

# **SERVANT LEADERSHIP ON EMPLOYEE PERFORMANCE AS MEDIATED BY LEADER-MEMBER EXCHANGE, EMPLOYEE EMPOWERMENT, AND ORGANIZATIONAL CITIZENSHIP BEHAVIOR: STUDY IN THE PRIVATE BANKS OF METROPOLITAN CITY**

**KARTONO\***

Management Department, Brawijaya University, Malang, Indonesia.

\*Corresponding Author Email: kartonokartono2023@yahoo.com

**MARGONO SETIAWAN**

Professor, Management Department, Brawijaya University, Malang, Indonesia.

**SUNARYO**

Associate Professor, Management Department, Brawijaya University, Malang, Indonesia.

**WAHDIYAT MOKO**

Associate Professor, Management Department, Brawijaya University, Malang, Indonesia.

## **Abstract**

The leadership style will determine the performance of employees in an organization, so the role of the leader has a very important influence on the company. When implemented in the company, leadership style, especially servant leadership, is expected to improve employee performance. Employee performance in a company is influenced by various factors, namely servant leadership, leader-member exchange, employee empowerment, and organizational citizenship behavior. The second is to test LMX, employee empowerment, and OCB as mediation in the relationship between servant leadership and employee performance sharing. This research was conducted at PT Bank Artha Graha Internasional Tbk Jakarta using a sample of 298 respondents using partial least square analysis (SmartPLS). The research results show that both directly and indirectly, servant leadership, LMX, employee empowerment, and OCB significantly positively affect employee performance.

**Keywords:** Servant Leadership, Performance, LMX, Employee empowerment, OCB

## **1. INTRODUCTION**

The company can develop forward if it always can build good interactions with all stakeholders. Leadership is one factor that can positively change an organization and its employees. Leaders must be committed to providing opportunities for subordinates to succeed and assist them in achieving success. Good leaders believe in this and must do it; it is an integral part of their attitude and behavior.

Leadership is one factor that makes employees feel at home, attached to the organization, and perform better. Classical to contemporary paradigm leadership studies. The idea that servant leadership also includes ethical values was coined by (Greenleaf, 1970), which states that

serving employees is the primary responsibility of a leader and is the essence of ethical leadership. In the context of activities within an organization, ethical leadership is defined as the ability of leaders to collectively achieve organizational goals by promoting development, empowerment, consistent teamwork, and concern for the well-being of employees. Servant leaders are willing to listen to their employees, understand their colleagues' needs, consider their colleagues' wishes, and are empathetic to their colleagues and the communities around them.

Indonesia has several private and government companies that are involved in services or services, for example, the business sector that focuses on services, namely the banking sector. It is interesting to observe whether, in running the banking service business, management also adopts the concept of servant leadership in managing the banking industry.

PT. Bank Artha Graha International, Tbk issued a financial performance report for the first quarter of 2019 which showed a profit of IDR 12.85 billion, down 36.6% from IDR 20.27 billion in the first quarter of 2018. The CAR equity ratio is 19.87%, where PT. BAGI, Tbk is above the banking regulator's 9% -10% provisions. Meanwhile, the total assets of Pank Artha Graha International increased by 1.74% to INR 26.48 trillion from INR 20.02 trillion in the previous quarter (Investor Daily, June 2019).

The phenomenon of PT BAGI, Tbk, is a profit-oriented private-owned company, but what is phenomenal is that several employees within the company are willing to become humanitarian volunteers. Some employees are still willing to work outside working hours even though they do not receive compensation such as overtime pay from the company.

Many factors cause a company's performance to decrease or increase. Put forward several ways the organization can implement to improve employee performance; one of the factors is LMX. Where employees mutually influence each other between superiors and subordinates and where the relationship benefits the company (Choi et al., 2016). In line with this study (Murari & Gupta, 2012), servant leadership is responsible for developing its employees and providing guidance to them to obtain maximum performance. Different research by (Muhtasom et al., 2017) and (Yuniarto, 2018) found that servant leadership on employee performance, OCB on organizational culture, and employee performance with relationship patterns that are positive and not significant.

The findings of previous studies indicated that there was an inconsistency in the results, so this study will further examine how the role of LMX as mediation is carried out (Harris et al., 2009); (Law et al., 2010); (Zhang et al., 2012). This study also examines the mediating role of employee empowerment variables as practiced by (Peterson & Reid, 2003) and (Cascio Weyne, 2013). Furthermore, this study uses OCB as a mediator like studies (Yuniarto, 2018) and (Harwiki, 2013); (Batilmurik, 2021b); (Batilmurik, 2021a) and (Nurtjahjani et al., 2020).

Thus, this research model was developed to examine and analyze the mediating role of LMX, employee empowerment, and OCB from the relationship pattern between servant leadership and employee performance at the Head Office of PT. Artha Graha Internasional, Tbk in Jakarta Metropolitan City Indonesia.

## **2. THEORETICAL REVIEW AND HYPOTHESIS DEVELOPMENT**

### **2.1 Theoretical Review**

#### **Servant Leadership**

Servant leadership motivates followers to be intelligent, creative, and independent in managing and serving people, leading to social improvement and accommodating acceptance, tolerance, empathy, love, forgiveness, and surrender. Servant leadership is a model that focuses on empowerment and development for members of the organization by making followers fully have the character to serve others (Barbuto et al., 2006).

#### **Leader-Member Exchange**

Leader-member exchange is defined as: "the development of in-networks and out-networks by leaders; employees who are part of an in-network environment perform better, turn over less, and are happier at work" (P Robbins & A Judge, 2016). Furthermore, (Chen et al., 2013), the leader-member exchange is defined as the quality of exchange between a superior and his subordinates. It means that leaders and subordinates establish mutual interactions and develop mutual respect and trust.

#### **Employee Empowerment**

Empowerment is considered a key component of organizational effectiveness. Empowerment emphasizes teamwork and reflects the values of fairness, sense, and importance. To reinforce behavior, leaders must strive to be selfish rather than leaders (P Robbins & A Judge, 2016).

