

The Success of Servant Leadership and Empowerment on the Quality of Work Life at PT Reasuransi Indonesia Utama (Persero)

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Abstract

This study aims to obtain information and analyze the direct and indirect effect of servant leadership, empowerment and quality of work life of employees. The research uses a quantitative approach with survey methods. Data collection using a questionnaire and a sample of 137 people, using proportionate stratified random sampling with Structural Equation Modeling (SEM) analysis using SmartPLS 3.0 based on covariance. The results showed that: (1) servant leadership has direct effect on empowerment, (2) servant leadership has a direct effect on the quality of employee work life, (3) empowerment has a direct effect on the quality of employee work life (4) the indirect influence of servant leadership on quality. In addition, the emphasis in this study is that to improve the quality of employee's work life is to pay attention to service leadership either directly or indirectly through empowerment.

Keywords

servant leadership;
empowerment; quality
of employee work life



I. Introduction

As a tangible manifestation of facing a changing world where the business environment is very dynamic, of course, improving the quality of employee work life is a very crucial thing that is felt at this time, as confirmed in several empirical studies that the importance of the quality of employee work life as a key determinant of organizational and employee outcomes, as a key determinant of organizational and employee outcomes, as revealed Rastogi, Rangnekar, & Rastogi, 2018) bahwa : Quality Work of Life can also be viewed as a strategic tool for enhancing the employees motivation as well as commitment levels regarding their personal and professional development.

Today's organizations or companies are forced to attract and retain competitive jobs so that they are able to face increasing competition. In this regard, the quality of work life (QWL) seems to serve as an important instrument for improving employee morale and competencies that enable them to respond with increased levels of productivity (Shrestha et al, 2019) Quality of work life is very important for all organizational inputs that lead to employee satisfaction and its effect on organizational effectiveness. The importance of quality of working life to prolog work and the work conditions for employees as well as the economic strength of organization. Improving the quality of work life naturally helps to improve employee performance and improve the performance of the industry or company. It should be understood by the company that half of the daily life of employees is spent at work and the work place has become an integral part of the total life of employees. In line with that, of course, a leader is expected not only to influence the direction of the organization or company's journey but at the same time it must be in line with the essence of leadership, namely facilitating the development of employees, of course, relevant leadership is needed who is able to anticipate future possibilities that will occur, of course, the right leadership style is needed so that the company can continue to grow, therefore the

servant leadership style is a leadership style that has a different approach because its main orientation is to serve its employees or followers. As explained by Greenleaf that servant leadership is a leadership that starts from sincere feeling that arises from the heart to serve placing the needs of followers as a priority, getting things done with other people or their subordinates and helping in achieving common goals, and in the end, servant leadership is one of factors that affect the quality of work life. Supported by Allameh, Naerini, Aghaei & Khodaeri (2015) explained that: consist of understanding and practice of the leader in a way that gives preference to others benefits rather than their own interest. Servant leadership enshrined equality and in the organization is seeking to develop individual organization members. Servant leadership consists of understanding and practicing the leader in a way that gives preference to others.

Another factor in improving the quality of work life of employees is to develop human resources through empowerment. Human resources who have a high work ethic, creative, innovative, and have high integrity, need to be given the opportunity and authority to complete tasks and responsibilities according to their abilities. In this way, employees will develop more in the future and the task of the leader can be reduced. In addition, through empowerment, employees will feel that they are doing something valuable that can improve the quality of their work life. As stated by Wibowo (2006) that empowerment is a process to make people more empowered or more capable to serve their own problems by providing confidence and ability so as to foster a sense of responsibility. It is clarified by Nayak & Saho (2018) that: Empowerment can help to create the organization culture of synergy, collaboration, flexibility and partnership, leading to enhanced QWL of employees. Further, better QWL can keep the employee focused and support them to strive effectively towards the organizations vision.

