

# EFFECT OF ORGANIZATIONAL CITIZENSHIP BEHAVIORS AS A MODERATION BETWEEN SERVANT LEADERSHIP ON EMPLOYEE PERFORMANCE

JAM

16, 2

Received, January 2017

Revised, March 2018

Accepted, May 2018

Prayogo Yuniarto

Faculty of Economic and Business Universitas Sebelas Maret, Surakarta, Indonesia

**Abstract:** This study aims to investigate the complexities effect of servant leadership and employee performance and the moderating role of organizational citizenship behaviors (OCB) on the relationship between servant leadership and employee performance. Servant leadership measured using empowerment, love, humility, trust, and vision. This Study collected data from 154 respondents using questionnaire method. The analysis tool in this research is Structural Equation Modeling (SEM) using generalized structured component analysis (GeSCA). From the results of model testing is known that the required goodness of fit test value is FIT, AFIT, GFI, SRMR, and NPAR with using GeSCA. Based on the results of hypothesis testing are known: there is a positive influence on the servant leadership to the employee performance. OCB strengthen the role of the relationship between servant leadership for employee performance. Suggestions for future research is to develop research by adding indicators or adding other variables on other organization with different characteristic.

**Keywords:** servant leadership, OCB and employee performance, SEM, and GeSCA



Journal of Applied  
Management (JAM)  
Volume 16 Number 2,  
June 2018  
Indexed in Google Scholar

*Correspondence Author:*  
Prayogo Yuniarto, Faculty of  
Economic and Business  
Universitas Sebelas Maret,  
Surakarta, Indonesia, Email:  
prayogoyuniarto@gmail.com  
DOI: [http://dx.doi.org/  
10.21776/ub.jam.2018.  
016.02.09](http://dx.doi.org/10.21776/ub.jam.2018.016.02.09)

Performance is a workable achievement that can be measured by comparing the actual achievement of the work with the performance standards set by the company (Dessler, 2006). Performance can be the appearance of individuals and groups of organizations (Ivancevich M. John, 2009), so individual performance is the foundation of organizational performance to achieve a vision and mission of the company. A performance is so important to the organization that the organization

seeks to improve the performance of its employees in order to achieve organizational goals (Wang, 2002).

Leadership is one of the main factors to improve performance. The suitability of the leadership style will greatly affect the type and characteristics of the organization (Rowold, 2014). Servant leadership is a leadership model that prioritizes service to other parties, either to company employees, customers, or to the surrounding community. Servant leadership implementation is characterized by an increasing willingness to serve others by taking a comprehensive approach to work, community, and decision-making processes involving all parties (Greenleaf, 1998).

Factors affecting employee performance are organizational citizenship behavior (OCB). Chelagat, et al. (2015), concluded that OCB is an important

factor to improve employee performance. The success of an organization one of them is influenced by OCB (Lian & Tui, 2012). According to Podsakoff, et al. (2000), OCB is a flexible individual behavior and is not directly known or appreciated by formal reward systems in an organization, but overall contributes to organizational effectiveness. Greenberg & Baron (2003) defines OCB as an informal behavior, beyond the normal expectations of the organization and all of which ultimately can lead to organizational well-being.

The development of industry in the field of life insurance in Indonesia in recent years has experienced a very rapid growth. Insurance companies are non-bank financial institutions that have an important role in the field of services provided to the community to address the problem of risks that will occur in the future. Along with the development of insurance business is a lot of things to be done by insurance service providers to be able to win a tight competition and can maintain its existence that is by improving the quality of employee performance.

PT. Asuransi Jiwa Inhealth Indonesia (Mandiri Inhealth) is a company engaged in the field of health insurance services that have had many branches in Indonesia. As a growing company, servant leaders strive to create a supportive working environment in order to improve the quality of their employees' performance.

### **SERVANT LEADERSHIP**

According to Robbins and Judge (2013), servant leaders are leadership styles that go beyond their own interests and focus on opportunities to help followers to grow and develop. They do not use force to achieve goals but emphasize persuasion. Servant leadership characteristics include listening, empathy, persuading, receiving stewardship, and actively developing potential followers.