#### **Organizational Citizenship Behavior (OCB)**

The concept of Organizational Citizenship Behavior (OCB) was first published by the Organ in the 1980s (Organ, 1988). Civic organizational behavior is an attitude of employees who do work that exceeds the time assigned by their leaders, which is voluntary, where it is not specifically approved and given formal awards that will increase the effectiveness of the overall function of the company (Organ, 1988).

#### **Employee Performance**

Performance is a real action that all workers show as work achievements carried out by employees according to their functions within the company (Rivai & Sagala, 2012). The same thing was stated by (Wirawan, 2010) that performance is the result or output produced by a job role within a certain time or period.

### **2.2 Hypothesis Development**

#### **Servant Leadership and Employee Performance**

Empirical evidence that has examined the relationship between servant leadership and employee performance has a positive and significant relationship including: (Rahayu, 2019); (Walumbwa, Hartnell, & Okay, 2010); (Nurtjahjani et al., 2020); (Liden et al., 2008); (Yuniarto, 2018) (Harwiki, 2016) (Bose & Emirates, 2018). On that basis, we can propose the first

hypothesis as follows:

H1: Servant leadership has a positive and significant effect on employee performance

### **Servant Leadership and Leader-Member Exchange**

The results of previous studies found that there was a positive relationship between servant leadership and LMX, among others (Hu & Liden, 2011); (Liao et al., 2021); (Settoon et al., 1996); (Aarons et al., 2021). On that basis, we can propose a second hypothesis as follows:

H2: Servant leadership has a positive and significant effect on LMX

### **Servant Leadership and Employee Empowerment**

Some of the findings of studies examining the relationship between servant leadership and employee empowerment, among others, were conducted by; (Nurtjahjani et al., 2020); (Walumbwa et al., 2010); (Barbuto et al., 2006); (Wong et al., 2018) and (Kim et al., 2022). On that basis, we can propose a third hypothesis as follows:

H3: Servant leadership has a positive and significant effect on management empowerment

### **Servant leadership and OCB**

Previous studies have found that servant leadership has a positive and significant relationship with OCB, including; (Murari & Gupta, 2012); (Newman et al., 2017). On that basis, we can propose the fourth hypothesis as follows:

H4: Servant leadership has a positive and significant effect on OCB

### **Leader-Member Exchange and Employee Performance**

Previous studies have found that LMX has a positive and significant impact on employee performance, including: (Graen & Uhl-Bien, 1995); (Erdogan & Enders, 2007; Gerstner & Day, 1997); (Settoon et al., 1996). On that basis, we can propose the fifth hypothesis as follows:

H5: LMX has a positive and significant effect on employee performance

### **Employee Empowerment and Employee Performance**

Several study findings conclude that employee empowerment has a significant effect on employee performance, including: (Wong et al., 2018); (Seibert et al., 2011); (Barbuto et al., 2006). On that basis, we can propose the sixth hypothesis as follows:

H6: Employee empowerment has a positive and significant effect on employee performance

### **OCB and Employee Performance**

Several study findings found that OCB was able to improve employee performance, including; (Podsakoff et al., 1997)); (Organ, 1988); (Lee & Allen, 2002); (Batilmurik, 2021b); (Batilmurik et al., 2019); (Batilmurik, 2021a). On that basis, we can propose the seventh hypothesis as follows:

H7: OCB has a positive and significant effect on employee performance

### Servant leadership on employee performance through leader-member exchanges, employee empowerment, and OCB

Previous studies found that LMX, employee empowerment, and OCB may mediate the relationship between servant leadership and employee performance. Some of them: (Walumbwa et al., 2010); (Harwiki, 2016; Liden et al., 2008; Wong et al., 2018); (Murari & Gupta, 2012; Rahayu, 2019); (Graen & Uhl-Bien, 1995); (Gerstner & Day, 1997); (Barbuto et al., 2006); (Podsakoff et al., 1997); (Lee & Allen, 2002). On this basis, we can present the following hypothesis:

H8: LMX mediates a positive and significant relationship between servant leadership and employee performance

H9: Employee empowerment mediates a positive and significant relationship between servant leadership and employee performance

H10: OCB mediates a positive and significant relationship between servant leadership and employee performance

Based on the theoretical review and the results of previous studies, and the development of the hypothesis above, we can present the basic model of the framework presented in Figure 1 below.

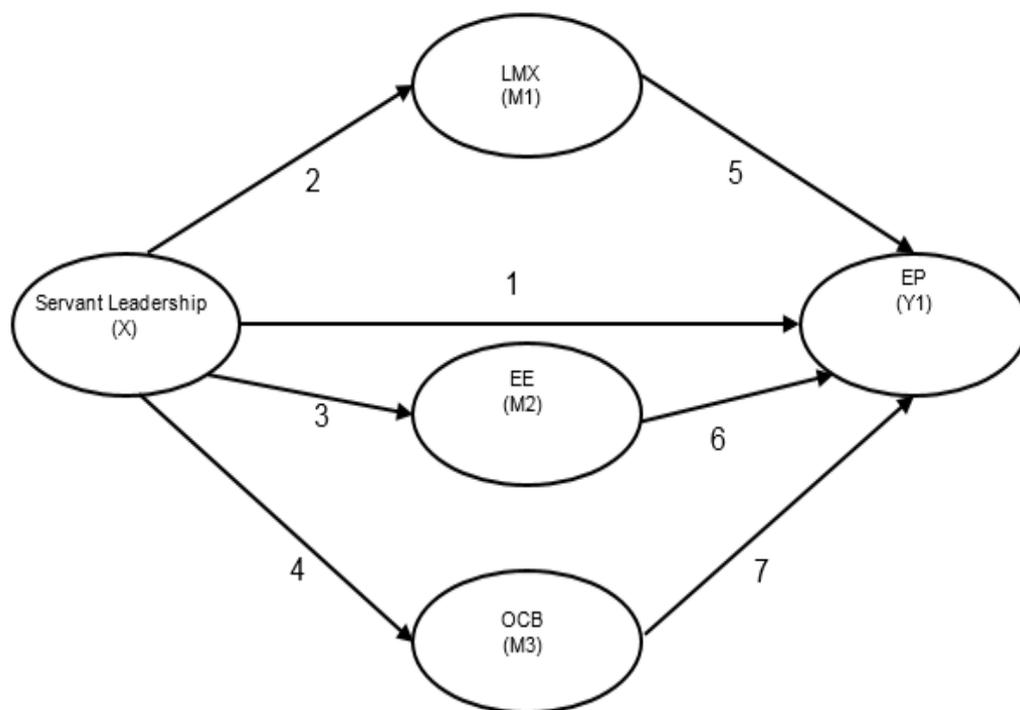


Figure 1: Research Framework

### 3. RESEARCH METHOD

This research is explanatory research with a quantitative approach that examines and explains the correlation between variables in causality (Sanders, 2008). This study uses path analysis assisted by SmartPLS software (Hair et al., 2017).

