THE EFFECT OF SERVANT LEADERSHIP TOWARD EMPLOYEE PERFORMANCE THROUGH EMPLOYEE ENGAGEMENT AS AN INTERVENING VARIABLE
(Study at PT. Telekomunikasi Indonesia Bandung Witel Office)

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Abstract
This research is motivated by issues related to leadership in PT. Telekomunikasi Indonesia Bandung Witel Office. The problems are based on the pre-survey results about concept of servant leadership implementation that is not yet entirely accepted by the respondents. There is also an indication of fluctuation against employee performance levels in 2015 to 2017. This study has several objectives, namely, first to determine the effect of servant leadership towards employee engagement. Second, to determine the effect of servant leadership toward employee performance. And third, to determine the effect of servant leadership toward employee performance through employee engagement as an intervening variable (case study at PT. Telekomunikasi Indonesia Bandung Witel Office). Sample is using a non-probability sampling method with saturated sample of 60 respondents. The results showed that the variables of servant leadership, employee engagement and employee performance were in the good category. The path analysis results show that servant leadership has a significant effect against employee engagement by 0.538. Servant leadership has a significant effect against employee performance by 0.460. Servant leadership against employee performance through employee engagement has an influence of 0.027, which means that employee engagement can mediate servant leadership on employee performance even though the value of the direct effect is greater than the indirect effect. The dependent variable's variance value is 0.633 which means that there are 37 percent other factors that cannot be explained by the independent variables.

Keywords: servant leadership, employee engagement, employee performance, human resources

1. Preliminary
1.1 Research Background

Human resources are important factors in a company that is able to influence the existence of a company or organization. Siagian states that “The success of a company is influenced by several factors, one of the most important factors is human resources, because human resources are actors from all levels of planning to evaluation who are able to take advantage of other resources owned by the organization or company”. Optimal human resource management can contribute effectively to employee performance. In the organizational context, employee performance is an element that must be considered if the company wants to achieve good performance. Employee performance could be contributed as well as with higher employee job satisfaction, wherein better organizational performance would be achieved (Fakhri et al., 2019). Good employee performance will have a positive influence on organizational success (Irawan et al., 2015; Silvianita & Tan, 2017) and also supporting career goals for the employee (Fakhri et al., 2017)

PT.Telekomunikasi Indonesia Bandung Witel Office is a company which providing Telekomunikasi network services operating in the city of Bandung and part of a State-Owned Enterprise (BUMN), namely PT.Telekomunikasi Indonesia Tbk. The following data indicate the performance of Witel Bandung employees who have been accumulated thoroughly from 2015 to 2017.
Based on the explanation above, it can be concluded that the employee's performance is at a fluctuating level and in 2017 the P2 value decreased (very good) by 20 percent from the previous year which was 97 percent. This shows that employee performance still does not meet company expectations where the employee performance appraisal standard is P2 (excellent) and the company must continue to strive to return the level of employee performance into a better direction. Hence a better leadership will give an influence for a better employee performance. House defines leadership as “the ability of an individual to influence, motivate and enable others to contribute toward the effectiveness and success of the organizations of which they are members”.

There are several types of leadership styles and there is a concept of leadership that is rarely discussed but interesting to discuss theoretically and deeply because the approach used is to serve first, not lead. This theory is called servant leadership. Servant leadership theory originated from Robert Greenleaf’s idea, which explain about how servant leadership concept is serve first. Servant leadership is a holistic leadership approach that engages followers in multiple dimensions (e.g., relational, ethical, emotional, spiritual), such that they are empowered to grow into what they are capable of becoming. It seeks first and foremost to develop followers on the basis of leaders' altruistic and ethical orientations. When followers' well-being and growth are prioritized, they in turn are more engaged and effective in their work. Servant leaders see themselves as stewards of the organizations, who seek to grow the resources, financial and otherwise, that have been entrusted to them. As such, they do not ignore performance expectations even though they focus on their followers' personal development. Unlike performance-oriented leadership approaches that often “sacrifice people on the altar of profit and growth”, servant leaders focus on sustainable performance over the long run.

