarta Year 2016 and 2017

Month	Permission		Sick		Lost	
	2016	2017	2016	2017	2016	2017
January	3	9	15	13	11	9
February	4	3	11	9	5	4
March	1	4	1	3	2	0
April	2	1	3	2	0	4
May	2	1	0	0	0	1
June	3	2	2	0	1	0
July	1	5	5	1	0	1
August	17	19	11	12	5	3
September	6	5	1	7	2	0
October	12	10	12	17	5	5

November	10	9	14	21	6	9
December	15	13	19	25	9	11
Number of employees	76	81	94	110	46	47

Source: Mandiri Inhealth Jakarta Human Capital Bag,

Based on the data obtained in table 1.1 shows that increasing the number of absent employees in 2016 was 46 people while in 2017 there were 47 people. Given the importance of guiding employee productivity in an organization, *servant leadership* must also be a concern of the organization's management. Work motivation has a very large role and affects the level of effectiveness of employee work because without *servant leadership*, the work will not be carried out properly and smoothly.

The reason in this study is regarding the problems of employee discipline can be seen from the presence of employees who often come to work late, even though according to the working hours entered (08.00 hrs) where there is still a tolerance of 15 minutes, this shows the low level of employee discipline. Besides that, there are employees who often do not come to work without clear information, even though there are provisions that employees who do not enter without information have sanctions, and even employees who do not come in for days without a permit. Employee performance problems can be seen from the presence of employees who leave the office during working hours with personal interests. The low employee discipline from the initial field observations shows the low level of employee discipline seen from employees who come to work in the afternoon (at 09.30 West Indonesia Time) and return early (before 17.00 West Indonesia Time) from the provisions for work at 08.00 West Indonesia Time and return at 17.00 West Indonesia Time. Besides that, the employee discipline is also marked by the absence of attendance.

Given the important role of employee performance in an organization, *servant leadership* must be a concern and be carried out by company leaders. The choice to perform servant leadership style of leadership to increase *employee engagement* and create OCB is expected to improve employee performance, work will be carried out well and smoothly, and be most important for Mandiri Inhealth to achieve its goals.

II. METHOD

In this study, many aspects must be taken into account so that they can be arranged in an orderly and structured manner. It can be said, this study uses a research design using hypothesis testing research (*hypothesis testing*) with research in the form of causality research. In determining the time dimension of research, this research involves a certain time in many samples (*cross sectional*) . The data collection techniques of research carried out using questionnaires to see the effect of variable servant leadership to the performance of karyawan mediated by the variable employee engagement and organizational behavior citizenship For internal analysis in this study using the approach of *Structural Equation Modeling* (SEM).

III. RESULTS AND DISCUSSION

A. There is a Direct Effect of Servant Leadership on Employee Performance

Based on the results of hypothesis testing shows a significant direct effect between *Servant Leadership* on Employee Performance, which can be seen from the p-values of $0.003 < 0.05$. Also known is the t-value of $2.987 > 1.972$, so that the proposed alternative hypothesis (H1) can be accepted. The influence of the *Servant Leadership* variable shows that the application of servant leadership style will affect employee performance.

The results of the *path coefficient* in the form of the *original sample* are known to have a positive value (+) of 0.251 which indicates that the more leaders apply the *servant leadership* style , the more they improve employee performance. Vice versa, the lower the *servant leadership* style applied by the leadership, the lower the employee's performance.

The results of this study are in line with previous studies, including studies conducted by [2]. who found the results of a positive influence between *servant leadership* on employee performance. *Servant leadership* can encourage the strengthening of collaboration and creativity among employees, which helps organizations gain and maintain their competitive advantage [6].

The application of *servant leadership* in organizations is basically to improve the performance of subordinates or employees, this is in accordance with the results of research conducted by [7]. states that the application of *servant leadership* has an influence on employee performance with the statement that the main characteristics that distinguish between leadership serving with Other leadership is the desire to serve before the desire to lead.

In this study, Servant leadership is measured using five dimensions, namely *Empowerment* (empowerment) , *Love* (love), *Humility* (humility), *Trust* (trust) and *Vision* (vision) which indicates that the five aspects of the

leaders on PT Mandiri Inhealth which are then applied in the style of their leadership in improving the performance of employees in terms of both the Quality of Work, Quantity of Work, Eph ektifitas , Discipline , Innovation , Creativity and initiative.

Leaders who apply *servant leadership* will build trust, fairness, and sympathy from employees. An open, caring, visionary, objective, and wise attitude of a Servant Leader will influence employees to improve performance

The findings of this study are in line with previous studies conducted by [2]. Based on the results of the study note that the application of values in high *servant leadership* style of *leadership* will improve employee performance outcomes. *Servant leadership* focuses on developing employee potential so that employee competencies, uniqueness and excellence can develop well and ultimately will help organizations maintain their competitive advantage.