#### Population and Sample

The population in this study was 1,165 employees at the Head Office of PT. Bank Artha Graha Internasional, Tbk domiciled in Jakarta City, Indonesia. For research purposes, a sample was drawn using the 5% Slovin formula so that 297.78 employees were rounded up to 298 employees as respondents.

Respondent profiles are presented as follows; 1) Gender, 142 men (48%) and 156 women (52%); 2) marital status, it is known that 256 people are married (87%), and 43 people are not married (14%); 3) 52 people (17%) were known to be <25 years old; aged 25-35 years as many as 105 years (35%); 36-45 years as many as 92 people (31%) and age >46 years as many as 49% (16%). Level of education; diploma: 20 people (17%); bachelors: 253 people (85%) and masters: 24 people (8%). Working period, < 1 year: 40 people (13%), 1-5 years: 68 people (23%), 6-10 years: 126 people (42.3%), 11-15 years: 47 people (16%), > 15 years: 17 people (6%). Positions, staff: 279 people (94%) and managerial: 19 people (6%).

#### Instrument Measurement

Focht and Ponton's (2015) and (Spears, 1996) servant leadership measurement instruments consist of 20 statement items from 12 indicators, including 1) Respect for people; 2) Humility; 3) Listening; 4) Trust; 5) Caring; 6) Integrity; 7) Serving; 8) Empowerment; 9) Serving the needs of others before his own needs; 10) Collaboration; 11) Love, unconditional love; and 12) Learners. Leader-member exchange (LMX) refers to (Liden & Maslyn, 1998) and (Greguras & Ford, 2006)), consisting of 11 statement items from 6 indicators, including 1) affection; 2) loyalty; 3) contribution, and 4) Professional respect. Employee empowerment refers to (Khan et al., 2012), including 1) Desire, 2) Trust, 3) self-confidence, 4) credibility, 5) accountability, and 6) communication.

Organizational citizenship behavior (OCB) refers to (Organ, 1988) consisting of 11 statement items from 5 indicators, including: 1) voluntary/altruism behavior; 2) civic virtue; 3) Conscientiousness; 4) courtesy; and 5) sportsmanship. Employee performance refers to Bangun (2012), consisting of 10 statement items from 5 indicators, including 1) quantity of work, 2) quality of work, 3) punctuality, 4) attendance, and 5) ability to cooperate. All instrument measurements in this study used a 5-point scale (Likert) (Bertram, 2007) with a scale (1 = strongly disagree, 5 = strongly agree).

### 4. RESEARCH RESULTS

#### Descriptive Analysis

Descriptive analysis is a statistical analysis of the mean value of each respondent's response to the average total score of each research variable. The mean value of leadership was 3.83 (high

category), and the LMX mean value was 3.93 (high category). Employee empowerment mean value was 4.14 (high category). The OCB variable is 3.97 (high category), and the employee performance variable is 3.88 (high category).

### Instrument Measurement

Instrument measurements are based on the value of the validity and reliability of each construct which is based on Cronbach's alpha value and composite reliability (Fornell & Larcker, 1981), which shows > 0.70 (Field, 2013). The model measurement values are presented in Table 1.

**Table 1: Instrument Model Measurement**

Variable	Loading	$\alpha$	CR	AVE
<b>Servant Leadership (SL)</b>		0.96	0.97	0.61
SL 1	0,771			
SL 2	0,801			
SL 3	0,777			
SL 4	0,792			
SL 6	0,804			
SL 7	0,791			
SL 8	0,783			
SL 9	0,757			
SL 10	0,781			
SL 11	0,754			
SL 12	0,800			
SL 13	0,753			
SL 14	0,772			
SL 15	0,778			
SL 16	0,741			
SL 17	0,779			
SL 18	0,762			
SL 19	0,781			
SL 20	0,820			
<b>Leader Member-Exchange (LMX)</b>		0.93	0.95	0.69
LMX 1	<b>0,815</b>			
LMX 2	<b>0,832</b>			
LMX 3	<b>0,813</b>			
LMX 4	<b>0,820</b>			
LMX 5	<b>0,807</b>			
LMX 6	<b>0,827</b>			
LMX 7	0,864			
LMX 8	0,839			
<b>Employee Empowerment (EE)</b>		<b>0.96</b>	<b>0.96</b>	<b>0.71</b>
EE 1	0,875			
EE 2	0,861			
EE 3	0,861			
EE 4	0,844			
EE 5	0,859			
EE 6	0,840			

EE 7	0,852			
EE 8	0,762			
EE 9	0,832			
EE 10	0,859			
<b>Organizational Citizenship Behavior (OCB)</b>		<b>0.96</b>	<b>0.97</b>	<b>0.71</b>
OCB 1	0,824			
OCB 2	0,803			
OCB 3	0,800			
OCB 4	0,822			
OCB 5	0,865			
OCB 6	0,846			
OCB 7	0,867			
OCB 8	0,889			
OCB 9	0,869			
OCB 10	0,832			
OCB 11	0,867			
<b>Employee Performance</b>		<b>0.95</b>	<b>0.96</b>	<b>0.70</b>
EP 1	0,834			
EP 2	0,815			
EP 3	0,859			
EP 4	0,867			
EP 5	0,843			
EP 6	0,773			
EP 7	0,810			
EP 8	0,865			
EP 9	0,867			
EP 10	0,797			

Source: Primary data processed, June 2023

### Structural Model Analysis (Inner Model)

The Inner Model can be assessed by referring to the R-Square value. The model's goodness of fit is measured using the R-square of the dependent latent variable with the same interpretation as the regression. The R-Square value is presented in Table 2 below.