Based on the distribution of pre-survey questionnaires to the employees of PT. Telekomunikasi Indonesia Bandung Witel Office, amounting to 14 people with the aim of collecting initial research data obtained the following results:

Table 2: Pre-Servant Leadership Survey Questionnaire Results
Based on table 1 above, it can be concluded that the application of the concept of servant leadership in the work environment of Witel Bandung office has been implemented. The pre-survey questionnaire results were enough to explain the application of the concept, although this questionnaire is still preliminary, the results can indicate how far respondents have felt implication of service leadership. The result on average show 81 percent of respondent experience practice of servant leadership, meanwhile the other 19 percent indicates otherwise. Servant leaders place the good of followers over their own self-interests and emphasize follower development.

Servant leadership also affects the way organizational teams function. Hu and Liden found that servant leadership enhanced team effectiveness by increasing the members’ shared confidence that they could be effective as a work group. According to Rasheed et, al. an empirical study shown that servant leadership can affect work engagement or employee engagement in a positive way.

Employee engagement is defined as an individual’s emotional and cognitive (logical) motivation, particularly a focused, intense, persistent, and purposive effort toward work-related goals. It is an emotional involvement in, commitment to, and satisfaction with the work. Employee engagement also includes a high level of absorption in the work, the experience of focusing intensely on the task with limited awareness of events beyond that work.

The following data is from the employee engagement index for each Witel in West Java:

Table 3: Witel Employee Engagement Index in West Java Third Division Regional

<table>
<thead>
<tr>
<th>No</th>
<th>Indicator</th>
<th>Agree</th>
<th>Percentage</th>
<th>Disagree</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Leaders try to help solve employee problems.</td>
<td>8</td>
<td>57</td>
<td>6</td>
<td>43</td>
</tr>
<tr>
<td>2</td>
<td>Leaders often provide motivation to employees.</td>
<td>13</td>
<td>93</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>3</td>
<td>Leaders have fairly high ethical standards.</td>
<td>11</td>
<td>78</td>
<td>3</td>
<td>21</td>
</tr>
<tr>
<td>4</td>
<td>Leaders are able to deal with complex problems.</td>
<td>13</td>
<td>93</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>5</td>
<td>Leaders have a sense of caring for the environment.</td>
<td>12</td>
<td>86</td>
<td>2</td>
<td>14</td>
</tr>
<tr>
<td>6</td>
<td>Leaders are always interested in helping others in their community</td>
<td>8</td>
<td>57</td>
<td>6</td>
<td>14</td>
</tr>
<tr>
<td>7</td>
<td>The leader has a thorough understanding of the organization’s vision and goals</td>
<td>14</td>
<td>100</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>8</td>
<td>The leader does what he can to facilitate the work of his employees</td>
<td>12</td>
<td>86</td>
<td>2</td>
<td>14</td>
</tr>
<tr>
<td>9</td>
<td>Dreamers prioritize the interests of employees over their own interests</td>
<td>14</td>
<td>100</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>10</td>
<td>Leaders give employees the responsibility to make important decisions about their work</td>
<td>9</td>
<td>64</td>
<td>5</td>
<td>36</td>
</tr>
</tbody>
</table>

Source: Author’s Processed Data

From these data it can be concluded that the level of employee engagement of each Witel in West Java has entered the High Performance category as previously known. However, from every Witel operating in the regional division III Witel Bandung has the lowest employee engagement level among other Witel
with a total score of 81.09. This shows that there needs to be an evaluation of the engagement of the employees of PT. Telekomunikasi Indonesia Bandung Witel Office so that it can be improved for the better.

Based on the description above, researchers are interested in conducting research under the title "The Effect of Servant Leadership on Employee Performance with Employee Engagement as an Intervening Variable (Study at PT. Telekomunikasi Indonesia Bandung Witel Office)".

