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THE INFLUENCE OF SERVANT LEADERSHIP ON INNOVATIVE WORK BEHAVIOR MEDIATED BY WORK ENGAGEMENT (STUDIES ON MILLENNIAL WORKERS)

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ABSTRACT

The topic of the millennial generation in the workplace has driven attention as members of this cohort have formed a growing increase in organisations. Due to the significant number of millennial workers in the future, they are also expected to contribute to organization success. Studies have acknowledged the important role of employee innovative work behavior in facilitating innovations at organizations. This behavior is also influenced by organizational settings, such as the leadership style. Compared to the traditional leadership styles, servant leadership is expected to change the hierarchical perspective by focusing on managing employees through considerate action and caring. This research proposes and tests the effect of servant leadership on work engagement and innovative work behavior. This study also examines the mediating role of work engagement on innovative work behavior. The study employed a quantitative design using surveys to 204 millennial respondents from various work sectors in Indonesia. The results show that servant leadership will positively and significantly affect innovative behavior. The finding further showed that work engagement has a partial mediating effect on the relationship between servant leadership and employee innovative work behavior.

Introduction

Innovation nowadays is needed for a country's economy with the contribution of human and technological resources. Innovation will be the key to improving a country's economy by creating products and services to add higher profits for companies. Dziallas & Blind (2019) said that innovation generated from a country is a process that begins with innovative work behavior.

As the largest country in Southeast Asia, Indonesia has a high opportunity to increase innovation because of strong human resources. Companies and organizations currently running have challenges in retaining the Generation Y workforce, also known as millennials, which are important resources in the future (Kessler, 2016). According to data from Badan Pusat Statistik

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Indonesia 2020, there are 69.38 million millennials or 25.87% of the total population in Indonesia. The data proved that makes millennials a significant engine of Indonesia's economic growth. As future successors, millennials will dominate the productive demographic age of this country, which is both a challenge and an opportunity for Indonesian people. Deloitte Indonesia (2019) states that the millennial generation in Indonesia has the perspective that makes this generation have a different approach, including work. Millennial workers also often expect faster self-development, they want to change positions and have other careers, compared to previous generations such as generation X.

Work engagement is significant for employees and organizations to get a productive work environment that affects how employees work and complete their tasks. Employee work engagement ensures the level of employee commitment to the organization and leads to better performance and when employees are involved in their work, participating in decision making, employees will do their best for their organization (Rahman, Rehman, Imran & Aslam, 2017). Work engagement is defined by Schaufeli and Bakker (2004) as the energetic connection that exists between an employee and their job. As a result, engaged employees more effectively cope with demanding situations in the workplace (Hoole & Bonnema, 2015). Labour productivity data, dominated by the millennial generation, will maximize the level of innovative work behavior of an employee.

Millennial workers with an innovative attitude will take risks by being creative and open-minded because they do not like monotonous work and prefer to accept challenges at work (Fong, Men, Luo & Jia 2018; Xiao & Cooke, 2018). Several previous studies found factors that cause individuals to have innovative work behavior, such as the relationship with their leader (Cai, Lysova, Khapova & Bossink, 2018), which is also associated with job crafting behavior (Afsar & Umrani, 2019; Khan, Mubarak & Islam, 2020; Khan et al., 2021) then the relationship from the impact of proactive personality and leader-member exchange (Zuberi & Khattak, 2021) can also be influenced by work engagement (Jason & SN, 2021). Palumian, Gunawan, Tarigan & Umbara (2021) researched predicting innovative work behavior based on knowledge sharing and learning orientation among millennial workers in Indonesia.

Based on research from Long (2017) regarding the influence of transformational, ethical and servant leadership styles on the motivation of the millennial generation, it is concluded that the three leadership styles are effective in motivating millennial employees. However, from the study results, it was found that the servant leadership style had the strongest relationship in motivating millennial employees. Servant leadership encourages enthusiasm among subordinates because they recognize their unique skills and competencies so that followers tend

to experience positive emotions towards their work due to the high caring behavior of serving leaders (Aboramadan, Dahleez and Hamad, 2021).

This study will explain how servant leadership helps millennial employees in Indonesia contribute to innovative work behavior in organizations through work engagement and the direct relationship between servant leadership and innovative work behavior.