**Table 2: R Square Value**

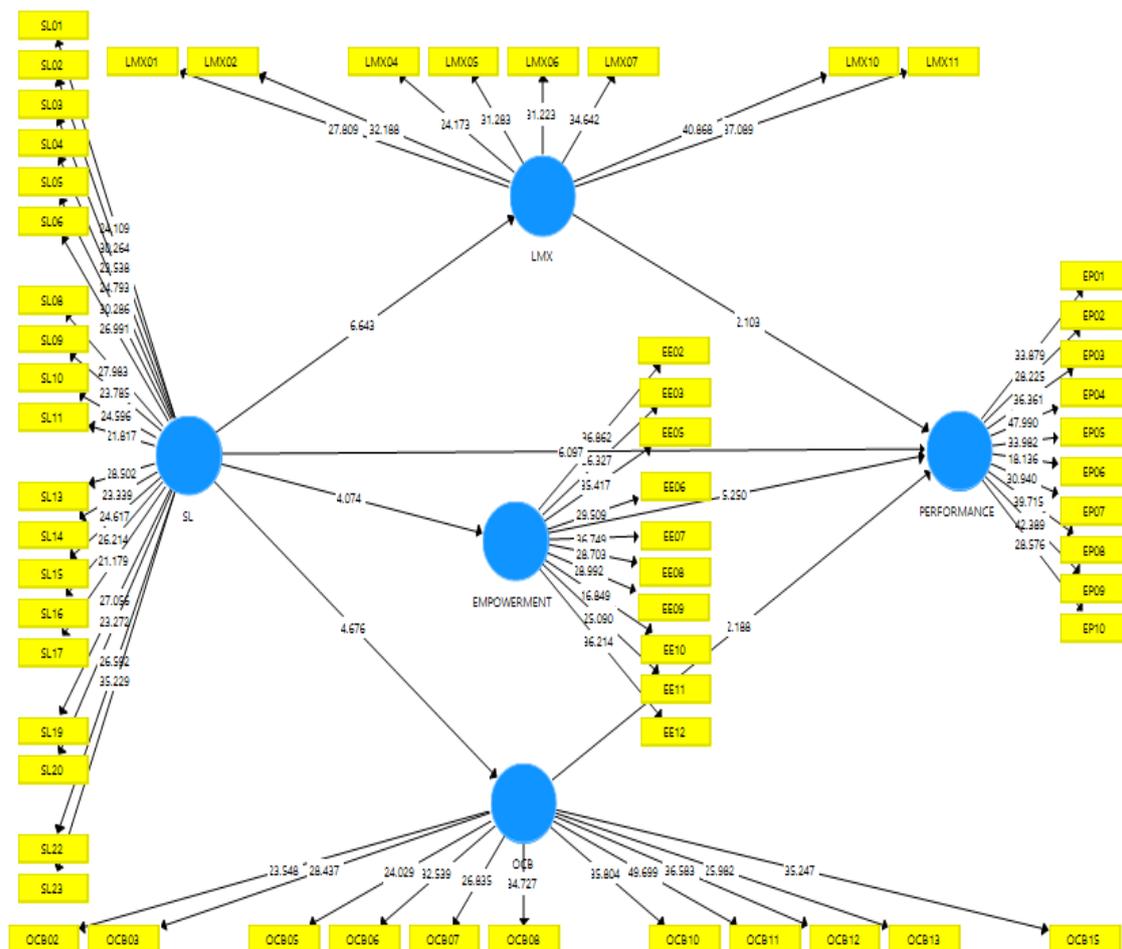
	<b>R Square</b>	<b>R Square Adjusted</b>
<i>Leader-Member Exchange</i>	0,210	0,207
<i>Employee Empowerment</i>	0,119	0,116
<i>Organizational Citizenship Behavior</i>	0,127	0,124
<i>Employee Performance</i>	0,459	0,451

Source: Primary data processed, June 2023

The Leader-Member Exchange variable has an R2 value of 0.210, which means that the Servant Leadership variable explains 21% while other variables outside the research explain the remaining 79%; the R2 value of 0.210 is included in the Weak category. The Employee Empowerment variable has an R2 value of 0.119, which means that the Servant Leadership

variable explains 11.9% while the remaining 88.1% is explained by other variables outside the variables used in the study; the R2 value of 0.119 is included in the Weak category.

The Organizational Citizenship Behavior variable has an R2 value of 0.127, which means the Servant Leadership variable explains 12.7, while the remaining 87.3% is explained by other variables outside the variables used in the study; the R2 value of 0.127 is included in the Weak category. The Employee Performance Variable has an R2 value of 0.459, which means 45.9% is explained by the Servant Leadership, LMX, Employee Empowerment, and OCB variables. In comparison, the remaining 54.1% is explained by other variables outside the variables used in the study, the R2 value of 0.459 is included in moderate/moderate category. Furthermore, the final model can be presented in Figure 2 below.



### Testing the Hypothesis of Direct Effect and Indirect Effect

The results of testing the hypothesis of direct influence and indirect influence are presented in the table below.

**Table 3: Results of Testing the Direct Influence and Indirect Influence**

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV)	P Values
SL -> PERFORMANCE	0,338	0,339	0,055	6,097	0,000
SL -> LMX	0,458	0,457	0,069	6,643	0,000
SL -> EMPOWERMENT	0,344	0,344	0,085	4,074	0,000
SL -> OCB	0,357	0,357	0,076	4,676	0,000
LMX -> PERFORMANCE	0,147	0,143	0,070	2,103	0,018
EMPOWERMENT -> PERFORMANCE	0,281	0,282	0,054	5,250	0,000
OCB -> PERFORMANCE	0,132	0,133	0,060	2,188	0,014
Servant Leadership -> Leader Member Exchange -> Kinerja karyawan	0,068	0,066	0,034	1,964	0,025
Servant Leadership -> Employee Empowerment -> Kinerja karyawan	0,097	0,097	0,031	3,148	0,001
Servant leadership -> Organizational Citizenship Behavior -> Kinerja Karyawan	0,047	0,048	0,025	1,901	0,029

Source: Primary data processed, June 2023

The explanation of Table 3 is as follows. First (1) The results of the analysis show that the parameter coefficient for the variable servant leadership on employee performance is 0.338 or (33.8%) indicating a positive influence of servant leadership on employee performance which is strengthened by the results of the estimation coefficient, the test of 0.339 with calculated t value of 6.097 and a standard deviation of 0.055. Then the p-value is 0.000 <0.05 so that this study's first hypothesis (H1) is accepted.

