Revealing the role of job involvement and employee loyalty as mediation variables: The effect of servant leadership on employee performance in plastic packaging company for bottled drinking water in the industrial area of Bekasi regency

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ABSTRACT

Company performance is one measure for companies in order to create surplus value by producing a product or service to gain business profits. One of the factors that affect the performance of the company is the performance factor of its employees. Employee performance can be influenced by servant leadership style. Servant leadership prioritizes followers and prioritizes service to subordinates in a work relationship, so that it will have an impact on the emergence of job involvement and employee loyalty to the company which will then affect the enhancement and improvement of employee performance. This study was conducted to determine the role of the job investment variable and employee loyalty variable as mediating variables in the effect of servant leadership on employee performance. This research was conducted using a saturated sample involving 182 employees who were respondents from a plastic manufacturing company packaging for Bottled Drinking Water (AMDK). The results of the data processing with the SmartPLS 3.3.3 application resulted in the conclusion that servant leadership has a positive and significant effect on job involvement. Servant leadership has a positive but not significant effect on employee loyalty. Job involvement has a positive and significant effect on employee performance. Employee loyalty has a positive and significant effect on employee performance. Job involvement has a positive and significant effect on employee loyalty. Servant leadership has a positive and significant effect on employee performance through job involvement. Servant leadership has a positive but not significant effect on employee performance through employee loyalty. Servant leadership has a positive and significant effect on employee performance through job involvement and employee loyalty.

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Introduction

Business continuity and operations are some of the aspects that determine a company's success in achieving the goal of gaining business profits. The level of success achieved is one measure of how effective and efficient the management of the company is in regulating and managing the resources owned by the company. The success of a company is understood as a sum of maximum sale results of a product, goods, or services, obtained by the company minus production costs spent as minimum as possible. This success for the company is very important for the existence of the business. This is because the company can produce quality goods with...
relative lower unit production costs (Pristianingrum, 2017). This level of success achieved by the company will also increase the company’s revenue and profits to the maximum as well as be able to increase its competitiveness ability against its competitors.

The high and low level of achievement achieved by a company will be one of the performance benchmarks and indicators for the company in maintaining the existence of the company's performance and success in achieving the vision and mission that has been set. There are several factors that influence the success of a company both related to the workforce and related to the organizational environment and policies of the government as a whole (Atayanansth et al., 2020). One of the factors that determine the company's success is employee performance (Atayanansth et al., 2019; Rahaman et al., 2021).

Employee performance is one of the results of the quality and quantity of work carried out by an employee in a company or other agency by following and carrying out the tasks assigned to him (Setyaningrum & Ekhsan, 2021). Employee performance is important for a company in achieving its goals because it is a behavior produced and displayed by each employee in the form of work results in accordance with their role in the company (Qorfianalda & Wulandari, 2021). Employee performance is very important for organizations because it is the key that determines the success or failure of a company in achieving its targets and goals. Several factors that affect employee performance include work discipline, motivation, compensation, work environment and leadership style (Yuyuk Liana, 2020; Tashtioush et al., 2022; Obuobisa-Darko, 2020). As one of leadership style, servant leadership is considered as one of the factors that can lead to employee performance (Harwiku, 2016; Stollberger et al., 2019; Sihombing et al., 2018). Servant leadership is the pioneer of a new revolution in leadership thinking and concept which provides a new philosophy on the concept of leadership and is considered a better way to lead and manage organizations (Setyaningrum et al., 2020). Servant leadership comes with a leadership concept that is slightly different from the previous leadership style because it brings a more humanist concept and respects followers and subordinates.

Several previous studies that have been carried out by other researchers are able to provide a clearer picture of this leadership style because it produces several findings and conclusions showing that the servant leadership style has a positive and significant effect on employee performance (Darmawan et al., 2021; Kurniawan, 2019; Harahap & Dilla, 2020). However, other studies have found inconsistencies in the effect of servant leadership style on employee performance, which differ from the assumptions, findings, and conclusions of several previous studies. The existence of this inconsistency is shown by several studies that produce findings and conclusions showing that the servant leadership style does not have a positive and significant effect on employee performance (Hati et al., 2020; Kamanjaya et al., 2017; Muliadi, 2018). Although the results of several studies have found inconsistent results or insignificant influence of the servant leadership variable on employee performance, the concept of this leadership style remains one of the factors that affect employee performance in a company.

