

# THE INFLUENCE OF SERVANT LEADERSHIP AND WORK ENVIRONMENT ON EMPLOYEE PERFORMANCE IN FAMILY BUSINESS UD. BERKAT BERSAMA WITH WORK MOTIVATION AS A MEDIATOR

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**Abstract-**This study aims to determine the effect of servant leadership leadership style and work environment on employee motivation and its impact on employee performance. The variables used in this study are servant leadership style and work environment as independent variables, work motivation as a mediating variable and employee performance as the dependent variable. The method used is quantitative mediation. The sample used in this study used a non-probability sampling method with a saturated sample technique and a sample of 50 respondents. Data collection techniques in this study were carried out by distributing questionnaires using a Likert scale. Based on the results of data analysis, it can be concluded that the servant leadership style has a significant effect on work motivation, the servant leadership leadership style has a significant effect on employee performance, the work environment has a significant effect on work motivation, the work environment has a significant effect on employee performance, and work motivation has a significant effect on performance. employee.

**Keywords:** *Servant Leadership, Work Motivation, Employee Performance, Work Environment.*

## 1. Introduction

UD Company. Berkat Bersama is a family business of the Kalimantan wood processing industry, especially sawn timber in Mojokerto Regency as a supplier and seller directly to consumers in B2B and B2C. A technical and operational spec of the company is handled by employees who reach 50 workers. Differences in background and level of education between workers are the company's problems with low SOPs, regulations, work directions, and work motivation. These problems pose employee risks such as work accidents and things that harm the company, thereby reducing employee performance. The factors that influence the level of work of employees as human resources are leadership, motivation, and work environment. Servant leadership is suitable to be applied to UD. Berkat Bersama for being able to serve, empower and develop employees by appreciating seam, humility, and purity of heart. Based on the above phenomena and relevance, this research focuses on the influence of servant leadership and works environment on employee performance through work motivation.

## 2. Literature Review

### 2.1 Previous Research

Research by Hariyono and Andreani (2020) shows that servant leadership has an influence on work motivation, but *servant leadership* has no influence on employee performance, while work motivation has an influence on employee performance. Research by Kuswati (2020) shows that work motivation can affect employee performance. Research by Rahayu (2019) shows that *servant leadership* is able to affect employee performance. Research by Rahayu (2019) found that the positive and significant influence of servant leadership on employee

performance shows that increasing servant *leadership* will result in increased employee performance. Research by Tarigan and Rozzyana (2018) shows that the work environment can affect employee performance.

## 2.2 Theoretical Foundations

### 2.2.1 Servant Leadership

*Servant leadership* is a leadership style that has the principle of serving and sincerity towards others (Hariyono and Andreani, 2020). *Servant leadership* indicators use the development of dimensions from (Dennis and Bocarnea, 2005) namely: (1) Compassion; (2) Empowerment; (3) Vision; (4) Humility; (5) Trust.

### 2.2.2 Work Environment

Sedarmayanti (2017) the work environment is the entire tool and material faced, the surrounding environment in which a person works, and work arrangements both as individuals and as a group. Indicators of the working environment according to Arianto and Kurniawan (2020) can be: (1) Lighting; (2) Air temperature; (3) Noise; (4) Wiggle room; (5) Security.

### 2.2.3 Work Motivation

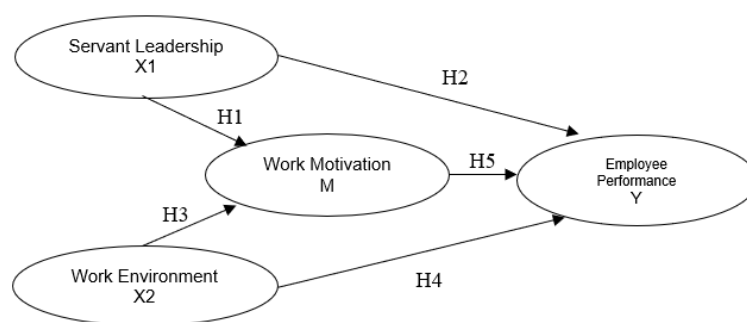
Work motivation according to Mariani and Sariyathi (2017) is the encouragement obtained by a person in carrying out an action which is generated from one's own desire to satisfy and meet his needs. According to Robins and Judge (2016), the indicators of work motivation based on five hierarchies of human needs are: (1) Physiological Needs; (2) Safety and Security Needs; (3) Affiliation or Acceptance Needs; (4) Esteem or Status Needs; (5) Self-Actualization.

### 2.2.4 Employee Performance

According to Mangkunegara (2017) employee performance is the result of work both in quality and quantity achieved by a person in carrying out duties in accordance with the responsibilities assigned to him. According to Eliyanto (2018), employee work has indicators, namely: (1) Quality of work; (2) Quantity of work; (3) Punctuality.