Servant leadership is a style of leadership that cares deeply about the growth and dynamics of the lives of its followers, its self, and its community, therefore they will take precedence over serving instead of pursuing personal and ambitious pursuits (Greenleaf 1977). Servant leadership dimensions according to Irving (2005) which consists of:

1. Love  
The first characteristic of servant leadership is loving based on affection. Sendjaya & Pekerti (2010) states that love (love) refers to the Greek language of moral love (agape love). Love means doing the right thing at the right time for the right reasons.
2. Empowerment  
Empowerment places an emphasis on cooperation that entrusts power to others and listens to the advice of its followers.
3. Vision  
Vision is the direction to which the organization and the people will be led by a leader. The vision of a leader will inspire action and help shape the future, a stronger influence on the people who work for the benefit of the organization.
4. Humility  
Effective leaders are leaders who maintain humility by showing respect for employees and recognizing employees' contribution to the team.
5. Trust  
Servant leadership is the people of choice among a number of others and the choice is based on certain advantages that cause the servant leaders to gain the confidence to become leaders.

### **ORGANIZATIONAL CITIZENSHIP BEHAVIOUR (OCB)**

OCB is a free individual behavior, in excess of the required role, which is not directly or explicitly recognized by the formal reward system (Podsakoff, et al., 2000). According to Organ, et al. (2006), OCB is considered essential for organizational survival. OCB can maximize the efficiency and productivity of employees and organizations that ultimately contribute to the effective functioning of an organization. Podsakoff, et al. (2000), reinforces the Organ statement, ie the OCB contributes to the organization. These contributions include increased productivity of co-workers, increased productivity of managers, and saves resources of the organization as a whole. OCB helps maintain group functions, it is very effective to coordinate group work activities. OCB also enhances the organization's ability to at-

tract and retain the best employees. In addition, OCB enhances the organizational stability of the organization, as well as improves the organization's ability to adapt to environmental change.

Organ (1988), defines OCB as a discretionary individual behavior, not directly or explicitly acknowledged by formal reward systems, and aggregately improves the effective functioning of the organization. Robbins (2013), meanwhile, argues that OCB is an optional behavior that is not part of an employee's formal employment obligation, but it supports the effective functioning of the organization. While Greenberg (2011), defines OCB as a form of informal behavior that goes beyond what is expected officially in order to contribute to the well-being of the organization. The OCB Dimension by Organ, et al. (2006), is Altruism which is an Employee Behavior that helps co-workers when faced with difficulties, both in organizational tasks and personal issues. Conscientiousness is the behavior of employees who are shown by trying to work beyond the expected company. It is a voluntary behavior that is not an employee's duty or duty. Sportsmanship is a behavior that tolerates less than ideal circumstances within an organization without making complaints or objections. Courtesy is maintaining good relationships with colleagues to avoid interpersonal problems. Civic Virtue that can be interpreted as a behavior that indicates responsibility for organizational life (following changes in the organization, initiatives to recommend ideas on how to improve operations or organizational procedures, and protect resources owned by the organization).

## EMPLOYEE PERFORMANCE

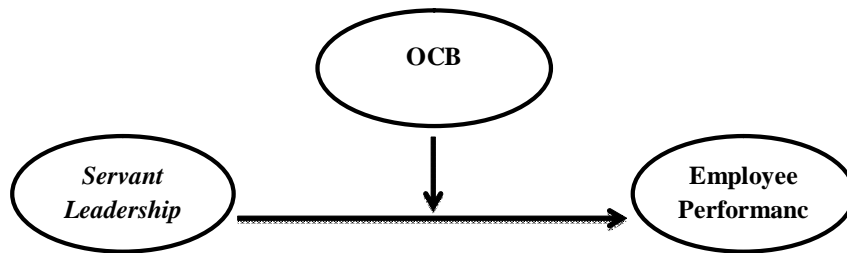
Hasibuan (2006), states that Performance is the work that can be achieved by a person or group of people within an organization in accordance with the authority and responsibility of each to achieve the objectives of the organization concerned legally and not violate the law and in accordance with the moral and ethical. Mangkunegara (2004), states that performance is the result of work in quality and quantity achieved by an employee in performing their duties in accordance with the responsibilities given

to him. In addition, performance can also be interpreted as a result and one's efforts are achieved with the ability and deeds in certain situations. Hasibuan (2006), argued that performance is a work achieved by a person in performing tasks assigned to him based on his skills, experience and seriousness and time. Cushway (2002), defining performance is assessing how one has worked against a predetermined target. Mathis and Jackson (2002), states that performance is basically what employees do or do not do.