Based on the inconsistencies found in the conclusions of several previous studies, in this study the authors include new variables as variables strengthening the effect of servant leadership on employee performance, namely job involvement and employee loyalty variables. Job involvement in work relations is a process where an employee in a company is categorized as involved in the job desk and work routines and deemed able to work with a full sense of responsibility (Hermawati & Mas, 2017). In addition, employee loyalty is also a part of the attitude and behavior of employees in a company who devotes all their abilities, expertise, and competencies (Stojanovic et al., 2020). Employee loyalty is also a form of dedication and devotion from employees to the company where they work and have a career. One of the forms of loyalty can be seen from the length of service of the employees.

Based on the phenomena that occur in the organization and the descriptions that have been submitted, as well as some information and a review of references from previous studies that have been carried out, the authors formulate the problems that occur related to servant leadership and employee performance. More specifically, the authors examine the effect of servant leadership on employee performance, by looking at the mediating role and the direct effect of job involvement and employee loyalty on employee performance.

This paper is organized into several sub-topics. Following the introduction part, a second part is a literature review with theoretical and empirical studies that shed a light on linkage between theory and practice of employee performance, servant leadership, employee loyalty, and job involvement is provided. The third part introduces the background information on research and methodology. After analysis and findings of the study, authors provide discussions and implications. Finally, this paper concludes with key points, recommendations, future research directions and limitations.

**Literature Review**

**Theoretical and Conceptual Background**

**Employee Performance**

One of the things that greatly affects the company's performance and becomes a benchmark and indicator in achieving targets and business continuity is the performance of its employees. Employee performance is a work performance or work carried out by employees in the production process that produces finished goods or services according to their respective abilities and responsibilities (Judge & Robbins, 2017). Employee performance is assessed from what has been done and what has been produced by an employee in his activities, work routines, and daily life. Increasing personal performance of an employee will also influence
or improve the company's organizational performance so that the goals of the organization that have been determined can be achieved (Farida & Fauzi, 2020).

Employee performance is the result of a series of work processes whose measurements are carried out within a set period of time based on an agreement and stipulated conditions (Mirza et al., 2021). Employee performance has a fairly broad meaning and definition, not only as a result of work, but also how the work process takes place. Employee performance is the implementation of a work plan that has been prepared and scheduled. The performance implementation is carried out by human resources who have the motivation, ability, competence and interests so that how the company values and treats its human resources will affect their attitudes and behavior in carrying out their performance (Nurjaya, 2021). Employee performance is very important for the company's business continuity because it reflects the overall level of success of a person during a certain period in carrying out tasks, jobs, and activities, as well as becomes an activity that improves company performance (Pertiwi et al., 2021).

The dimension or indicator of employee performance is a measure that becomes a benchmark for a company in determining policies related to the appraisal system and performance results of employees. The employee performance indicator has also become the standardized by many companies in conducting an assessment system of the performance of all employees from all sections and departments within a company. Employee performance indicators include: (1) Quality of work; (2) Attendance; (3) Cooperation; and (4) Punctuality.

**Servant Leadership**

Servant leadership is the pioneer of a new revolution in leadership thinking and concepts that are considered a better way to lead and manage organizations (Setyaningrum et al., 2020; Harwika, 2016). The main purpose of the concept of servant leadership is how leaders and employees in the company think and ensure that their main priority is to serve the needs of their employees before the needs of their superiors or those who lead them are met (Al-Amin & Utami, 2021; Stollberger et al., 2019).

The servant leadership style is very beneficial for all employees and the company because the leader can put himself in an equal position with his subordinates. Servant leadership is an approach that focuses on the concept of leadership from the leader's point of view with habits and behaviors that prioritize followers and subordinates, concern for problems, empathy, and help to develop their full personal capacities and abilities (Surya & Susanti, 2021; Shah et al., 2019). Servant leadership is able to assist the company in achieving its goals because the leader not only acts as a supervisor, but is also directly involved in the process of work activities and communication, so that employees will be more motivated to do their work more optimally. Servant leadership is ideally applied in companies that prioritize service and social welfare because superiors are able to position themselves as friends to employees, so that there are no barriers and boundaries between superiors and subordinates at work (Hashim et al., 2019).