II. Review of Literature

Quality of work life (QWL) is the perception of mental and physical satisfaction of employees in the workplace that has an impact on employee performance towards improving organizational performance. Employees who are satisfied with their positive work life towards work, organization, management, and colleagues the reduce employee absenteeism rates, reduce employee turnover rates. Quality of work life is the quality of the relationship between employees and the total work environment. Companies that pay attention to employee needs can benefit the company in term of loyalty, employee productivity, and company reputation (Shrestha et al, 2019). The concept of the quality of work life has emerged as an important determinant of employee models. Therefore, effective management must ensure a better quality of work life for employees.

In Baykal et al's research (2018) entitled Effect of Servant Leadership on Gratitude, Empowerment, Innovativeness and Performance, it is explained that the positive relationship that arises from the qualities of servant leadership will have a significant influence on the quality of employees' work life. According to the positive organizational behavior approach, it is believed that when employees or individuals are in a positive mood, they have the inner potential to develop their positive psychological strengths and lead to an increase in the quality of work life. Supported by Murari & Gupta (2012) explains that servant leadership is demonstrated by empowering and developing people by expressing humility, authenticity, interpersonal acceptance, and stewardship, and by providing direction. Thus, the quality of work life has a relationship with empowerment. According to Net et al., (2015), empowerment is the assistance of authority to employees

for planning, controlling, and making decisions on work that is the responsibility of the operation area for validation of others.

2.1 Servant Leadership and Empowerment Relationship

Efforts to maintain the market they have and seize the existing market require every company to have the ability to adapt their business to an environment that is constantly changing and developing. In this case, the role of the leader is to optimally empower its employees. Research by Baykel et al (2018) explains that servant leadership has a positive effect on empowerment. Positive organizational behavior is rooted in positive psychology, when individuals are in a positive mood it can encourage inner potential to develop positive psychological strengths.

The statement explains that empowering servant leadership is essential in encouraging individuals to develop and achieve their ultimate goals. Servant leadership makes subordinates feel more empowered, contributing to higher levels of self-confidence, satisfaction and drive.

Leadership plays a role in motivating subordinates with quality of work life and overall quality to examine the relationship between personality type and characteristics of leaders who serve to empower employees (Allameh et al., 2015). It can be concluded that servant leadership has the ability to empower subordinates. Servant leadership has a positive effect on empowerment.

Servant leadership has a positive effect on empowerment. Servant leadership is demonstrated by empowering and developing people by expressing humility, authenticity and stewardship and by providing direction. Positive leadership behavior has an indirect effect on employee job engagement and satisfaction with life through empowerment (Net et al., 2015). Based on this explanation, the hypothesis proposed in this study is as follows:
H1: There is a direct and positive influence of servant leadership on empowerment.

2.2 Relationship of Servant Leadership and Quality of Work Life

Servant leadership is a leadership style that prioritizes the needs of others, whether employees, customers, or the community. Servant leadership will develop every individual/employee around him and help the individual to achieve success at work and also in his daily life. When a leader prioritizes the needs of his employees or subordinates instead of prioritizing his personal needs by listening to the complaints experienced by subordinates, empathizing with what his subordinates feel will make employees feel they have an important role in the company, able to influence their employees to be better, together in making a vision to achieve company goals, have a concern a sense of humility and be able to appreciate the achievements of their employees and provide the best service for their subordinates, from this it will make employees feel more valued by their superiors, have a good work environment, so that the quality of his work life will be achieved as desired by the company.

Albarran (2013) explains that servant leadership has a positive and significant impact on the quality of employees' work life. One of the factors that affect the quality of employee's work life is leadership style which can play a role in motivating subordinates with the quality of employees' work life and overall quality to examine the relationship between personality types and characteristics of leaders serving in empowering employees or their subordinates. Based on this explanation, the hypothesis proposed in this study is as follows:

H2 : There is a direct and positive influence of servant leadership on the quality of work life of employees