Furthermore, (2) the parameter coefficient for the variable servant leadership on LMX is 0.458 or (45.8%) indicating a positive influence of servant leadership on LMX. The result of the servant leadership coefficient estimation test for LMX is 0.457, with a t-value of 6.643 and a standard deviation of 0.069. Then the p-value is 0.000 <0.05, so it accepts the second hypothesis (H2).

Third (3), the parameter coefficient for the variable servant leadership on employee empowerment is 0.344 or (34.4%), indicating a positive effect of servant leadership on employee empowerment. The result of the servant leadership estimation coefficient test on employee empowerment is 0.344, with a t-count of 4.074 and a standard deviation of 0.085. Then the p-value is 0.000 <0.05, so it accepts the third hypothesis (H3).

Fourth (4), the parameter coefficient for the servant leadership variable on OCB is 0.357 (35.7%), indicating a positive influence of servant leadership on OCB. The result of the servant leadership coefficient estimation test for OCB is 0.357, with a t-value of 4.676 and a standard

deviation of 0.076. Then the p-value is  $0.000 < 0.05$ , so it accepts the fourth hypothesis (H4).

Fifth (5), the parameter coefficient for the LMX variable on employee performance is 0.147 or (14.7%), the positive effect of LMX on employee performance. Alternatively, the higher the LMX value, the employee's performance will also increase. The LMX estimation coefficient test results on employee performance are 0.143, with a t-value of 2.103 and a standard deviation of 0.070. Then the p-value is  $0.018 < 0.05$ , so it accepts the fifth hypothesis (H5).

Sixth (6), the parameter coefficient for the employee empowerment variable on employee performance is 0.281 (28.1%), indicating a positive effect of employee empowerment on employee performance, or it can be interpreted that the higher the value of employee empowerment, the employee performance will also increase. The test results for the estimated coefficient of employee empowerment on employee performance are 0.282, with a t-value of 5.250 and a standard deviation of 0.054. Then the p-value is  $0.000 < 0.05$ , so it accepts the sixth hypothesis (H6).

Seventh (7), the parameter coefficient for the OCB variable on employee performance is 0.132 or (13.2%), indicating a positive effect of OCB on employee performance. OCB estimation coefficient test results on employee performance. The bootstrap result is 0.133, with a t-value of 2.188 and a standard deviation 0.060. Then the p-value is  $0.014 < 0.05$ , so it accepts the seventh hypothesis (H7).

Eighth (8), the parameter coefficient for the servant leadership variable on LMX employee performance is 0.068 or (6.8%), indicating a positive indirect effect of servant leadership on employee performance through the leader-member exchange. The result of the servant leadership estimation coefficient test on employee performance through LMX bootstrap results is 0.066 with a t-value of 1,964 and a standard deviation of 0.034. Then the p-value is  $0.025 < 0.05$ , so it accepts the eighth hypothesis (H8).

Ninth (9), the parameter coefficient for the servant leadership variable on employee empowerment is 0.097 or (9.7%), indicating a positive indirect effect of servant leadership on employee empowerment. The test result of the estimated coefficient of servant leadership on employee performance through employee empowerment results from Bootstrap is 0.097 with a t-value of 3.148 and a standard deviation of 0.031. So the p-value is  $0.001 < 0.05$ , so the ninth hypothesis (H10) is accepted.

The tenth (10) parameter coefficients for the servant leadership variable on employee performance through OCB are 0.047 or (4.7%) indicating a positive indirect effect of servant leadership on employee performance through OCB. The result of the servant leadership estimation coefficient test on employee performance through bootstrap OCB results is 0.047 with a t-count of 1.901 and a standard deviation of 0.025. Then the p-value is  $0.029 < 0.05$ , so it accepts the tenth hypothesis (H10).

## 5. DISCUSSION

### **The influence of servant leadership on employee performance.**

The study results show that servant leadership has a direct, positive, and significant effect on the performance of employees of PT. BAGI, Tbk. Thus the first hypothesis (1) that servant leadership has a direct positive and significant effect on employee performance is accepted.

This finding is in line with and consistent with the theoretical concept and previous research put forward by (Greenleaf, 1970), which suggested that servant leadership contains the following four (4) aspects: 1) increasing motivation and job satisfaction; 2) increasing organizational commitment; 3) improve team performance; and 4) increase trust and a sense of security. In line with the concept (Greenleaf, 1970) and (Yukl, 1989) states the importance of servant leadership, including 1) the development of subordinates; 2) empowerment of subordinates; 3) relationship formation; and 4) value creation for the community.

The results of findings of this study are supported by previous studies conducted by (Liden et al., 2008); (Walumbwa et al., 2010); (Hu & Liden, 2011); (Rahayu, 2019) and (Harwiki, 2013), which state that servant leadership has a positive and significant impact on employee performance.

### **The influence of servant leadership on leader-member exchange.**

The study results show that servant leadership directly, positively, and significantly affects LMX. Thus the second hypothesis (2) that servant leadership has a direct positive and significant effect on LMX is accepted. The findings of this study are in line with empirical research conducted by; (Hu & Liden, 2011) states that servant leaders can increase LMX by building positive relationships between leaders and their subordinates; this study shows servant leaders influence LMX through increasing subordinates' trust, commitment and satisfaction with their leaders. In line with (Hu & Liden, 2011), servant leaders can increase LMX by promoting positive interactions between leaders and subordinates, which improves the quality of work relationships by building mutual understanding, support, and effective communication. It is also supported by studies (Wong et al., 2018); (Zhang et al., 2012) also stated that there is a positive influence between servant leaders and LMX in various types of organizations ranging from the public to the private sector.