Indicators or dimensions of leadership style that are considered in accordance with the criteria of servant leadership in an organization, including in the organizational structure of the company are: (1) having a vision; (2) giving appreciation; (3) having patience; and (4) fighting for the interests and welfare of followers and subordinates.

**Job Involvement**

The higher demands for the results that must be achieved by employees in order to achieve the goals set by the company will ultimately have an impact on policies that result in the company's management in dire need of attitude and job involvement from its employees. With job involvement from employees, there will be attitudes, a sense of concern, attachment, pride in work, and growing commitment to the organization which will result in higher performance (Azzahra & Maryati, 2019; Mikkelsen & Olsen, 2018).

Job involvement is a concept that emphasizes the role and contribution of employees who psychologically behave and take sides with their work, participate actively in it, and consider it important for themselves and their families so that the level of performance achieved is a form of self-esteem for their performance (Ibrahim et al., 2021). Job involvement is also closely related to the level of absenteeism from employees as a measure of activeness at work. The more employees are able to identify themselves with their work, their job involvement will also be higher (Kharismasyah et al., 2021; Varshney, 2020).

The low job involvement of employees will ultimately affect their performance or contribution to the company. A worker or employee who has low job involvement shows a lack of interest and enthusiasm in completing his work tasks and tends to limit himself and avoid extra roles to be involved in his job desk at the company (Yusnita et al., 2021). The dimensions and indicators of job involvement that can measure the extent to which employees are involved in the company's work operations are as follows: (1) prioritizing work, (2) participating at work; (3) being active at work; and (4) having work initiatives.

**Employee Loyalty**

In general, loyalty can be interpreted as an attitude and commitment of loyalty, dedication, and trust given and shown by employees to the company with responsibility, loyalty, and willingness to give their best abilities (Herniwati et al., 2021; Stojanovic et al., 2020). Employee loyalty is a process that arises as a result of the desire to be loyal and devoted to work, position, colleagues, superiors, as well as the company and company owners. Employee loyalty allows someone to be willing to sacrifice in order to prioritize the interests of other parties, namely the interests of the company that are in line with their personal interests (Klaudia et al., 2021;
Employee loyalty cannot be considered as something that happens by itself when an employee joins and takes a career path in a company (Dhir et al., 2020). If the company wants an employee who has a loyal spirit to the company, the company should facilitate and strive so that the employee becomes part of the company and has a higher career path. Loyalty is very important for companies because the work done by employees having loyalty to the company will have a better effect than employees who do not (Armadita & Sitohang, 2019).

Several aspects and attitudes of employee loyalty that focus on the implementation of work are built and formed through several employee loyalty indicators, namely: (1) being proud as an employee of the company; (2) complying with regulations; (3) having responsibility; (4) having longer years of service.

**Empirical Review and Hypothesis Development**

Leaders with servant leadership style are predicted to be able to direct employees to have more involvement in the company or organization. This can happen when the leader gives more and more serious attention (genuine consideration) to his employees, so as to increase employee engagement and alignment in the company (Zhang et al., 2019). On the other hand, the servant leadership style emphasizes ethical behavior, which is shown from the willingness to help subordinates to grow, empower, and create value (Harwiki, 2016). Leaders who apply this style in organizations emphasize that they are more concerned with serving the needs of their employees before their own (Stollberger et al., 2019). When employees perceive that their leader has a serving style, they will be more willing to be involved in their work in the company (Hung et al., 2016).

