

Servant Leadership on Work Engagement: Mediating Job Satisfaction and Trust in Leader

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Abstract

The banking industry is currently one of the most competitive industries. For this reason, a leadership style is needed that can increase employee engagement to achieve better company performance. The aim of this research is to ascertain the impact of servant leadership workers' job satisfaction and trust in their leaders as mediating variables. It is conducted at government-owned banks, namely, Bank BNI, Bank BRI, Bank BTN, and Bank Mandiri. Purposive sampling was the technique employed in this study, and the sample consisted of 273 individuals who worked for government-owned banks. This study employed structural equation modeling (SEM) with AMOS software as a data analysis technique. The study's findings demonstrate that: servant leadership influences job satisfaction significantly; job satisfaction influences work engagement significantly; Trust in Leader significantly influences work engagement; job satisfaction mediates the relationship between servant leadership and work engagement; and Trust in Leader mediates the relationship between servant leadership and work engagement. There is one rejected hypothesis, namely, that employee engagement at work is not significantly impacted by servant leadership.

Keywords: Employee Engagement, Servant Leadership, Work Engagement, Job Satisfaction, Trust in Leader.

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1. Introduction

The banking industry is one of the economic sectors that provides various financial services, including fundraising, risk management, lending, and other services to individuals, companies, and other institutions. Compared the banking sector has been considered by other industries to be the business unit that is responsible for the economic growth and development of an entire country [1]. As Indonesia's main financial sector driver, the banking industry makes the largest contribution to Indonesia's gross domestic product. Currently, competition in the Indonesian banking industry is increasing because banks have the same products and services. Four government-owned banks have listed their shares on the Indonesia Stock Exchange, namely Bank BNI, Bank BRI, Bank BTN, and Bank Mandiri.

Due to the tight competition in the banking industry to gain the trust of the public, banking leaders are required to be able to facilitate the process of developing the organization's vision and its achievements and play an important role in determining change [2]. Organizations need leaders who can inspire and motivate others, foster a sense of purpose and direction, and create an inclusive and supportive environment that encourages individual growth and development. A leader must have strong communication skills to effectively convey ideas,

provide guidance, and listen to the perspectives and concerns of their team members.

Each leader certainly has a different leadership style so that can affect the members of an organization. There are several models of leadership styles, such as authentic, spiritual, transformational, servant, and authoritarian [3]. Based on the existing leadership style models, one of the interesting leadership styles to study is servant leadership. Servant leadership was first introduced by Greenleaf in 1977. Greenleaf claims that servant leaders approach circumstances and organizations by putting themselves in the shoes of a servant and attempting to be engaged to fulfil the demands of others as well as the organization. Leadership comes second among servant leaders when they put stakeholders' needs and wants ahead of their own.

According to a preliminary survey that researchers conducted through in-depth interviews with several banking leaders, every leader in the banking industry demonstrates servant leadership. Leaders in the banking industry do not just directly but go down directly with employees to achieve the targets set by the company by working together with employees to solve problems in the field, even in achieving customer satisfaction. Leaders with servant leadership can influence employees who work under them to provide maximum service and significantly contribute to the company. The positive impact of servant leaders is that

they are very focused on satisfying the needs of their followers, so employees tend to reciprocate the leader's concern for meeting their needs by demonstrating high levels of performance, which contributes to the well-being and achievement of the leader's goals [4].

The passion to contribute to the organization's success is a series of things or positive attitudes shown by employees with involvement or engagement [5]. Employee engagement is a positive action employees take in doing their work and showing enthusiasm to contribute to the organization's success [6]. Servant leaders can stimulate employee engagement to sustain a work climate that is advantageous to the survival of the company as a whole while improving the work environment [7]. The relationship between the two has a relationship with the existence of servant leadership as a model of service-oriented leadership style with employee work engagement in the banking industry, which is an important factor for achieving the targets owned by the banking industry. According to a research, a leader's leadership style can have a big impact on how satisfied their team members are at work [8]. The results of the study indicate that servant leadership is the type of leadership style that has the biggest positive impact on employee job satisfaction.