### **The influence of servant leadership on employee empowerment.**

The study results show that servant leadership has a direct, positive, and significant effect on employee empowerment. Thus the third hypothesis (3) that servant leadership has a direct positive and significant effect on employee empowerment is accepted. Servant leaders and LMX have a positive relationship and influence each other in an organizational context. Servant leaders pay attention to and prioritize the needs of their subordinates and servants. At the same time, employee empowerment refers to giving greater power and control to employees in making decisions and acting.

The findings of this study are in line with the findings of a study conducted by Walumbwa and Hartnell (2011); Barbuto et al. (2016); Wong et al. (2018); Kim et al. (2020); Murari Gupta (2012); Schneider and George (2010). Employee empowerment is a key factor in realizing a company's competitive advantage, as explained by Kanungo and Conger (1988), which makes it clear that increased product innovation based on corporate creativity can be generated by employee empowerment.

Thus, the relationship between servant leaders and employee empowerment can be concluded that applying servant leaders can facilitate empowering employees in the organization. Leaders pay attention to employee needs, support employee participation in decision making and provide employee autonomy, thereby increasing employee empowerment. By increasing employee empowerment, employees feel they have more control over their work and decisions, thereby encouraging better motivation and performance. Besides that, it can also increase employee commitment and loyalty to the organization.

### **The influence of servant leadership on OCB**

The study results show that servant leadership directly, positively, and significantly affects OCB. Thus the fourth hypothesis (4) that servant leadership has a direct positive and significant effect on OCB is accepted.

The findings of this study are in line with studies conducted by (Liden et al., 2008); (Walumbwa et al., 2010) suggested that servant leaders can improve OCB by providing support and facilitating better relationships between leaders and subordinates.

In line with these findings, (Yuniarto, 2018) said that Servant leadership significantly impacts OCB. Research (Podsakoff et al., 1997) and (Newman et al., 2017) explain that leadership behavior plays an important role in influencing OCB.

### **The effect of LMX on employee performance.**

The results showed that LMX has a direct positive and significant effect on employee performance. Thus the fifth hypothesis (5) that LMX has a direct positive and significant effect on employee performance is accepted. LMX is a concept that refers to the relationship between a leader and each team member individually (Liden et al., 2008). Furthermore, based on this opinion, leaders can strengthen LMX relationships by providing open communication support and paying attention to employee needs.

The findings of this study are in line with previous empirical studies conducted by; (Graen & Uhl-Bien, 1995); (Erdogan & Enders, 2007); (Gerstner & Day, 1997); (Hu & Liden, 2011); (Settoon et al., 1996).

### **The Effect of Employee Empowerment on Employee Performance.**

The study results show that employee empowerment directly, positively, and significantly affects employee performance. Thus the sixth hypothesis (6) that LMX has a direct positive and significant effect on employee performance is accepted. The findings of this study are in line with (Seibert et al., 2011); (Khan et al., 2012), and (Yuniarto, 2018), who found a pattern of a

positive and significant relationship between employee empowerment and employee performance in several organizations.

Employee empowerment is a concept that refers to giving employees the right and power to make decisions and act independently in their work environment. When employees feel empowered, they are more motivated to achieve organizational goals and have much control over their work which can positively affect employee performance (Irving & Longbotham, 2007).

### **The influence of OCB on employee performance.**

The study results show that OCB directly, positively, and significantly affects employee performance. Thus the seventh hypothesis (7) that OCB has a direct positive and significant effect on employee performance is accepted. Organizational Citizenship Behavior is voluntary behavior by employees that exceeds their duties listed in the job description (P Robbins & A Judge, 2016). This behavior is in the form of helping colleagues, maintaining a clean work environment, and providing constructive suggestions to management.

The findings of this study are in line with empirical studies conducted (Harwiki, 2016); (Podsakoff et al., 1997); (Organ, 1988); (Batilmurik, 2021a) where the results of their research show that OCB has a positive influence on employee performance and can be an important factor in achieving organizational success.

### **The role of LMX as a mediator between servant leadership and employee performance**

The results of the study show that LMX mediates the influence between servant leaders and is significant in employee performance. Thus the eighth hypothesis (8) that LMX mediates the relationship between serving leaders and employee performance in this study is acceptable.

LMX can mediate the positive influence of servant leaders on employee performance because LMX functions as a channel of communication and good relations between leaders and employees. Leaders who apply servant leadership tend to have good and positive relationships with employees so that employees feel valued and cared for, which in turn can improve their performance. The findings are supported by some of the results of previous research conducted by (Liden et al., 2008) and (Wong et al., 2018), which concluded that LMX acts as a mediator between servant leadership and employee performance.

### **The role of employee empowerment as mediating the influence of servant leadership on employee performance**

The study results show that empowerment mediates the influence between servant leaders and is significant in employee performance. Thus the ninth hypothesis (9) that employee empowerment mediates the relationship between serving leaders and employee performance in this study is acceptable. This study's findings align with a study conducted by (Barbuto et al., 2006) in China. The study results show that employee empowerment mediates the relationship between servant leaders and employee performance. In line with this study, (Sanders, 2008) also found the same thing in the United States.

## **The role of OCB as mediating the influence of servant leadership on employee performance**

The study results show that OCB mediates the influence between servant leaders and is significant in employee performance. Therefore, the tenth hypothesis (10) that OCB mediates the relationship between serving leaders and employee performance in this study is acceptable. The findings of this study are in line with studies conducted by (Lee & Allen, 2002); (Walumbwa et al., 2010); (Batilmurik, 2021a), who concluded that OCB can mediate the relationship between servant leaders and employee performance.

## **6. CONCLUSION**

Some conclusions can be drawn from research on PT. AGI, Tbk, among others: 1) Servant leadership is proven to improve employee performance; 2) Servant leadership has been shown to increase the role of leader and employee exchanges; 3) Servant leadership is proven to increase employee empowerment; 4) Servant leadership is proven to increase OCB; 5) Leader-member exchange (LMX) is proven to improve employee performance; 6); Employee empowerment is proven to improve employee performance; 7) OCB is proven to improve employee performance; 9) LMX can play a role as a partial mediation on the relationship between servant leadership on employee performance; 8) Employee empowerment can act as a partial mediation in the relationship between servant leadership on employee performance; and 10) OCB can act as a partial mediation on the relationship between servant leadership on employee performance.