2.3 Empowerment Relationship and Quality of Work Life

So that human resources in the organization can further improve the quality, loyalty and responsibility for the tasks they carry out, it is very necessary to do an empowerment for employees in the organizational structure. In this case, the leader plays a role in empowering his employees so that the goals set in an organization can be achieved. Wibowo (2016) explain that empowerment is a proses that should be considered by every organization or company in improving the quality of its work life. Empowerment will encourage employees to be more involved in decision making in the organization. So that it will increase the ability and sense of belonging, and increase the sense of responsibility, it can automatically improve the quality of employee work life. Supported by Nayak et al., (2018) that empowerment has a positive effect on the quality of employees' work life, empowerment can help cultural synergy, collaboration, organizational flexibility and partnerships that lead to improving the quality of employees' work life. The success or failure of an employee depends on his qualifications and the quality of his work life. The new way of management is employee empowerment involving people who are responsible for the work process of people who know best is the quality of their work life (Mohapatra & Sundaray, 2018). Based on this explanation, the hypothesis proposed in this study is as follow:

H3: There is a direct and positive effect of empowerment on the quality of employees' work

2.4 Servant Leadership towards Quality of Work Life

Correia & Dirk Van (2014) research that empowerment plays a role in the relationship between servant leadership and involvement in the organization. Supported by George & Katerina (2016) explains that leadership plays a role in supporting empowerment practices by encouraging followers to bring their original selves to the workplace by satisfying their needs.

Reinforced by Mohapatra & Sundaray (2018) that the success or failure of employees depends on their qualifications and quality of work life. The new way of management is employee empowerment involving people who are responsible for the work process people. Who know the best process is the quality of their employees' work life. Based on the relationship of servant leadership, empowerment and quality of work life employees, it is possible that there is a positive indirect influence of servant leadership on the quality of work lif of employees through empowerment, and the hypothesis proposed in this study is as follows:

H4: Servant leadership on the quality of employee work through empowerment.

Based on empirical studies and hypothesis development, the conceptual framework in this study is as follows:

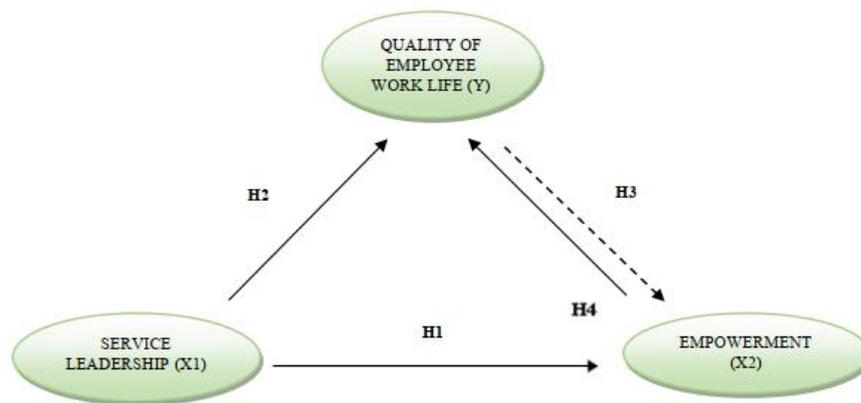


Figure 1. Conceptual Framework

III. Research Method

The research uses a quantitative approach through survey methods with causal techniques. Data analysis used a covariance-based SEM (Structural Equation Modeling) analysis approach. The mechanism for collecting research data was carried out through a questionnaire. The population in this study were employees of PT. Reinsurance Indonesia Utama (Persero) or PT. IndonesiaRe. The sampling technique in this study used proportionate stratified random sampling. This technique is used because the population has stratified members consisting of section heads, section chief and 221 staff. Based on the Slovin formula, the minimum sample in this study was 137 respondents. The following table is the calculation of the research sample:

Table 1. Research Sample Calculation

Position	Number of Employees	Calculation	Number of samples
Head of Section	32	$32/221 \cdot 137$	21
Section Head	73	$73/221 \cdot 137$	49
Staff	116	$116/221 \cdot 137$	67
Total	221		137