To analyze the performance of subordinates can be done with many methods. Efforts to improve skills, work hard, work with high standards, and the optimal use of time are things that can be a measure in assessing the performance of employees or subordinates. There are many opinions about the factors that affect employee performance. According to Mangkunegara (2006), there are three factors that affect employee performance, the first is individual factors, including ability, creativity, innovation, initiative, willingness, confidence, motivation and individual commitment. The second is organizational factors, including clarity of purpose, compensation was given, leadership, work facilities, or infrastructure provided by the organization, organizational processes and work culture within the organization. The last is Psychological Factors consisting of perception, attitude, personality, learning, and motivation.

## RESEARCH CONCEPT FRAMEWORK

employee performance cannot be separated from leadership factors and OCB factors. Leadership model applied also affects the performance of subordinates because the attention of the boss will be felt directly by subordinates. Servant leadership model suitable for use in companies engaged in services because its performance is based on direct service to consumers so that the role of leaders in managing subordinates by giving direct attention and assistance will greatly affect the performance of subordinates. More clearly on the conceptual picture of the study can be seen in Figure 1 below.



**Figure 1 Research Framework**

Based on the research framework in Figure 1, it can be submitted research hypothesis as follows:

- H1: Servant leadership has a significant positive effect on employee performance
- H2: OCB has a significant positive effect on employee performance
- H3: OCB moderates the influence of servant leadership relationships on employee performance

## METHOD

Population in this research are employees in Mandiri Inhealth area Jakarta, Bogor, Depok, Tangerang, and Bekasi. The sample was obtained using purposive sampling method by using slovin formula. sample as respondents in this study as many as 154 employees with characteristics based on gender, age, education level, and length of work.

The data collection used in this research is using personal questionnaire. This method provides responses to the questionnaire statement. In this study questionnaires distributed directly to the respondents and researchers can provide explanations about the purpose of the survey and questions that are not understood by the respondents and responses on the questionnaire can be directly collected by researchers after filled by the respondents. A personal questionnaire was used to obtain data on the dimensions of the constructs being developed in this study.

SEM-based analysis of GeSCA components is a better alternative than PLS, which has better recovery parameters (Hwang, et al., 2009). Hypothesis testing is done by regression weight model at the level of significance 95% or  $\alpha = 0,05$ .

## RESULTS

To test the validity can be seen on the value of loading factor obtained for each indicator. According to Hair, et al. (2006), in order for the existing indicators to explain the latent constructs to be used in the study it must have a value factor of 0.50 or greater. Based on the test results note that all indicators of each variable have a value of factor loading above 0.5 and the critical ratio value  $> 2$ . Thus all indicators in this study can be accepted. The description of the validity test results can be seen in Table 1.

**Table 1 Test Validity**

Variables	Loading Factor	CR
Employee performance (KK)		
<b>KK1</b>	0.818	11.72*
<b>KK2</b>	0.795	10.36*
<b>KK3</b>	0.668	5.74*
<b>KK4</b>	0.719	7.59*
Servant Leadership (SL)		
<b>SL1</b>	0.799	10.9*
<b>SL2</b>	0.749	6.56*
<b>SL3</b>	0.600	3.53*
<b>SL4</b>	0.638	4.38*
<b>SL5</b>	0.478	2.37*
Organizational Citizenship Behaviour (OCB)		
<b>OCB1</b>	0.678	5.93*
<b>OCB2</b>	0.628	5.05*
<b>OCB3</b>	0.696	7.2*
<b>OCB4</b>	0.764	9.21*
<b>OCB5</b>	0.707	6.63*

Source: primary data processed

CR\* = significant at .05 level

Instrument reliability is the result of measurement required to obtain data in accordance with the purpose of measurement. Reliability testing will be done by using Cronbach alpha, if the value of Cronbach alpha exceeds 0.6 then it can be said that the instrument used reliable (Hair, et al., 2006). Based on the test results note that the value of Cronbach's alpha > 0.6 on all variables with the greatest value on employee performance variable that is equal to 0.738 and the lowest value of 0.661 in servant leadership variables. With such identification, it can be concluded that all the variables are considered reliable for use in the research model. Reliability test results can be seen in table 2 below.