The same thing will also be able to affect employee loyalty. Shah et al. (2019) conducted research on servant leadership and employee loyalty to 387 doctors in Pakistan. The findings show that servant leaders will inspire their employees to serve as well, in this case showing loyalty in carrying out their duties in the company (Shah et al., 2019). Employee loyalty can be seen when they want to fight for business success, because they feel they have a role in the sustainability and development of the company (Hashim et al., 2019). Based on this explanation, the hypothesis proposed in this study is as follows:

**H1. Servant leadership has a positive and significant effect on job involvement**

**H2. Servant leadership has a positive and significant effect on employee loyalty**

Odero & Makori (2018) mentioned that job involvement in employees will make them show higher performance to achieve organizational goals than employees with low involvement. Employees who have involvement can also work more efficiently because they consciously contribute to the company (Hermawati & Mas, 2017). Mikkelsen & Olsen (2018) stated that job involvement can predict the emergence of employee performance because it can increase employee motivation. Job involvement can be applied by involving employees in the decision-making process in the organization. Several studies have shown that job involvement can improve employee performance in various contexts, such as education, manufacturing companies, and service companies (Odero & Makori, 2018; Hermawati & Mas, 2017; Mikkelsen & Olsen, 2018). In addition, job involvement also allows employees to have a sense of belonging and a harmonious environment in the company (Ideri & Makori, 2018; Varshney, 2020). This can make employees grow their loyalty to the organization. Employees who are involved are important assets for the company because they will help the company to implement its strategy (Varshney, 2020; Frempong et al., 2018). Therefore, based on the explanation, the hypotheses proposed in this study are:

**H3. Job involvement has a positive and significant effect on employee performance**

**H4. Job involvement has a positive and significant effect on employee loyalty**

Employee loyalty can be seen as an employee's attitude or behavior that shows emotional and psychological closeness, a desire to stay in the organization, and a willingness to help the organization achieve its goals (Ganic et al., 2018; Frempong et al., 2018). Employees who have loyalty tend to have more attitudes and commitment to the company, show a sense of responsibility, and are willing to give their best for the company (Tomic et al., 2018; Stojanovic et al., 2020). Several previous studies also state that employees who have loyalty show a higher level of performance than others (Ganic et al., 2018; Frempong et al., 2018; Tomic et al., 2018; Stojanovic et al., 2020). Based on the description above, the proposed hypothesis is as follows:

**H5. Employee loyalty has a positive and significant effect on employee performance**

Hung et al. (2016) said that serving leaders have several key principles that they always hold, namely the willingness to listen, empathy, healing, awareness, persuasion, conceptualization, foresight, stewardship, commitment to growth, and commitment to organization and the people in it. Leaders with servant leadership style also have a tendency to prioritize the interests of others, especially their subordinates or followers (Hashim et al., 2019). They listen and are able to understand the thoughts and demands of their followers, which can help solve problems that individuals face in organizations.

On the other hand, leaders with this style will provide contributions and services to individuals in the organization without expecting anything in return (Shah et al., 2019). When individuals in organizations see that their leaders have these various aspects, there will
be a desire in individuals to be more involved in their work in the organization. This is because individuals feel that leaders can understand and prioritize their needs and can empathize with the conditions or problems they feel. In the end, individuals will engage in work voluntarily by showing active participation and low absenteeism rates (Ibrahim et al., 2021). Individuals will also identify themselves with the work they do, and this will have a positive effect on the performance they show in the company (Oduobisa-Darko, 2020; Varshney, 2020; Harwiki, 2016; Stollberger et al., 2019).

Hashim et al. (2019; Akbari et al. 2014) mentioned that a good leader is a leader who has the will to serve others, and automatically, other people will also have the loyalty to serve him. In the context of servant leadership, Shah et al. (2019) highlighted this interrelationship by looking at the influence of servant leadership on employee loyalty. Leaders who serve individuals in their organizations or companies will provide the resources needed by employees to achieve success for themselves and the organization in the long term (Harwiki, 2016). They will provide information, material resources, time, and attention, so that employees can develop their loyalty to the company (Hashim et al., 2017; 2019). When employees have loyalty to their leader or company, they will have the pride to be part of the company and have more responsibility (Dhir et al., 2020), and show a tendency to have higher performance (Stojanovic et al., 2020; Tashtousher et al., 2022). Based on the explanation above, the proposed hypothesis is as follows:

H6. Servant leadership has a positive and significant effect on employee performance through job involvement

H7. Servant leadership has a positive and significant effect on employee performance through employee loyalty

H8. Servant leadership has a positive and significant effect on employee performance through job involvement and employee loyalty

Research and Methodology

The type of research used in this research is quantitative research with a causal type of explanatory research approach that seeks to examine the effect between variables in a structural model of exogenous variables on endogenous variables. In this study, there are exogenous variables, namely servant leadership variables, while the dependent or endogenous variables are employee performance. This study used job involvement and employee loyalty variables as mediating variables. The scope of this research is to examine the role of two mediating variables that mediate the effect between exogenous and endogenous variables. The framework of the influence between variables in the measurement model in this study is described and illustrated by modeling the influence between variables in Figure 1 as follows:

![Figure 1: Research Model; Source: Authors](image)

The population in this study were employees at a plastic manufacturing company for bottled drinking water (AMDK) which amounted to 182 of 194 employees. Sample is part of the population, namely a certain number of people, objects, or objects selected from the population to represent the population (Mulyanto dan Wulandari, 2019). The sample in this study used a saturated sample with the criteria of all employees having permanent employee status (PKWTT) excluding the company's management structure, amounting to 182 of the total number of employees as many as 194 people. The methods and techniques used in the data collection process were carried out by distributing a list of statements in the form of a questionnaire to the respondents of the Google Forms research. The process of data analysis and the results of data processing in the study was carried out using the SmartPLS version 3.3.3 application.

Findings and Discussions

The first data instrument test carried out in the study was the validity test of the research questionnaire. This test is based on the criteria for testing the results by looking at the loading value of each indicator of each variable used to measure each research variable with the test results according to the outer loading image as follows:
Figure 2: Outer Loading Test Results; Source: Processed Data

The Outer Loading results of each research variable from each research indicator are shown in Table 1 below:

<table>
<thead>
<tr>
<th>Indicator</th>
<th>SL (X)</th>
<th>JI (M1)</th>
<th>EL (M2)</th>
<th>EP (Y)</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.721</td>
<td>0.813</td>
<td>0.815</td>
<td>0.804</td>
<td>Valid</td>
</tr>
<tr>
<td>2</td>
<td>0.726</td>
<td>0.715</td>
<td>0.781</td>
<td>0.773</td>
<td>Valid</td>
</tr>
<tr>
<td>3</td>
<td>0.713</td>
<td>0.735</td>
<td>0.788</td>
<td>0.856</td>
<td>Valid</td>
</tr>
<tr>
<td>4</td>
<td>0.770</td>
<td>0.738</td>
<td>0.749</td>
<td>0.896</td>
<td>Valid</td>
</tr>
<tr>
<td>5</td>
<td>0.725</td>
<td>0.797</td>
<td>0.865</td>
<td>0.770</td>
<td>Valid</td>
</tr>
<tr>
<td>6</td>
<td>0.760</td>
<td>0.785</td>
<td>0.864</td>
<td>0.705</td>
<td>Valid</td>
</tr>
<tr>
<td>7</td>
<td>0.777</td>
<td>0.732</td>
<td>0.754</td>
<td>0.823</td>
<td>Valid</td>
</tr>
<tr>
<td>8</td>
<td>0.794</td>
<td>0.748</td>
<td>0.768</td>
<td>0.897</td>
<td>Valid</td>
</tr>
<tr>
<td>9</td>
<td>0.809</td>
<td>0.828</td>
<td>0.742</td>
<td>0.905</td>
<td>Valid</td>
</tr>
<tr>
<td>10</td>
<td>0.738</td>
<td>0.818</td>
<td>0.725</td>
<td></td>
<td>Valid</td>
</tr>
<tr>
<td>11</td>
<td>0.786</td>
<td></td>
<td>0.854</td>
<td></td>
<td>Valid</td>
</tr>
<tr>
<td>12</td>
<td></td>
<td></td>
<td>0.799</td>
<td></td>
<td>Valid</td>
</tr>
</tbody>
</table>

Source: Processed Data

The reliability test was carried out using several approaches, namely Cronbach's alpha, composite reliability, rho_A, and Average Variance Extracted (AVE). Reliability is met if the value of Cronbach's Alpha or composite reliability and rho_A > 0.7 and or AVE > 0.6 (Mulyanto dan Wulandari, 2019; Hair et al., 2019).