This study confirms that employees who carry out their work are influenced by how the leader applies his leadership model in leading his subordinates in this study the *servant leadership* model is suitable for application in the Mandiri Inhealth company . This means that the leaders in each Mandiri Inhealth branch must implement a *servant leadership* model of *leadership* to manage their subordinates to improve the performance of their employees.

B. There is a Direct Effect of Servant Leadership on Employee Engagement

Based on the results of hypothesis testing, there is a significant direct effect between *Servant Leadership* on *Employee Engagement* , which can be seen from the p-value of $0.000 < 0.05$. Also known is the t-value of $15,139 > 1,972$, so that the proposed alternative hypothesis (H2) can be accepted. The influence of the Servant Leadership variable shows that the application of servant leadership style will affect the level of *employee engagement* .

The results of the *path coefficient* in the form of the *original sample* are known to have a positive value (+) of 0.743 which indicates that the more leaders apply the *servant leadership* style , the level of *employee engagement* increases. Vice versa, the lower the *servant leadership* style applied by the leadership, the lower the *employee engagement* .

The results of this study are relevant to previous studies including Sousa .The results of the study found that *servant leadership* had a positive effect on *employee engagement*. Conditions of uncertainty caused by the process of

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merging the two organizations helped by the behavior of employees who feel resilient in the face of adversity so that they are able to face the transition period *post merger* with either By Sousa.

The results showed the same findings as previous studies, which means that serving leadership models or *servant leadership* applied will further increase the value of *employee engagement* where employees feel a positive impact from the presence of a leader so that they show high morale, strong attachment, pride and enthusiasm towards tasks assigned by the company.

In this study *employee engagement* is measured by three dimensions of *Vigor*, *Absorbtion*, and *Dedication*, in which all three are influenced by the dimensions of servant leadership. This means that the application of a "servant" leadership style at PT Mandiri Inhealth can lead to employe *engagement* both in the aspect of *vigor* or in the form of high energy and mental endurance at work, *Absorbtion* aspects in the form of happiness and focus when working, as well as *Dedication* aspects in the form of attachment, enthusiasm, inspiration, pride, and challenges in the work done.

Therefore, one of the factors underlying the formation of engagement in PT Mandiri Inhealth employees is good management quality through the application of appropriate leadership styles, namely *Servant Leadership* .

C. There is a Direct Effect of Employee Engagement on Employee Performance

Based on the results of hypothesis testing shows that there is a significant direct effect between Employee Engagement on Employee Performance, which can be seen from the p-values of $0.048 < 0.05$. Also known is the statistical t value of $1,979 > 1,972$, so that the proposed alternative hypothesis (H3) can be accepted. The influence of the Employee Engagement variable shows that employee involvement can affect the performance of employees.

The results of the *path coefficient* in the form of the *original sample* are known to have a positive value (+) of 0.213 which indicates that the higher the Employee Engagement that employees feel will further enhance their performance. Vice versa, the lower the Employee Engagement felt by employees, the lower their performance. This is in line with By Anitha that the higher sense of employee engagement will improve the employee's performance.

The results of this study are in line with previous studies including research by Dajani [4] which found a positive relationship between *employee engagement* and employee performance. Similarly, research by Marcos & Sridevi [3] who find that very signikan relationship between *Employee engagement* with employee performance. *Employee engagement* influences employee behavior to be more positive and makes them have an attachment thereby reducing employee *turn over* .

As has been explained previously that employee engagement is measured through three components: *vigor*, *absorption*, and *dedication* which berdasarakan results of the study, the three were able to affect the performance of employees of PT Mandiri Inhealt of 7 main aspects studied, namely the Quality of Work, Quantity of Work, Eph ektifitas, Discipline, Innovation, Creativity and Initiative.

If employees have enthusiasm and are totally involved in their work, they are personally more responsible for their work and are committed to producing the best performance By Britt. The performance shown by employees at PT Mandiri Inhealth is influenced by how closely employees feel bound and fully involved in achieving the goals and vision of the company. Every employee who feels bound will motivate himself to increase his work productivity and feel that his work is more meaningful By Kate.

C. *There is a Direct Effect of Servant Leadership on Organizational Citizenship Behavior*

Based on the results of hypothesis, there is a significant direct effect between Servant Leadership on Organizational Citizenship Behavior, which can be seen from the p-values of $0,000 < 0.05$. Also known is the t-value of $11,532 > 1,972$, so that the proposed alternative hypothesis (H4) can be accepted. The influence of variable *Servant Leadership* shows Leadership Style *Servant* may be able to affect the behavior of OCB.

The result of the *path coefficient* in the form of the *original sample* is known to have a positive value (+) of 0.687, which indicates that the higher application of *Servant Leadership* will further enhance employee OCB behavior. Vice versa, the lower the application of *Servant Leadership*, the lower the OCB behavior shown by employees.