It is crucial to emphasize that trust may be established by servant leaders due to their characteristics and behaviors within the organization [9]. Servant leaders make it possible to build trust through their approaches and strategies concerning their followers. The trust that grows in each employee can demonstrate and engage in positive behaviors, and they are motivated to show engagement in their work [10]. Going through previous studies, researchers found that servant leadership will affect the level of trust of followers. Furthermore, with servant leadership philosophies in place, it is clear that engagement and satisfaction are also influenced by servant leadership according to previous research studies [11].

Based on several previous studies that focused on servant leadership, employee work engagement and employee job satisfaction, in this study, the author added the trust in leader variable so that the author wanted to find out more about the influence of servant leadership on employee work engagement and job satisfaction and trust in leader as a mediating variable for employees of State-Owned Banks in Indonesia. Greenleaf states servant leadership as a leadership concept and model that prioritizes services provided to others both horizontally (to fellow leaders) and vertically (to employees, customers, and society). Servant leadership is a type of leadership that emphasizes helping staff members reach their full potential in terms of task effectiveness, building service communities, boosting self-motivation, and preparing them for future leadership roles [12].

This service orientation in an organizational setting is motivated by leaders' care for the personal development, self-determination, and mutual trust-building of their workforce. The mindset of a servant leader is one in which their personal interests and goals are subordinated to the demands of the group and those of others [13]. This leadership practice is characterized by an increased intention to serve others through various approaches that involve all parties [14]. This leadership contributes to the accomplishment of the organization's objectives. Servant leaders encourage teamwork for greater success and support the personal development of those under their leadership. Servant leaders listen to others and foster a sense of community, servant leaders dedicate themselves to meeting the needs of those inside their organizations [15]. Employees can sense that their superiors believe in them and support their ambitions as a result.

Job satisfaction is a form of individual feelings and expressions when able or unable to fulfil expectations of the work process. A good attitude toward one's work is known as job satisfaction [16]. A good emotional state that arises from assessing each person's work experience is known as job satisfaction [17]. A sense of appreciation for attaining significant values at work, as well as an assessment of one's job and the work environment, are the foundations of job satisfaction. Job satisfaction is essential because employees will show positive work behaviors, such as good performance and engagement at work when satisfied with their jobs. Job satisfaction can be achieved if individuals and aspects of work support each other in their jobs. If employees feel satisfied with their jobs, their performance can gradually become more productive [18]. Several categories of values that lead to job satisfaction, namely pay satisfaction, which is how workers feel about the pay they get promotion satisfaction, which is how workers feel about the promotion policy in the organization and the implementation process; and supervision satisfaction, which is how workers feel about their supervisors, including whether the organization's supervisors are competent, polite, and communicate well [19]. Co-worker satisfaction which is how workers feel about their co-workers, including whether co-workers in the organization are intelligent, responsible, helpful, fun, interesting, and satisfied with the work itself.

Trust is an emotional characteristic condition in which a person feels affected by other people's actions [20]. Trust has been shown to be a key factor in both the prosperity of any business and effective leadership. Affective and cognitive trust are two categories of trust [21]. Cognitive trust is founded on leader qualities, whereas affective trust is built on social exchange procedures and emotional ties [22]. Trust is one of the reasons why certain employees can perform their duties well [23]. When trust is low, employees prefer to

protect themselves against the organization. Considering it will inspire a commitment to exhibit excellent work attitudes and behaviors, confidence in leaders is therefore, a crucial element of preserving a positive work environment.

Work engagement is an individual employee's involvement, satisfaction, and enthusiasm in doing his job [24]. Overall, work engagement refers to a series of positives employees show, such as a passion for their work and organization, and a organization contribution to the organization's success [25]. Employees will feel loyal and care about the organization's future and be willing to make extra efforts to achieve the organization's goals to grow and develop [26]. Employees who are engaged with their work and receive support through supervision, getting feedback on their work, and being given freedom and opportunities to learn to increase positive energy and concentration at work [27]. Two aspects positively contribute to work engagement, based on research from [28]. First, aspects of available work resources such as organization support, feedback from management or levels of autonomy then, the other is through aspects of personal resources such as resilience and optimism, which will increase employee engagement with their work and their organization. Work engagement is categorized into three different components, namely, components that are psychological, emotional, and physical, which translate into being engaged (psychological), alert (emotional), and involved (physical) during working hours [29]. Work engagement is useful for organization because it is considered a crucial element in creating and preserving a competitive advantage for the business. Employee performance, including task performance, is a good indicator of work engagement.