The data collection technique in this study is to use an instrument in the form of a questionnaire that has provided answers so that respondents just choose the answer that have been provided. The questionnaire uses a Likert scale of 1-5. The Likert scale is designed to test how strongly the subject agrees or disagrees with the statement on a five-point scale. The data analysis method used to answer the hypothesis proposed in this study uses PLS with the SEM-PLS program. The measurement of variables in this study consists of several indicators which are presented in table 2 below:

Table 2. Variable and Indicator

Variables	Indicators
Servant Leadership (X1)	<ul style="list-style-type: none">▪ Listening to subordinates (X1.1)▪ Understanding subordinates (X1.2)▪ Serving wholeheartedly (X1.3)▪ Giving good ideas (X1.4)▪ Have a vision and mission (X1.5)▪ Be a good example (X1.6)▪ Fostering good relation (X1.7)
Empowerment (X2)	<ul style="list-style-type: none">▪ Granting authority (X2.1)▪ Responsibilities (X2.2)▪ Trust (X2.3)▪ Delegation (X2.4)▪ Support for employees (X2.5)
Quality of work life (Y)	<ul style="list-style-type: none">▪ Concern for employees (Y.1)▪ Engagement (Y.2)▪ Job Security (Y.3)▪ Autonomy (Y.4)▪ Co-woker relations (Y.5)▪ Work facilities (Y.6)

IV. Results and Discussion

Data Presentation

The results of the analysis using Smart-PLS obtained the following results:

a. Convergent Validity

Convergent validity is one of the condition for the fulfillment unidimensionality. Convergent validity testing using outer loading. Based on the outer loading value, 150 items have an outer loading value > 0.5 and a p value < 0.05 . Thus, it can be stated that the entire construct of 150 items is valid and convincing at the inner model stage. Furthermore, in measuring convergent validity by looking at the Average Variance Extracted (AVE) value of each construct, they are: Servant leadership (X1) of 0.704, Empowerment (X2) of 0.588 and Quality of work life (Y) of 0.509.

b. Discriminant Validity

Looking at discriminant validity, it is shown that the cross loading value between the indicator and its latent variable (construct). The cross loading value must have a value greater than the correlation to other latent variables.

c. Composite Reliability

Composite Reliability is used to measure the consistency of the construct (latent variable). A construct can be said to be reliable if it has a composite reliability value > 0.7 . With details: Servant Leadership (X1) of 0.986, Empowerment (X2) of 0.976 and Quality of work life (Y) of 0.961.

d. Hypothesis Testing

Hypothesis Testing is based on testing the significance of the path coefficient using the t statistic (t-value) which is estimated through the bootstrapping procedure. If the P value < 0.05 then the proposed hypothesis is accepted or if the t-statistic value is > 1.96 then the hypothesis is accepted. The estimation results of the path coefficient of the influence of a construct on other constructs are presented in table 3 below:

Table 3. Hypothesis Testing

Hypothesis	Original Sample	T-Statistic	P-value	Conclusions
H1: There is a positive direct effect of leadership serving against empowerment 0.456 5,869 0.000	0,456	5,869	0,000	Hypothesis accepted
H2: There is a direct positive influence of servant leadership on the quality of work life of employees. 0.348 3,460 0.001.	0,348	3,460	0,001	Hypothesis accepted
H3: There is a positive direct effect of empowerment on the quality of work life. 0.242 2,348 0.017	0,242	2,348	0,017	Hypothesis accepted
H4: There is an indirect effect of servant leadership on the quality of work life through empowerment. 0.217 2,995 0.003	0,217	2,995	0,003	Hypothesis accepted

Based on table 3 explain that:

1. The first hypothesis has a positive direct effect of Serving Leadership (X1) o Empowerment (X2)

The statistical hypothesis tested was the positive direct effect of Servant Leadership (X1) on Empowerment (X2). The statistical test results contained in table 3 show a P value of $0.000 < 0.05$. Original Sample value is 0.456 with a positive direction. Thus, it can be concluded that servant leadership has a positive and significant direct effect on empowerment. Based on the P value and Original sample, it shows that the 1st hypothesis which states that there is a direct positive influence of servant leadership on empowerment is supported.