LITERATURE REVIEW

Servant Leadership and Innovative work behavior

Servant Leadership according to Eva, Robin, Sendjaya, van Dierendonck, & Liden, (2019), is a people-oriented leadership approach, manifested through the individual priorities of followers' individual needs and interests as well as an outward reorientation of their concern for themselves towards respect for others in the larger organization and community. Leaders with this style will be responsible for doing everything in maintaining the personal and professional development of employees. If the employee feels that the leader can adapt his leadership to the employee's personal needs, then this situation will allow the leader to focus more on his employees (Sihombing et al., 2018).

Innovative work behavior is related to the development of new ideas, technologies and techniques, as well as trials and also the application of new methods related to business procedures in certain work areas (Afsar & Umrani, 2019). Innovative Work Behavior (IWB) as individual behavior is defined by Bos-Nehless et al., (2017) to generate and implement new ideas that benefit individuals, groups or organizations. This behavior is characterized by creating, introducing, and applying new ideas carried out in work, group or organizational roles (Janssen, 2000).

Previous research conducted by Zuberi and Khattak (2001) showed a good relationship between proactive employees and feedback on innovative work behavior with their leaders. Then with a servant leadership style or servant leadership, previous studies found that having a positive attitude towards IWB and relationships facilitates and focuses on facilitating cognitive and socio-political processes to support employees to enjoy innovative work behaviors (Khan et al., 2020; Khan et al., 2021; Newman et al., 2018). A leadership role that supports the enhancement of employees' positive emotions (Khan et al., 2021) will give employees more opportunities to develop creative ideas. Apart from Khan et al., (2021), research conducted by Cai et al., (2018) also shows a positive relationship between servant leadership and IWB.

The mediating role of work engagement

Work engagement is defined as a positive, satisfying, work-related state of mind characterized by vigor, dedication, and absorption (Schaufeli and Bakker, 2004). With the need for employee engagement, sharing among co-workers, creativity and increasing societal demands, servant leadership is a desirable and appropriate approach because it focuses on others and prioritizes the full potential of followers (Liden et al., 2014). Expectations that their leaders will behave in complete service to employees, will create a safe environment and psychologically contribute to the work involvement of their followers (De Clercq, Bouckennooghe, Raja & Matsyborska, 2014). In research conducted with individual units of analysis, servant leadership positively affects work engagement (Bao, Li & Zhao, 2018; De Clercq et al., 2014; Yang, Ming, Ma & Huo, 2017).

Employees with high engagement have a sense of connection with their work activities, which they perceive as pleasurable rather than stressful (Vecina, Chacón, Sueiro & Barrón, 2012). It is essential to understand the processes that motivate and encourage employees to innovate. And also Kaur (2018) explains that when employees feel that leaders who try to create opportunities for their employees to develop, leaders will make their employees more loyal and continue to serve their company. The findings from the research conducted by Jason & SN, (2021) are that the prevention of IT employees does not directly affect innovative behavior, but indirectly affects innovative behavior through work engagement. Therefore, the study describes and proves that employee regulatory orientation is translated into innovative behavior in the organization through work engagement. Thus, work engagement captures all the influences from servant leadership and, therefore, can explain the servant's effect on employees' innovative work behavior.

In summary, this study will present the analysis of two main hypotheses as follows:

Hypothesis 1: Servant Leadership positively affects Innovative Work Behavior

Hypothesis 2: Work engagement mediates the relationship between servant leadership and innovative work behavior.

METHOD

Sample

This study collects data from online questionnaires. From the 208 millennial workers who participated, four people did not meet the criteria, namely working less than one year at the current company. The representation between women and men respondents are almost the same, most of them are permanent employees (64%), and the average working experience is 1-5 years.

The respondents' job positions range from staff to executives, and most respondents have a bachelor's degree (85%). The sectors where respondents work vary, including finance & banking, telecommunications, technology, education, manufacturing, food & medicine, transportation, and other sectors.

Measures

Servant leadership is measured by a seven-item scale known as SL-7 developed by Liden et al., (2015). This scale measures how employees perceive a servant leadership style to their supervisors or direct supervisors in the organization.

Work Engagement was measured using a nine-item scale adapted from the nine-item Utrecht Work Engagement Scale (Schaufeli et al., 2006). This variable has three dimensions, namely Vigour, Dedication and Absorption.

Innovative work behavior is measured by a scale derived from Janssen (2000) for individual innovative behavior at work. This scale consists of nine items filled out by respondents (self-reports). This measurement consists of three dimensions: idea generation, idea promotion, and idea realization.