The results of this study are consistent with previous studies, among others by Abid *et.al* who found results that *servant leadership* has a positive effect on OCB in the public sector in Pakistan. Other research that found similar results was also conducted by Ehraht who found a positive and significant relationship between *servant leadership* on the dimensions of *altruism* (willingness to help colleagues) and *constiuiousness* (behavior that adheres to organizational rules and conditions).

In this study OCB was measured through 5 dimensions namely *Altruism* (Concern), *Constiuiousness* (*Sport* awareness), *Sportmanship* (sportsmanship), *Civic Virtue* (social morals), and *Courtesy* (courtesy), where based on the results of the study it was found that the company leaders of PT Mandiri Inhealth who apply the Servant leadership style will be able to cause OCB

attitude to employees in the company. Or in other words, leaders who are serving, willing to listen, and empathy will foster feelings of respect for employees. It encourages employees to reciprocate for the company. Vision, empowerment, and trust in leaders will also influence employees to behave Organizational Citizenship Behavior.

Overall, employees in the company will show more OCB behavior when leaders care about them and give them the opportunity to develop themselves, get information from them and finally believe in them.

D. There is a Direct Effect of Organizational Citizenship Behavior on Employee Performance

Based on the results of hypothesis testing shows a significant direct effect between *Organizational Citizenship Behavior* on employee performance, which can be seen from the p-values of $0.030 < 0.05$. Also known is the t-value of $2.180 > 1.972$, so that the proposed alternative hypothesis (H5) can be accepted. The influence of OCB variables shows that *Organizational Citizenship Behavior* behavior can affect employee performance.

The results of the *path coefficient* in the form of the *original sample* are known to be positive (+) of 0.216, indicating that the higher the OCB behavior of the employees, the higher their performance. Vice versa, the lower the behavior of OCB employees eat the lower their performance.

The results of this study are in line with previous studies, among others, by Nielsen *et al.* [8] which shows that OCB at the group level is an important factor to improve employee performance. In addition, research by Chelagat, et al. which found that OCB behavior in the form of sportsmanship, altruism, civic virtue, and courtesy was found to have a positive and significant effect on employee performance.

OCB behavior in this study is divided into 5 dimensions, namely *Altruism* (Concern), *Consciousness* (Sport awareness), *Sportsmanship* (sportsmanship), *Civic Virtue* (social morality), and *Courtesy* (courtesy). So it can be interpreted that the behavior possessed by the employees of PT Mandiri Inhealth, can significantly affect their performance.

Altruism allows employees to go beyond job requirements resulting in the completion of difficult tasks. Through altruism, employees can share their knowledge and expertise with other employees and to support those who have problems in the workplace. Furthermore, altruism allows employees to help other teammates if they experience work-related problems as well as helping new employees in the organization. Furthermore, employees who show respect are more likely to engage in citizenship behaviors that are considered beneficial to the organization. In particular, they tend to encourage their teammates when they go down and they are the people who

take steps to prevent problems with other teammates. Therefore, they discuss with other teammates before starting actions that might affect them

E. There is no indirect effect of Servant Leadership on Employee Performance through Employee Engagement Mediation

Based on the results of hypothesis testing in Table 4.19 shows that there is no significant indirect effect between *Servant Leadership* on Employee Performance through *Employee Engagement* mediation, which can be seen from the p-values of $0.054 > 0.05$. It is also known that the value of t statistic is smaller than t table of $1.933 < 1.972$, so the proposed alternative hypothesis (H6) is rejected. Thus, *Employee engagement* cannot carry out its function as a mediating variable indicating that *Servant Leadership* does not influence employee performance through *Employee Engagement* behavior.

The results of the *path coefficient* in the form of the *original sample* are known to have a positive value (+) of 0.158, indicating that the relationship between *Servant Leadership*, *Employee engagement* and employee performance is aligned, however no significant effect was found. This is not in line with hypothesis (H1) which shows that there is a significant direct effect of *Servant Leadership* on employee performance, but no direct effect is found with *employee engagement* mediation.

Previous studies that examined *employee engagement* mediation for its effects on servant leadership and employee performance have not been found to the extent that researchers observed. The closest research was conducted by Rahayu and Surahman where the mediating effect of *employee engagement* variables was found between leadership and performance. So the results of this study are not in line with the study.

Servant leadership is not basic or innate, although some leadership principles that serve may come naturally to some people compared to others [9]. There is a connecting experience related to *Servant Leadership* with *employee engagement* that is where employees are committed to an organization because their opinions are welcomed and appreciated. *Engagement* triggers reflect factors that contribute to morale and a willingness to stay and contribute to the success of the company, which gives birth to an emotional connection By Lavigna. So that serving leadership and feelings of *employee engagement* also depend on the willingness of these employees to contribute especially in increasing their personal productivity. This is possible to weaken the relationship formed between *servant leadership*, *employee engagement* and employee performance.