**Table 2 Reliability test**

Variables	Cronbach's Alpha
Employee performance	0,738
Servant Leadership	0,736
OCB	0,661

Source: primary data processed

### Model Conformity Test

Model testing is done to find out how well the research model describes the variables studied. This research uses the help of GeSCA in testing the re-

search model. Evaluation of the measurement of the Fit value of the proposed research model can be seen in table 3 below.

**Table 3 Fit Model**

Goodness of-fit Indices	Results	Information
FIT	0.600	Fit
AFIT	0.593	Fit
GFI	0.989	Fit
SRMR	0.112	Fit
NPAR	27	Fit

Source: primary data processed

Based on the test results it is known that the Measurement-of-Fit results from the research model performed. In this test, the FIT value produces a significance level of 0.600. AFIT values of 0.593, GFI of 0.989, SRMR of 0.112 and NPAR of 27 in the model of this study indicate a good level of conformity. Overall measurement of fit model measurements indicates that the model proposed in this study is acceptable.

### DISCUSSION

Hypothesis testing is done by regression weight model at the level of significance 95% or  $\alpha = 0,05$ . The results of the analysis can be seen in table 4.

**Table 4 Regression Weight**

Path Coefficients	Estimate	SE	CR
Servant Leadership > Employee Performance	0.353	0.072	4.92*
OCB > Employee Performance	0.558	0.068	8.21*
Servant Leadership X OCB > Employee Performance	0.514	0.087	5.09*

CR\* = significant at .05 level

The results of this direct impact test show that all the paths analyzed have a positive and significant relationship. The coefficient value of servant leadership relationship to employee performance is 0,353 and CR value 4,92 with significance at level 0,05. The hypothesis that servant leadership has a

positive effect on performance is accepted. The results are in accordance with research conducted by Vondy (2010), which states that servant leadership will improve the quality of subordinate performance results. This means that the increased value of servant leadership will also directly improve

the performance of subordinates because of the support and attention from the leadership can be felt directly.

OCB is also an important variable in improving the performance of subordinates. Based on the results of the study note that OCB directly affect the performance positively and significantly with the coefficient of 0.558 and significant at the 0.05 level. The results are also in line with the results of research conducted by Zheng, et al. (2011), which states that with the increased value of OCB will directly improve performance and job satisfaction. This means that the hypothesis that OCB has a positive effect on employee performance is supported by research Zheng, et al. (2011).

the analysis used to test the hypothesis that has been proposed is using moderation regression analysis (Moderated Regression Analysis) is a regression involving the moderation variable in building the relationship model. Summary of analysis results can be seen in table 4. Based on the test results note that the influence of indirect servant leadership on performance with OCB as a moderation variable indicates that the critical ratio value (CR) is known at 5.9 and significant with a coefficient value of 0.514. The results are reinforced by Hair et al. (2006) which states that moderation requires a condition that the influence between variables (construct) should be significant while the test results show that servant leadership has a significant effect on employee performance. Thus the hypothesis that OCB moderates the relationship servant leadership on employee performance is accepted.

The results of this study show a positive moderation effect that OCB perceived by employees will further enhance the influence of servant leadership on employee performance. This means that the application of leadership servant leadership model coupled with OCB from employees will facilitate employees in carrying out the work because of the support and assistance from superiors and from colleagues so that will improve its performance.

## **LIMITATIONS**

this research is only conducted on the Mandiri Inhealth area of Jakarta-Bogor-Tangerang-Bekasi

working area so that the results of the research cannot be generalized, it would be better if the sample is expanded and performed on companies with different characteristics. this research only uses a variable that is servant leadership and OCB as a variable that influences performance.

## **CONCLUSIONS AND RECOMMENDATIONS**

### **Conclusion**

Servant leadership has a positive and significant impact on employee performance of 35.3%. This means that the servant leadership model is applicable to the environment of Mandiri Inhealth because the characteristics of service companies associated with the service then required teamwork led by people so that will improve performance means higher servant leadership then will improve the quality of its performance. The results of moderation testing give an illustration that OCB moderate from the influence of relationship between servant leadership on employee performance. This means that the higher the value of OCB will be based on the service of Mandiri Inhealth.

### **Suggestion**

To get more comprehensive research results, it is necessary to add organizational good variables such as organizational culture and organizational climate as well as individual variables such as motivation and employee job satisfaction.

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