2. Research Method

The type of research used in this study is causal research. Causality research aims to determine the causal relationship between independent and dependent variables [30]. This research data was obtained from survey results or by distributing questionnaires to respondents who were the subject of the study. The questionnaire was given to responders who were deemed to fulfil the specified requirements. The Likert scale on the questionnaire ranges from 1 to 5 and is divided into five categories: strongly agree (5 points), agree (4 points), neutral (3 points), disagree (2 points), and strongly disagree (1 point). Employees of Indonesia's government-owned banks, including Bank BNI, Bank BRI, Bank BTN, and Bank Mandiri, made up the study's population. There were 273 employees used as samples in this investigation. Purposive sampling was the sampling strategy employed, and it met the following requirements: 1) Permanent staff members of state-owned banks; 2) Indonesian nationals; and 3) a minimum of one year of

employment. This study employed structural equation modelling, or SEM, as its analysis technique using AMOS software.

The servant leadership variable in this study refers to the concept [10], which describes the elements of servant leadership as altruistic calling, emotional leadership, wisdom, persuasive mapping, and organisational stewardship. Job satisfaction variables in this study adopt [11], divided into two aspects: internal satisfaction and external satisfaction. The variable of trust in the leader refers to the level of belief and trust in the leader's sincerity, fairness, ability and attributes possessed by the leader. Researchers measured this construct using five items developed. The employee work engagement variable refers to the concept developed, the behavioural aspect of work engagement is a sense of being associated with one's job that is characterized by passion, dedication, and absorption.

3. Result and Discussion

The following is a statement of the findings from the testing of the relationship between variables in the study configuration used in this investigation:

Table 1. Hypothesis Testing Result

Hypothesis	Path	Estimate	S.E.	C.R.	P
H1	SL - JS	0,417	0,04	10,555	***
H2	SL - TIL	0,458	0,048	9,448	***
H3	SL - WE	-0,061	0,039	-1,59	0,112
H4	JS - WE	0,656	0,069	9,471	***
H5	TIL - WE	0,21	0,036	5,782	***

Based on the analysis test that has been carried out in Table 1, in H1, there is a significant influence between Servant Leadership and Job Satisfaction (t-score = 10.555; p-value = 0.000). In H2, Servant Leadership significantly affects Trust in Leader (t-score = 9.448; p-value = 0.000). In H3, Servant Leadership (t-score = -1.59; p-value = 0.112) has no significant effect on Work Engagement. This is because the t-score is below 1.96 and the p-value is greater than 0.05. In H4, Job Satisfaction significantly affects Work Engagement (t-score = 9.471; p-value = 0.000), and in H5, Trust in Leader has a significant effect on Work Engagement (t-score = 5.782; p-value = 0.000).

Table 2. Sobel Test - Significance of Mediation

Hypothesis	Path	STS	Two-Tailed Probability
H6	SL - JS - WE	7,024	0,000
H7	SL - TIL - WE	4,976	0,000

Where STS is Sobel Test Statistic. Based on the Sobel test results in Table 2, it can be seen that in H6, there is a significant influence between Servant Leadership on Work Engagement through Job Satisfaction of 7.024 with a p-value of 0.000. The same can also be seen from H7. There is a significant influence between Servant Leadership and Work Engagement through Trust in Leader of 4.976 with a p-value of 0.000.

4. Conclusion

The results of this study prove that there are six accepted hypotheses and one rejected hypothesis. This study found that Servant Leadership applied in the workplace of a Government-Owned Bank does not significantly impact employees' Work Engagement. However, Servant Leadership is recognized as a leadership approach that focuses on serving, caring and encouraging employees. However, in the findings of this study, other variables are more instrumental in influencing the level of employee work engagement. The results show that Servant Leadership is one of many factors influencing the level of employee work engagement. Although there is no direct effect of Servant Leadership on Work Engagement, there is still an indirect relationship between Servant Leadership and Work Engagement through Job Satisfaction and Trust in Leader. The implications related to this research for organizations are that servant Leadership is very important for leaders of Government-Owned Banks because the banking industry is currently very competitive. This can be seen in Servant Leadership's Effect on Job Satisfaction and Trust in Leader. The limitation of this study is that it only has one independent variable so that the implication that the author can give for future research is to add independent variables such as Organizational Culture and Work Environment so that this research can be more generalized.

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