RESULT & DISCUSSION

In this study, the model fit and hypothesis testing was carried out with Structural Equation Modelling using the statistical application of LISREL 8.80. Using a purposive sampling technique to test (Figure 1), the output shows satisfactory results. From the 25 indicators, two indicators are invalid, namely WE9 work engagement and IWB3 innovative work behavior items, so they were excluded from further analysis. Then the reliability test was carried out, it can be seen from the Construct Reliability (CR) with a value of 0.7 and Variance extracted (VE) with a value of 0.5. All variables meet criteria except VE from servant leadership with a score of 0.39. This condition is allowed based on Fornell and Larcker (1981) criteria because the value of construct reliability (CR) on the servant leadership variable shows results above 0.7. Thus, all variables are reliable.

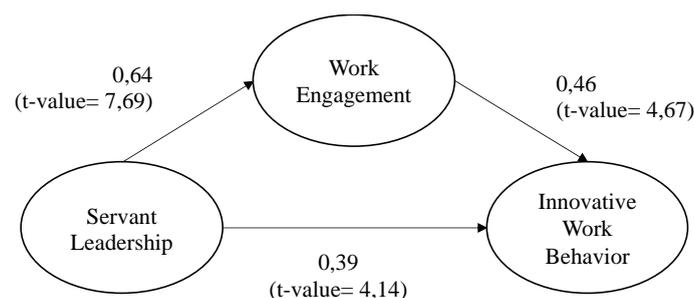


Figure 1. The Structural Model

The RMSEA and RMR values showed good fit criteria in absolute fit measurement, then SRMR and GFI values showed marginal fit criteria. In incremental fit measurement, the results of NNFI, NFI, RFI, IFI, and CFI show good fit values except for AGFI, which shows marginal fit values. Based on the rules of Hair et al. (2010), it can be said that the measurement model is a good fit, because the index in each measurement already has a minimum marginal fit. It can be concluded that the research model meets the criteria well for the measured data sample. The results of hypothesis testing indicate that both hypotheses are accepted. Servant leadership (SL) was found that have positive and significance effect on innovative work behavior (IWB) with t-values 4.14. The Sobel test value for significance of mediation is 4.02. By testing the indirect effect using the Sobel test with the data (Table 1), hypotheses 2 meets the significance criteria (Z Sobel >1.96).

Table 1. Path Diagram Results

No.	Path	Indirect Effect	Skor Ztest (Sobel Test)	Conclusion
1.	SL → WE → IWB	0.2944	4.02	Z Sobel >1.96. Significance

The results of the first hypothesis test show that servant leadership influences innovative work behavior in millennial workers. Respondents stated that their level of innovation in doing work is strongly influenced by their leader, who has a servant leadership style. Research conducted by Long (2017) states that the servant leadership style has the strongest relationship in motivating millennial employees and the results of this study illustrate that every leadership with this style is needed by millennials to innovate in completing their tasks and responsibilities. Leaders with this style prioritize meeting the needs of their followers and care less about meeting their own needs, so it is successful in motivating their followers (Liden et al., 2014). This can stimulate millennials to increase their attitude of innovation at work that leads to job performance, quality and achievement of organizational goals. The results of this study are also in line with the findings of previous studies that examined the relationship between servant leadership and innovative work behavior (Khan et al., 2021; Newman et al., 2018).

Work engagement holds a partial mediating effect between the relationship of servant leadership and innovative work behavior. It signalizes that the leader have to notice the influence of work engagement to millennial employees. A person's efforts to increase his work

engagement, can affect the innovation in doing work. Employees with high work engagement, especially the millennial generation, will be more productive and innovative for better work results. In line with the research conducted by Jason & SN (2021), the dispositional characteristics of an employee and their work engagement behavior provide a better perspective for understanding, encouraging, and implementing innovative behavior in the workplace, which shows that work engagement affects employees' innovative work attitudes.

CONCLUSION

The results of this study indicate that the two hypotheses are supported. It is proven that work engagement is positively and significantly able to mediate the relationship between servant leadership and innovative work behavior. Work engagement may have to be applied by millennial workers in Indonesia. Strengthening work engagement can also increase their concern for millennial workers' relationships with their leaders. Leaders need to understand the innovation of millennial employees. This study has recommendations for improvement in the following research. This research was conducted during the COVID-19 pandemic so that it might influence some respondents' answers regarding certain variables. Future research can consider involving other generations, such as Generation Z, who will enter the workforce and some have entered the productive age. Analyzing other variables may also find new knowledge such as leadership styles different than servant leadership or the influence of family in increasing the workers' innovation.

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