Based on the background of the research problem that has been presented, the identification of the problem with this research is:

1. How is servant leadership applied at PT. Telekomunikasi Indonesia Bandung Witel Office?
2. How is the performance of employees at PT. Telekomunikasi Indonesia Bandung Witel Office?
3. How is the employee engagement at PT. Telekomunikasi Indonesia Bandung Witel Office?
4. How does servant leadership influence on employee performance at PT. Telekomunikasi Indonesia Bandung Witel Office?
5. How does servant leadership influence on employee engagement at PT. Telekomunikasi Indonesia Bandung Witel Office?
6. How is the influence of servant leadership on employee performance at PT. Telekomunikasi Indonesia Bandung Witel Office through employee engagement?

2. Literature Review
2.1 Servant Leadership

Northouse states that serving leadership begins when leaders promise themselves to put followers first, be honest with them, prioritize actions to listen to followers and develop long-term relationships with them. This allows leaders to understand the abilities, needs and goals of employees which ultimately allows employees to reach their full potential. The eight dimensions of servant leadership that are the result of the modified dimensions of Barbuto and Wheeler with the conceptual framework of servant leadership formed by Wong and Page are as follows:

a. **Altruistic calling**
   The strong desire of the leader to make a positive difference in the lives of others and put the interests of others above his own interests and will work hard to meet the needs of his subordinates.

b. **Emotional healing**
   A leader's commitment and skills to improve and restore subordinate enthusiasm.

c. **Wisdom**
   Leaders who are easy to grasp the signs related to ethics and values in their environment, so as to understand the situation and the implications of the situation.

d. **Persuasive mapping**
   The extent to which the leader has the skills to map problems and conceptualize the highest likelihood of occurring and persuade someone to do something when articulating opportunities.

e. **Organizational steward**
   How far the leader prepares the organization to make a positive contribution to the environment.

f. **Humility**
   Humility of a leader and always appreciate the achievements of his subordinates.

g. **Vision**
   How far the leader seeks the commitment of all members of the organization to the shared vision by inviting members to determine the future direction of the organization.

h. **Service**
   The extent to which service is seen as the core of leadership and leaders show their service behavior to subordinates.

2.2 Employee Engagement

Employee engagement or organizational commitment as typically conceived of as an individual’s psychological bond to the organization, including a sense of job involvement, loyalty, and a belief in the values of the organization. Anitha defines employee engagement as ‘the level of commitment and involvement an employee has towards their organization and its values’, whereas Purcell states that work engagement relates to ‘an individual’s psychological state of mind whilst at work’.

Some factors for employee engagement according to Sirota et. al. are as follows:

a. **Equity** (Justice)
   Sirota et. al. state that there are three basic elements of the equity factor, namely:
1) Psychological (Working Conditions), such as having a safe work environment, workloads that do not damage physical and emotional health and work conditions that are quite comfortable physically.
2) Economy, like having a reasonable level of job security, good compensation, and other benefits (non-financial).
3) Psychology (Fairness), such as feeling valued, having accommodations that are made for personal and family needs, having credible and consistent management, and getting justice in raising complaints.

b. Achievement (Recognition of work performance)
Sirota et al. revealed that there are six main keys in achievement factors are as follows:
1) The challenge of his own work (work itself).
2) Acquire new expertise.
3) Able to show their own work.
4) Employee work is considered important.
5) Recognition received from its performance, such as financial (compensation and bonus) non-financial ("thank you" from the leader or customer).
6) Work in a company where employees are proud of the company.

c. Camaraderie (Kinship)
According to Kourdi, the most significant aspects of the camaraderie factor are as follows:
1) Relationships with coworkers
2) Cooperation between employees in the work business unit
3) Teamwork in all departments in specific company locations.
4) Collaboration between work teams in all organizations.
Sirota et al. also added that the concept of the camaraderie is said not to be too complex when compared to equity and achievement but explicitly and its application will be more visible when working in a company.
d. Leadership (Leadership)
According to Sirota et al., the relationship between leaders and employees is defined as partnership, where this relationship is based on business needs and the achievement of shared goals. This has provided evidence that the partnership relationship (partnership) produces high performance in the long run in the organization because of the reciprocal relationship, employees contribute to the progress of the organization and the organization provides compensation in the form of compensation.