Table 2: Construct Reliability Test Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach's Alpha</th>
<th>rho_A</th>
<th>Composite Reliability (AVE)</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>SL (X)</td>
<td>0.925</td>
<td>0.926</td>
<td>0.936</td>
<td>0.573</td>
</tr>
<tr>
<td>JI (M1)</td>
<td>0.924</td>
<td>0.927</td>
<td>0.936</td>
<td>0.596</td>
</tr>
<tr>
<td>EL (M2)</td>
<td>0.926</td>
<td>0.935</td>
<td>0.938</td>
<td>0.629</td>
</tr>
<tr>
<td>EP (Y)</td>
<td>0.955</td>
<td>0.958</td>
<td>0.961</td>
<td>0.672</td>
</tr>
</tbody>
</table>

Source: Processed Data

The test for the model test used the value of the endogenous latent R Square, SRMR and F2. The model will be said to be feasible if the value of SRMR and F2 is more than 0.02 and the endogenous latent R Square is more than 0.2 with several criteria items: more than 0.70 – strong; 0.67 to 0.7 – substantial; 0.33 to 0.67 – moderate; less than or equal to 0.19 – weak. The test results can be seen in Tables 3 to 5 below:
Table 3: R Square Test Results

<table>
<thead>
<tr>
<th></th>
<th>R Square</th>
<th>Adjusted R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>JI (M1)</td>
<td>0.632</td>
<td>0.630</td>
</tr>
<tr>
<td>EL (M2)</td>
<td>0.577</td>
<td>0.572</td>
</tr>
<tr>
<td>EP (Y)</td>
<td>0.611</td>
<td>0.606</td>
</tr>
</tbody>
</table>

Source: Processed Data

Table 4: R Square Test Results

<table>
<thead>
<tr>
<th></th>
<th>Saturated Model</th>
<th>Estimation Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>SRMR</td>
<td>0.080</td>
<td>0.081</td>
</tr>
</tbody>
</table>

Source: Processed Data

Table 3: R Square Test Results

<table>
<thead>
<tr>
<th></th>
<th>SL (X)</th>
<th>JI (M1)</th>
<th>EL (M2)</th>
<th>EP (Y)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SL (X)</td>
<td>1.719</td>
<td>0.024</td>
<td></td>
<td></td>
</tr>
<tr>
<td>JI (M1)</td>
<td>0.335</td>
<td></td>
<td>0.165</td>
<td></td>
</tr>
<tr>
<td>EL (M2)</td>
<td></td>
<td></td>
<td></td>
<td>0.225</td>
</tr>
</tbody>
</table>

Source: Processed Data

The results of primary data processing from producing descriptive data findings are shown in Table 6 below:

Table 6: Descriptive Data

<table>
<thead>
<tr>
<th>N</th>
<th>Modus</th>
<th>Min</th>
<th>Max</th>
<th>Std. Deviation</th>
<th>Mean</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>SL1.1</td>
<td>182</td>
<td>10</td>
<td>6</td>
<td>10</td>
<td>0.959</td>
<td>9.264</td>
</tr>
<tr>
<td>SL1.2</td>
<td>182</td>
<td>10</td>
<td>6</td>
<td>10</td>
<td>1.033</td>
<td>9.302</td>
</tr>
<tr>
<td>SL1.3</td>
<td>182</td>
<td>10</td>
<td>6</td>
<td>10</td>
<td>1.028</td>
<td>9.143</td>
</tr>
<tr>
<td>SL2.1</td>
<td>182</td>
<td>10</td>
<td>6</td>
<td>10</td>
<td>1.023</td>
<td>9.368</td>
</tr>
<tr>
<td>SL2.2</td>
<td>182</td>
<td>10</td>
<td>6</td>
<td>10</td>
<td>1.121</td>
<td>9.258</td>
</tr>
<tr>
<td>SL2.3</td>
<td>182</td>
<td>10</td>
<td>6</td>
<td>10</td>
<td>1.072</td>
<td>9.148</td>
</tr>
<tr>
<td>SL3.1</td>
<td>182</td>
<td>10</td>
<td>6</td>
<td>10</td>
<td>1.026</td>
<td>9.187</td>
</tr>
<tr>
<td>SL3.2</td>
<td>182</td>
<td>10</td>
<td>6</td>
<td>10</td>
<td>1.016</td>
<td>9.225</td>
</tr>
<tr>
<td>SL3.3</td>
<td>182</td>
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Source: Processed Data
The results of primary data processing from the research variable instrument for testing the proposed hypothesis were carried out using *Path Coefficients* to see the direct effect and indirect effect.