2. The second hypothesis has a positive direct effect of Serving Leadership (X1) on the Quality of Employee Work Life (Y).

The statistical hypothesis tested is the direct positive influence of servant leadership on the quality of employee work life. The statistical tests in table 3 show a P value of $0.001 < 0.05$. Original Sample value of 0.348 with a positive direction. Thus it can be concluded that servant leadership has a positive and significant direct effect on the quality of employees' work life. Based on the P value and Original sample, it shows that the second hypothesis which states that there is a direct positive influence of servant leadership on the quality of work life of employees is supported.

3. The third hypothesis is that there is a direct positive effect of empowerment (X2) on the quality of employee work life (Y).

The statistical hypothesis tested is the direct positive effect of empowerment (X2) on the quality of employees' work life (Y). The statistical test results contained in table 3 show the P value of $0.017 < 0.05$. Original Sample value of 0.242 with a positive direction. Thus it can be concluded that empowerment has a positive and significant direct effect on the quality of employees' work life. Based on the P value and Original sample, it shows that the third hypothesis which states that there is a positive direct influence of empowerment on the quality of work life of employees is supported.

4. The fourth hypothesis is that there is an indirect positive Serving Leadership (X1) on the Quality of Employee Work Life (Y) through Empowerment (X2).

The statistical hypothesis tested is an indirect positive Serving Leadership (X1) on the Quality of Employee Work Life (Y) through Empowerment (X2). The statistical test results contained in table 3 show a P value of $0.003 < 0.05$. Original Sample Value of 0.217 with a positive direction. Thus, it can be concluded that servant leadership has a positive and significant indirect effect on the quality of work life of employees through empowerment.

leadership has a positive indirect effect on the quality of work life through empowerment. Based on the P value and Original sample, it shows that the fourth hypothesis which states that there is a positive indirect influence of servant leadership on the quality of work life through empowerment.

V. Conclusion

Based on the results of the discussion, several conclusions were obtained from the results of the research that had been carried out as follows:

- 1) Servant leadership has a direct positive effect on the quality of employees' work life. Leadership plays a role in motivating subordinates with quality of work life. It can be concluded that servant leadership can develop each individual subordinates and help him to achieve success at work and also in his daily life.
- 2) Empowerment has a direct positive effect on the quality of work life of employees. It can be concluded that empowerment can help create cultural synergies, collaboration, organizational flexibility, and partnerships that lead to improving the quality of employees' work life. The success or failure of an employee depends on the qualification he has. The new way of management is employee empowerment that involves people who are responsible for the work process, people who know that the best process is the quality of their employees' work life.
- 3) Servant Leadership has a direct positive effect on empowerment. It can be concluded that servant leadership has the ability to provide direction.
- 4) Servant leadership has a positive indirect effect on the quality of work life through empowerment, meaning that effective leadership carried out by superiors through empowerment will lead to an increase in the quality of work life of employees at PT Reasuransi Indonesia Utama (Persero). Such results are understandable considering that leadership serves by providing supporting facilities, adequate employee welfare, providing trust and a sense of responsibility, so that there is an increase in the quality of employee work life.

Recommendation Based on the conclusion above, the recommendations from this study can be described as follows:

1. Servant Leadership which is considered to have the greatest influence in improving the quality of work life of employees at PT IndonesiaRe is the indicator of understanding subordinates, meaning that the leadership cares for employees, understands the needs of employees, leaders understand that each employee has their respective potential, understands every the behavior of different subordinates, and understanding each employee's work, this shows that the leadership has understood well its employees or subordinates so that it should be maintained or "keep up the good work".
2. Effective empowerment is if the leadership makes employees more empowered or more capable of solving their own problems, by providing trust, such as in the responsibility indicator, where employees are serious in completing each job, on time, and provide an accountability report after completion work, so it should be maintained or "keep up the good work".

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