2.3 Employee Performance
Performance is a result from an efficient and effective activity. Employee performance is form of activity which is supported organizational performance. Organizational performance is the accumulated results of all the organization’s work activities. Three frequently used organizational performance measures include (1) productivity, which is the output of goods or services produced divided by the inputs needed to generate that output; (2) effectiveness, which is a measure of how appropriate organizational goals are and how well those goals are being met; and (3) industry and company rankings compiled by various business publications.

The performance of human resources (HR) is work performance or work output (output) both quality and quantity achieved by HR in a period of time in carrying out their work duties in accordance with the responsibilities given to them. According to Kasmir, the performance dimensions that can be used to measure employee performance are as follows:

a. Quality (Quality)
Performance measurement can be done by looking at the quality (quality) of a job through the process or results of completing an activity or task given.
b. Quantity
Performance measurement can be done by looking at the quantity or amount of work produced by employees through the number of units produced per day, or some number of activity cycles completed.
c. Time
The existence of a minimum and maximum time limit that must be met, if it does not meet the existing provisions it is considered that the performance is not good, and vice versa.
d. Cost Emphasis
With the budgeted costs used as a reference so as not to exceed the budget set.
e. Supervision
Every activity of a job requires supervision so that it does not deviate from what has been
determined.

f. Relations between Employees
Performance appraisal in this case is measured whether someone is able to have good relations between employees.

2.4 Framework

![Figure 2: Research Framework](Source: Author's Processed Data)

2.5 Research Hypothesis
Based on the research framework, the hypothesis in this study is: "Servant leadership influences employee performance through employee engagement as an intervening variable at PT. Telekomunikasi Indonesia Bandung Witel Office".

3. Research methods
In this study, the type of research is descriptive and causal. Descriptive research is research that is intended to gather information about the status of an existing symptom, that is the state of the symptom according to what it was at the time the study was conducted without intending to make conclusions that apply to the public or generalization. Furthermore, causal research is research that has a causal relationship.

4. Discussion
4.1 Descriptive Analysis
4.1.1 Descriptive Variable Analysis Servant Leadership (X)
Based on the results of a descriptive analysis of servant leadership at PT. Telekomunikasi Indonesia Bandung Witel Office as a whole is included in the good category. Of the 16 statements regarding servant leadership, they get an average percentage of 79 percent. This shows that by applying the concept of servant leadership can improve employee performance at PT. Telekomunikasi Indonesia Bandung Witel Office.

4.1.2 Descriptive Analysis of Employee Performance Variables (Y)
Based on the results of a descriptive analysis of employee performance at PT. Telekomunikasi Indonesia Bandung Witel Office as a whole is included in the good category. Of the 11 statements about employee performance received an average percentage of 80 percent. This shows that the level of employee performance at PT. Telekomunikasi Indonesia Bandung Witel Office is in the good category and employee performance will continue to improve if employee performance indicators are made a priority by the company.

4.1.3 Descriptive Variable Analysis Employee Engagement (Z)
Based on the results of a descriptive analysis of employee engagement at PT. Telekomunikasi Indonesia
Bandung Witel Office as a whole is included in the good category. From 8 statements about employee engagement, it gets an average percentage of 81 percent. This shows that the level of employee engagement at PT. Telekomunikasi Indonesia Bandung Witel Office is in a good level and an important factor that must be maintained.

4.1.4 T Test Analysis Results

Table 4: T Test (Partial) Employee Performance Variables

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>(Constant)</td>
<td>7,139</td>
<td>2,835</td>
</tr>
<tr>
<td>Servant Leadership</td>
<td>0.275</td>
<td>0.059</td>
</tr>
<tr>
<td>Employee Engagement</td>
<td>0.475</td>
<td>0.112</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee Performance

Based on the partial T test between servant leadership and employee performance has a value of t arithmetic> t table that is 4.623> 2.002 and a significance level of 0.000 <0.005. This shows that there is a significant influence of the servant leadership variable on employee performance at PT. Telekomunikasi Indonesia Bandung Witel Office.