### **Theoretical and Practical Contributions**

First, the theoretical contribution that can be developed from the relationship pattern of the servant leadership research model to employee performance is based on leadership, organizational psychology, and human resource management (HRM) theories. Servant Leadership Theory put forward by (Greenleaf, 1970); Theory of Social Change (social exchange theory) by Thibaut and Kelley (1959); have been used to support the pattern of relationships in this research model. Servant leadership is the main theory put forward by (Greenleaf, 1970), which suggests that a good leader serves, not just directs subordinates.

Second, theoretical contributions that the management of PT can make. BAGI, Tbk, among others: 1) leaders and employees need to pay attention to collaboration and cooperation related to training and development programs for both leaders and employees; 2) the need for attention to the behaviors of both leaders and employees in making decisions and a higher sense of responsibility for their work, and 3) creating a strong work team to achieve common goals.

### **Research Limitations**

The limitations of this research model include: 1) Different company contexts: this research model may not always be universally applicable to every company; 2) Challenges in measuring variables: measuring variables such as servant leadership, LMX, employee empowerment, and OCB can be a challenge because these variables are subjective and difficult to measure

objectively, 3) Limitations in generalizing findings: the findings of this research model may be difficult to generalize to other companies outside the research context.

### Future Study

This research has limitations, including 1) the research is quantitative, so in future research, it is suggested to explore more with a qualitative approach so that the influence of servant leadership on employee performance is mediated by LMX, employee empowerment, OCB as a whole; 2) the results of this study contribute to the development of a research conceptual model in the field of Human Resources and Organizational Behavior so that in the future it is necessary to expand the scope of research on variables outside the existing model.

### References

- 1) Aarons, G. A., Conover, K. L., Ehrhart, M. G., Torres, E. M., & Reeder, K. (2021). Leader–member exchange and organizational climate effects on clinician turnover intentions. *Journal of Health Organization and Management*, 35(1), 68-87.
- 2) Barbuto Jr, J. E., & Wheeler, D. W. (2006). Scale development and construct clarification of servant leadership. *Group & organization management*, 31(3), 300-326.
- 3) Batilmurik, R. W. (2021a). Organizational Citizenship Behavior Sebagai Mediator Variabel Hubungan Antara Komitmen Organisasional dan Kinerja Polisi (Studi Pada Penyidik Reserse dan Kriminal Khusus Kepolisian Daerah Nusa Tenggara Timur). *Jurnal Pendidikan*, 13(1), 83-91.
- 4) Batilmurik, R. W. (2021b). Pengaruh kepribadian terhadap kinerja dimediasi organizational citizenship behavior (Studi pada Dosen Politeknik Negeri Kupang). *Jurnal Penelitian Manajemen Terapan (PENATARAN)*, 6(2), 186-197.
- 5) Batilmurik, R. W., Noermijati, A., Sudiro, A., & Rohman, F. (2019). Organizational commitment of police officers: A static study technique in Indonesian national police. *Journal of Advanced Research in Dynamic and Control Systems*, 11, 1876-1884.
- 6) Bertram, D. (2007). Likert scales. *Retrieved November*, 2(10), 1-10.
- 7) Bose, I., & Emirates, U. (2018). Employee empowerment and employee performance: An empirical study on selected banks in UAE. *Journal of Applied Management and Investments*, 7(2), 71-82.
- 8) Cascio Weyne, F. (2013). *Managing Human Resource Management Productivity, Quality of Work Life, Profits*: McGraw-Hill Irwin, New York.
- 9) Chen, C.-Y., Mao, H. Y., Hsieh, A. T., Liu, L.-L., & Yen, C.-H. (2013). The relationship among interactive justice, leader–member exchange, and workplace friendship. *The Social Science Journal*, 50(1), 89-95.
- 10) Choi, Y., Kim, J. Y., & Yoo, T. (2016). A study on the effect of learning organization readiness on employees' quality commitment: the moderating effect of leader–member exchange. *Total Quality Management & Business Excellence*, 27(3-4), 325-338.
- 11) Erdogan, B., & Enders, J. (2007). Support from the top: Supervisors' perceived organizational support as a moderator of leader-member exchange to satisfaction and performance relationships. *Journal of applied psychology*, 92(2), 321.
- 12) Field, A. (2013). *Discovering statistics using IBM SPSS statistics*: sage.
- 13) Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of marketing research*, 18(1), 39-50.