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*Source:* Processed Data

The results of the hypothesis test are as follows:

i. Servant Leadership has a positive and significant effect on Job Involvement with the original sample value of 0.795 and the P Value of 0.000 or less than the significance value of $\alpha$ of 0.05 ($0.000 < 0.05$).

ii. Servant Leadership has a positive but not significant effect on Employee Loyalty with the original sample value of 0.166 and the value of P Value of 0.103 or greater than the significance value of $\alpha$ of 0.05 ($0.103 > 0.05$).

iii. Job Involvement has a positive and significant effect on Employee Performance with the original sample value of 0.385 and the value of P Values of 0.000 or less than the significance value of $\alpha$ of 0.05 ($0.000 < 0.05$).

iv. Job Involvement has a positive and significant effect on Employee Loyalty with the original sample value of 0.621 and the value of P Values of 0.000 or less than the significance value of $\alpha$ of 0.05 ($0.000 < 0.05$).

v. Employee Loyalty has a positive and significant effect on Employee Performance with the original sample value of 0.450 and the value of P Values of 0.000 or less than the significance value of $\alpha$ of 0.05 ($0.000 < 0.05$).

vi. Servant leadership has a positive and significant effect on employee performance through the job involvement variable with the original sample value of 0.306 and the value of P Value of 0.000 or less than the significance value of $\alpha$ of 0.05 ($0.000 < 0.05$).

vii. Servant leadership has a positive but not significant effect on employee performance through employee loyalty variable with the original sample value of 0.075 and the value of P Value of 0.165 or greater than the significance value of $\alpha$ of 0.05 ($0.165 > 0.05$).

viii. Servant leadership has a positive and significant effect on employee performance through job involvement and employee loyalty variables with the original sample value of 0.222 and the value of P Value of 0.000 or less than the significance value of $\alpha$ of 0.05 ($0.000 < 0.05$).

**Discussion**

The results of the study indicate that the first hypothesis proposed, namely the influence of servant leadership on job involvement, is accepted. This means that servant leadership can have a positive influence on employee job involvement. The results of this study are in line with the findings of Zhang et al. (2019; Harwidi, 2016; Stollberger et al., 2019; Hung et al., 2016), which proves there is a positive influence between the two variables. The better the servant leadership, the higher the employee's job involvement. This is because leaders pay attention to their employees, which makes them have the willingness to be involved in the work. Employees who feel that their leaders prioritize serving behavior and prioritize employee needs will have more job involvement. However, the results of this study contradict the findings of the second hypothesis. The results of the second hypothesis, which is related to the influence of servant leadership on employee loyalty, show a positive effect, but it is not significant. That is, in this study, servant leadership can affect employee loyalty, but the effect is not significant or weak. Servant leadership is more influential on job involvement than on employee loyalty.

Furthermore, this study found that the third and fourth hypotheses proposed, namely the effect of job involvement on employee performance and employee loyalty, were accepted. In other words, job involvement can have a positive influence on employee performance and employee loyalty separately. The results of this study support the research that has been done previously (Odero & Makori, 2018; Hermawati & Mas, 2017; Mikkelsen & Olsen, 2018; Barshney, 2020; Frempong et al., 2018), who examined the impact of job involvement and found its positive effect on employee performance and employee loyalty. The higher the employee's job involvement, the higher the performance and loyalty he gives to the company. Job involvement can trigger employees to show...
higher performance and loyalty because this aspect makes employees feel more attached and involved in their work in the company. Employees with job involvement will have a sense of belonging, which can also encourage the emergence of loyalty within them.