Table 5: T Test (Partial) Employee Engagement Variables

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>(Constant)</td>
<td>9,557</td>
<td>3,078</td>
</tr>
<tr>
<td>Servant Leadership</td>
<td>0.285</td>
<td>0.059</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee Engagement

Based on the partial T test between servant leadership and employee engagement, the value of t arithmetic> t table is 4.861> 2.002 and a significant level of 0.000 <0.005. This shows that there is a significant influence of the servant leadership variable on employee engagement at PT. Telekomunikasi Indonesia Witel Bandung.

4.1.5 Path Analysis Results

The path analysis model in this study can be described as follows:

\[ e_1 = 0.843 \]

\[ e_2 = 0.633 \]

\[ 0.538 \]

\[ 0.460 \]

\[ 0.422 \]

a. Effect of Servant Leadership (X) and Employee Performance (Y)

Based on the research results obtained by the path coefficient for the direct effect of servant leadership on employee performance amounted to 0.460 or 46 percent with a significance level of 0.000. This shows that there is a significant positive influence of servant leadership on employee performance and can be concluded along with the ongoing implementation of servant leadership at PT. Telekomunikasi Indonesia Bandung Witel Office can improve employee performance.
b. Effect of Servant Leadership (X) and Employee Engagement (Z)

Based on the research results obtained by the path equation that is Z = 0.538X + 0.843 and it can be concluded that if there is an increase in the implementation of servant leadership will increase employee engagement. The path coefficient value of the servant leadership variable on employee engagement is 0.538 or 53 percent with a significance level of 0.000. This shows that there is a significant positive influence of servant leadership on employee engagement.

c. Effect of Servant Leadership (X) on Employee Performance (Y) Through Employee Engagement (Z)

From the calculation, influence servant leadership on employee performance through employee engagement obtained from the multiplication between the servant leadership path coefficient value on employee engagement (XZ) and the employee engagement path coefficient value on employee performance (ZY) to (0.538 x 0.422) = 0.2270. The multiplication results show that the value of the indirect effect coefficient (XZ x ZY) is smaller than the value of the direct effect coefficient (XY), i.e. (0.2270 <0.460). This shows that employee engagement (Z) as an intervening variable is able to mediate servant leadership (X) on employee performance (Y) even though the value of the direct effect coefficient is greater than the value of the indirect effect coefficient.

4.1.6 Determination Coefficient Test Results ($R^2$)

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.774a</td>
<td>.599</td>
<td>.585</td>
<td>3.86148</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Employee Engagement, Servant Leadership

Source: SPSS Processing Results

Based on table 4.7 above it can be seen that the coefficient of determination ($R^2$) is 0.599. This shows that the contribution of independent variables in influencing the dependent variable is 59.9 percent while the remaining 40.1 percent is explained by other variables that are outside the data testing.

5. Conclusion

Based on the study results, the following conclusions are obtained: Servant Leadership, Employee Performance, Employee Engagement at PT. Telekomunikasi Indonesia Bandung Witel Office based on descriptive analysis are within the good category. Meanwhile, according to path analysis result, servant leadership has an influence and significant impact on PT's employee performance. Telekomunikasi Indonesia Bandung Witel Office. This research has a similar result as well as another research that has been published before, such as Huang et, al. also find that servant leadership have positive impact with firm performance. Chen et, al. has similar result too which is a positive impact between servant leadership and service performance. Regarding servant leadership toward employee engagement, the result indicates a significant and influence impact too. This result also in line with another result from de Sousa & van Dierendonck, Coetzter et, al., and Schneider & George which found that servant leadership and employee engagement has an influence and significant impact as well. Overall, according to path analysis, the results are that servant leadership affecting employee performance at PT. Telekomunikasi Indonesia Bandung Witel Office with a mediated variable by employee engagement.

References


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