- 14) Gerstner, C. R., & Day, D. V. (1997). Meta-Analytic review of leader–member exchange theory: Correlates and construct issues. *Journal of applied psychology*, 82(6), 827.
- 15) Graen, G. B., & Uhl-Bien, M. (1995). Relationship-based approach to leadership: Development of leader-member exchange (LMX) leadership theory over 25 years: Applying a multi-level multi-domain perspective. *The leadership quarterly*, 6(2), 219-247.
- 16) Greenleaf, R. (1970). The servant as leader. Westfield. *The Greenleaf Center for Servant Leadership*.
- 17) Greguras, G. J., & Ford, J. M. (2006). An examination of the multidimensionality of supervisor and subordinate perceptions of leader-member exchange. *Journal of occupational and organizational psychology*, 79(3), 433-465.
- 18) Hair, J., Hollingsworth, C. L., Randolph, A. B., & Chong, A. Y. L. (2017). An updated and expanded assessment of PLS-SEM in information systems research. *Industrial management & data systems*, 117(3), 442-458.
- 19) Harris, K. J., Wheeler, A. R., & Kacmar, K. M. (2009). Leader–member exchange and empowerment: Direct and interactive effects on job satisfaction, turnover intentions, and performance. *The leadership quarterly*, 20(3), 371-382.
- 20) Harwiki, W. (2013). The influence of servant leadership on organization culture, organizational commitment, organizational citizenship behavior and employeesâ€™ performance (Study of outstanding cooperatives in East Java Province, Indonesia). *Journal of Economics and Behavioral Studies*, 5(12), 876-885.
- 21) Harwiki, W. (2016). The impact of servant leadership on organization culture, organizational commitment, organizational citizenship behavior (OCB), and employee performance in women cooperatives. *Procedia-Social and Behavioral Sciences*, 219, 283-290.
- 22) Hu, J., & Liden, R. C. (2011). Antecedents of team potency and team effectiveness: An examination of goal and process clarity and servant leadership. *Journal of applied psychology*, 96(4), 851.
- 23) Irving, J. A., & Longbotham, G. J. (2007). Team effectiveness and six essential servant leadership themes: A regression model based on items in the organizational leadership assessment. *International Journal of Leadership Studies*, 2(2), 98-113.
- 24) Khan, A. H., Nawaz, M. M., Aleem, M., & Hamed, W. (2012). Impact of job satisfaction on employee performance: An empirical study of autonomous Medical Institutions of Pakistan. *African journal of business management*, 6(7), 2697.
- 25) Kim, S., Jeong, S. H., & Seo, M. H. (2022). Nurses' ethical leadership and related outcome variables: Systematic review and meta-analysis. *Journal of Nursing Management*, 30(7), 2308-2323.
- 26) Law, K. S., Wang, H., & Hui, C. (2010). Currencies of exchange and global LMX: How they affect employee task performance and extra-role performance. *Asia Pacific Journal of Management*, 27(4), 625-646.
- 27) Lee, K., & Allen, N. J. (2002). Organizational citizenship behavior and workplace deviance: the role of affect and cognitions. *Journal of applied psychology*, 87(1), 131.
- 28) Liao, C., Lee, H. W., Johnson, R. E., & Lin, S.-H. (2021). Serving you depletes me? A leader-centric examination of servant leadership behaviors. *Journal of Management*, 47(5), 1185-1218.
- 29) Liden, R. C., Wayne, S. J., Zhao, H., & Henderson, D. (2008). Servant leadership: Development of a multidimensional measure and multi-level assessment. *The leadership quarterly*, 19(2), 161-177.
- 30) Muhtasom, A., Mus, H. A. R., Bijang, J., & Latief, B. (2017). Influence of servant leadership, organizational citizenship behavior on organizational culture and employee performance at Star Hotel in Makassar. *Star*, 486(206), 410.

- 31) Murari, K., & Gupta, K. S. (2012). Impact of servant leadership on employee empowerment. *Journal of Strategic Human Resource Management*, 1(1), 28.
- 32) Newman, A., Schwarz, G., Cooper, B., & Sendjaya, S. (2017). How servant leadership influences organizational citizenship behavior: The roles of LMX, empowerment, and proactive personality. *Journal of business ethics*, 145, 49-62.
- 33) Nurtjahjani, F., Batilmurik, R. W., & Masreviastuti, M. (2020). Pengaruh Gaya Kepemimpinan Transformasional terhadap Keterlibatan Kerja Dimediasi Kepuasan Kerja. *Jurnal Bisnis dan Ekonomi*, 27(2), 191-204.
- 34) Organ, D. W. (1988). *Organizational citizenship behavior: The good soldier syndrome*: Lexington books/DC heath and com.
- 35) P Robbins, S., & A Judge, T. (2016). *Essentials of organizational behavior*: Pearson Education Limited.
- 36) Peterson, N. A., & Reid, R. J. (2003). Paths to psychological empowerment in an urban community: Sense of community and citizen participation in substance abuse prevention activities. *Journal of Community Psychology*, 31(1), 25-38.
- 37) Podsakoff, P. M., Ahearne, M., & MacKenzie, S. B. (1997). Organizational citizenship behavior and the quantity and quality of work group performance. *Journal of applied psychology*, 82(2), 262.
- 38) Rahayu, M. (2019). Pengaruh Servant Leadership Terhadap Kinerja Karyawan Bagian Prosesing Di Kantor Mail Processing Centre Bandung. *Jurnal Sains Manajemen & Akuntansi*, 11(1), 99-108.
- 39) Rivai, V., & Sagala, E. (2012). *Manajemen Sumber Daya Manusia: Dari Teori ke Praktek* (ed. 2). Jakarta: Rajawali Press.
- 40) Sanders, L. (2008). An evolving map of design practice and design research. *interactions*, 15(6), 13-17.
- 41) Seibert, S. E., Wang, G., & Courtright, S. H. (2011). Antecedents and consequences of psychological and team empowerment in organizations: a meta-analytic review. *Journal of applied psychology*, 96(5), 981.
- 42) Settoon, R. P., Bennett, N., & Liden, R. C. (1996). Social exchange in organizations: Perceived organizational support, leader-member exchange, and employee reciprocity. *Journal of applied psychology*, 81(3), 219.
- 43) Spears, L. (1996). Reflections on Robert K. Greenleaf and servant-leadership. *Leadership & organization development journal*, 17(7), 33-35.
- 44) Walumbwa, F. O., Hartnell, C. A., & Oke, A. (2010). Servant leadership, procedural justice climate, service climate, employee attitudes, and organizational citizenship behavior: a cross-level investigation. *Journal of applied psychology*, 95(3), 517.
- 45) Wirawan, W. (2010). *Evaluasi kinerja sumber daya manusia*. Jakarta: Salemba Empat.
- 46) Wong, A., Liu, Y., Wang, X., & Tjosvold, D. (2018). Servant leadership for team conflict management, coordination, and customer relationships. *Asia Pacific Journal of Human Resources*, 56(2), 238-259.
- 47) Yukl, G. (1989). Managerial leadership: A review of theory and research. *Journal of Management*, 15(2), 251-289.
- 48) Yuniarto, P. (2018). Effect of organizational citizenship behaviors as a moderation between servant leadership on employee performance. *Jurnal Aplikasi Manajemen*, 16(2), 264-270.
- 49) Zhang, Z., Waldman, D. A., & Wang, Z. (2012). A multilevel investigation of leader-member exchange, informal leader emergence, and individual and team performance. *Personnel Psychology*, 65(1), 49-78.