Then, the results of this study indicate that the fifth hypothesis proposed, regarding the effect of employee loyalty on employee performance, is accepted. This means that employee loyalty can have a positive influence on employee performance. The results of this study support research conducted by Ganic et al. (2018; Frempong et al., 2018; Tomic et al., 2018; Stojanovic et al., 2020). Employees with high loyalty to the company tend to show a high level of performance. They feel responsible and committed to their work and duties and are willing to take advantage of their competencies for the sustainability and progress of the company.

Regarding the results of the mediation test, this study showed quite different results, in the sense that one of the relationships had an insignificant effect. Servant leadership was found to have a positive and significant effect on employee performance through the job involvement variable, but when tested with the employee loyalty variable, the effect was not significant. However, when the test is run simultaneously, the results of this study indicate that job involvement and employee loyalty can have a positive and significant influence on the relationship between servant leadership and employee performance. Servant leaders can understand and prioritize the needs of employees and can empathize with the conditions or problems they experience. This will make individuals more involved in work and have a positive effect on the performance they show in the company. In addition, leaders who serve their organization or company will provide resources for employees to achieve their success as well as the success of the organization. This allows employees to develop their loyalty to the company, and ultimately show a tendency to have higher performance.

**Conclusions**

Based on the description and discussion of the results of research carried out to analyze the influence of the Servant Leadership variable on Employee Performance through Job Involvement and Employee Loyalty, there are several conclusions and implications that can be drawn. First, this study shows that servant leadership can have a positive effect on job involvement and employee loyalty, but the effect is not significant on employee loyalty. Then, this study also proves that job involvement and employee loyalty can affect employee performance, and job involvement itself has a positive influence on employee loyalty. Regarding the mediating role of employee loyalty, the researcher found that employee loyalty acts as a mediator in the relationship between servant leadership and employee performance, this effect is positive but not significant. Finally, this study confirms the role of job involvement as a mediator in the relationship between servant leadership and employee performance.

Based on all the findings from the conclusions of the research, it can be seen that to improve employee performance, companies can do several things. First, the company can provide training with materials and themes related to industrial relations to all employees in order to create a balanced communication. By doing so, each element involved in the operations of the company's activities with different interests understands what the company's goals are. Then, as a short-term program, the company can provide leadership training to superiors from each department or section that oversees employees. Meanwhile, for long-term programs, the company must ensure that the training provided is structured and sustainable. Thus, when employees enter a promotion program, they are already equipped and able to apply the concept and the style of servant leadership in work relationships, which will have an impact on the emergence of job involvement and employee loyalty from all employees in the company.

Another thing that can be done is to apply and ensure the concept of servant leadership style to all superiors and all leaders from each company's organizational structure in working relationships and all work activities. This is done by referring to the basic concept of harmonious Pancasila Industrial Relations which is based on human values, social values, and values of justice through established policies. In addition, the company can also form an Industrial Relations Team that involves all sections and departments in the company as a means of involving all employees in making and setting company policies. Regarding the employee loyalty, companies can create and enhance employee loyalty by giving appreciation in the form of special awards or rewards to their employees. This is expected to generate encouragement from within employees, so that they are more enthusiastic at work, able to create a sense of belonging to the company or organization, and able to make the company a place of career and service, as well as their own home. In addition, it is important for companies to prioritize social relations in the industrial relations process so that company performance can be maintained or improved through the role of job involvement so that employee loyalty will increase.

This research still has some limitations. First, the sample and population of this study were only taken from one type of company. Further researchers can conduct research with similar directions in other contexts, such as service companies, manufactures, or companies in the creative industry, so that research results can be generalized. Furthermore, there are inconsistent research results from the servant leadership variable on employee loyalty, so it is necessary to do research with the same variable with the addition of several indicators from other sources and references.

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All authors have read and agreed to the published version of the manuscript.

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Conflicts of Interest: The authors declare no conflict of interest.

References


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