Dapa t analyzed also that the combination of leadership styles *Servant Leadership* with *employee engagement* that is too strong can make employees complacent and are in a comfort zone, so it does not have the initiative and innovation in the reform to increase the quality of work, which ultimately can impact on growth their level of productivity.

F. There Is An Indirect Effect Of Servant Leadership On Employee Performance Through Organizational Citizenship Behavior Mediation

Based on the results of hypothesis testing in Table 4.19 shows the significant indirect effect between *Servant Leadership* on Employee Performance through mediation *Organizational Citizenship Behavior* , which can be seen from the p-value of $0.043 < 0.05$. Also known is the t-value of $2.031 > 1972$, so that the proposed alternative hypothesis (H7) is accepted. Thus, the OCB variable can carry out its function as an intervening variable in mediating the influence between *Servant Leadership* on employee performance.

The result of the *path coefficient* in the form of the *original sample* is known to have a positive value (+) of 0.149, indicating that the relationship between *Servant Leadership*, OCB and employee performance is harmonious. This is also in line with the H1 hypothesis which shows that there is a significant positive direct effect of *Servant Leadership* on employee Performance, and H5 hypothesis that there is also a significant positive direct effect between OCB on employee performance.

The results of this study are in line with the research of Yuniati, Susanti, and Bakar, based on the results of variable decomposition, directly servant leadership variables affect performance by 0.332 and indirectly affect performance by 0. through OCB variables.

A similar relevant study was carried out by Yuniarto who tested OCB as a moderation between *Servant Leadership* and Employee Performance, with the result that there was a significant positive effect between *servant leadership* on performance that was indirectly moderated by OCB.

Another study conducted by Vipraprastha, Sudja, and Yuesti who tested one model of leadership that is *transformational leadership* on employee performance with intervening variables is OCB. The results found that OCB mediated a full and significant positive relationship between transformational leadership and employee performance .

Thus the emergence of *Organizational Citizenship Behavior behavior* among PT Mandiri Inhealth employees, such as helping fellow colleagues, also providing ideas for company progress without being asked to participate in implementing company policies, is inseparable from the leadership style factors serving so impact on improving employee performance.

V. CONCLUSION

In this chapter, conclusions, limitations, suggestions, and implications will be presented as the final part of the research. The conclusion is based on the results of data analysis that has been done and will answer the problems that have been previously formulated in accordance with the objectives of this study. In addition to the conclusions, limitations of the study, practical implications, and suggestions for future researchers with the same topic will be included and are expected to be useful for all interested parties.

Based on the results and discussions that have been carried out in this study, the following conclusions can be obtained:

1. *Servant leadership* affects employee performance, the higher the application of the values and characteristics of *servant leadership* will further improve the performance of Mandiri Inhealth employees where the leader focuses on developing employee potential and competence so that unique *values* grow where it is needed by the company to win the competition .
2. *Servant leadership* influence on *employee engagement* , the higher the application of the values and characteristics of *servant leadership* will further increase *employee engagement* employee Mandiri Inhealth characterized by high employee morale, dedicated and proud of his company . Feeling attached and proud to be part of an organization is an important capital in forming a solid team in facing the changing industry landscape that is so fast and complex.
3. *Employee engagement* has an effect on employee performance, the higher *employee engagement* will further improve the performance of Mandiri Inhealth employees, where the important link in engagement and pride being part of the company is triggering employee morale to work better.
4. *Servant leadership* influence on OCB, the higher the application of the values and characteristics of *servant leadership* will further improve employee OCB Mandiri Inhealth. The atmosphere and culture of work cannot be bought because it is unique and grows from the interaction of individuals who are oriented to the success of the company. Employees can choose any company that is able to provide rewards for their work, but a comfortable and conducive working atmosphere born from the role of *servant leader* is not necessarily easy to obtain.
5. OCB affects the performance of employees, the higher the OCB level of employees will further improve the quality of performance of Mandiri Inhealth employees. A supportive work atmosphere where silos do not

occur will facilitate cross section coordination and make it easier for employees to find their best ability to complete their work.

6. *Employee engagement partially mediates the relationship between servant leadership and employee performance. This implies that employee engagement is able to explain the dynamics of the relationship between servant leadership on the performance of Mandiri Inhealth employees where employees who have high engagement due to the influence of servant leadership will improve their performance.*
7. *OCB partially mediates the relationship between servant leadership and employee performance. This implies that OCB is able to explain the dynamics of the relationship between servant leadership and the performance of Mandiri Inhealth employees where employees who are willing to perform tasks outside their basic responsibilities because servant leaders create a conducive climate that builds a work environment will improve employee performance.*

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