## 3. Research Framework

### 3.1 Analysis Models



**Figure 3.1 Analysis Model**

Source: Researcher's Thought Results (2021)

### 3.2 Hypothesis

**H1:** Leadership style *servant leadership* has a significant effect on work motivation UD. Berkat Bersama

**H2:** Leadership style *servant leadership* has a significant effect on the performance employees UD. Berkat Bersama.

**H3:** Work environment has a significant effect on work motivation UD. Berkat Bersama

**H4:** Work environment has a significant effect on employee performance UD. Berkat Bersama

**H5:** Work motivation has a significant effect on employee performance UD. Berkat Bersama.

#### 4. Research Methods

##### 4.1 Types of Research, Samples, and Data Collection

This research uses a quantitative approach that is carried out directly at the location of the research object, namely UD. Berkat Bersama in May 2021. The sample in this study was a non-managerial employee population of 50 employees. The data sources of this study are primary and secondary data. Primary data were collected through questionnaires with a Likert measurement scale of 1-5.

##### 4.2 Operational Variables and Definitions

**Table 4. 1 Operational Definition of Variables**

Variable	Conceptual Definition	Indicators	Questionnaire
<i>Servant Leadership</i>	According to Kamula (2017) <i>servant leadership</i> is a person of choice among a number of other people and that choice is based on certain advantages that cause the servant leader to gain the trust to become a leader	1.Compassion 2.Empowerment 3.Vision 4.Humility  (Dennis and Bocarnea, 2005)	1.I feel that I am considered contributing to the organization by my boss. 2. When someone berates or praises my boss, it feels like the slur or praise is directed at me 3.I'd rather use the word "we" when talking about my boss than use the term "he/they" 4. The success of my boss is my success as well 5.I chose my boss because of his ability and principles in managing the company 6.My love for my superiors is mainly based on the similarity of principles demonstrated by my superiors 7.Since starting to join the organization, my personal abilities and principles and those of my superiors have become more similar
Work Environment	Elements of the organization as a social system that has a strong influence in the formation of individual behavior in the organization and affects organizational achievement (Mangkunegaran, 2017)	1. Lighting 2. Temperatures 3. Noise 4. Wiggle Room 5. Security  (Arianto and Kurniawan, 2020)	1.The lighting in the work area is good, so it can work comfortably 2.The air temperature in the work area is good, so it can work comfortably 3.I feel that there is no noise in the work area 4.I feel like my work area has a comfortable wiggle room 5.Security in the work area is good, so it can work comfortably
Work Motivation	Work motivation is a condition that encourages employees to be willing to work to realize the organizational goals that have been set (Aprilliansyah et al., 2018).	1. Physiological needs 2. A sense of security 3. Social needs 4. The need for self-esteem 5. Self-actualization  (Robins and Judge, 2016)	1. In my opinion, there is a suitability of the salary that has been received when it is associated with the sacrifice (effort of energy and mind) that has been given to the company 2. The company's attention to employee social security (which is in the form of health guarantees) 3. The existence of a good relationship between the work of Mr. / Mrs. with superiors 4. The existence of a good relationship between the work of Mr / Mrs and co-workers 5. The existence of awards given by the company to employees 6. In my opinion, the company always provides an opportunity to be creative in carrying out work

Employee Performance	According to Mangkunegara (2017) employee performance is the result of work both in quality and quantity achieved by a person in carrying out duties in accordance with the responsibilities assigned to him	Fattah (2001) in Eliyanto, 2018): 1. Quality of Work 2. Quantity of Work 3. Timeliness	1. I am always able to complete my work according to the <i>job description</i> given to me. 2. I always try to finish my work with the quality standards that the company has given 3. I always try to finish my work with the standard quantity / amount that the company already gives. 4. I am always able to complete my <i>job description</i> with the quantity requested by the company. 5. I am always able to get my work done on time
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Source: Data processed by the author

Data analysis methods in the form of statistical analysis, hypothesis testing (SEM-PLS), and evaluation of the Goodness of Fit model consisting of Outer and Inner models using the SmartPLS application version 3.2.

## 5. Results and Discussion

### 5.1 Respondent Descriptive Analysis

In the analysis of 50 respondents, it was found that 48 respondents (96%) were found to be male. The old range worked in UD. Berkas Bersama >2 years totaled 28 respondents (56%). The largest position was coolies, as many as 19 people (38%). The last education was the largest primary school, as many as 30 respondents (60%).

### 5.2 Variable Descriptive Analysis

The mean value of the working environment variable is 3.831 and the standard deviation is 0.979. The average respondents agreed with the statement of the variable servant leadership. The mean value of the working environment variable is 3.836 and the standard deviation is 0.937. The average respondents agreed with the statement of the variables of the working environment. The mean value of the work motivation variable is 3.776 and the standard deviation is 0.968. The average respondents agreed with the statement of the work motivation variable. The mean variable of employee performance is 3.856 and the standard deviation is 0.949. Rata-average respondents agreed with the statement of employee performance variables.

## 5.3 Hypothesis Testing

### 5.3.1 Outer Model

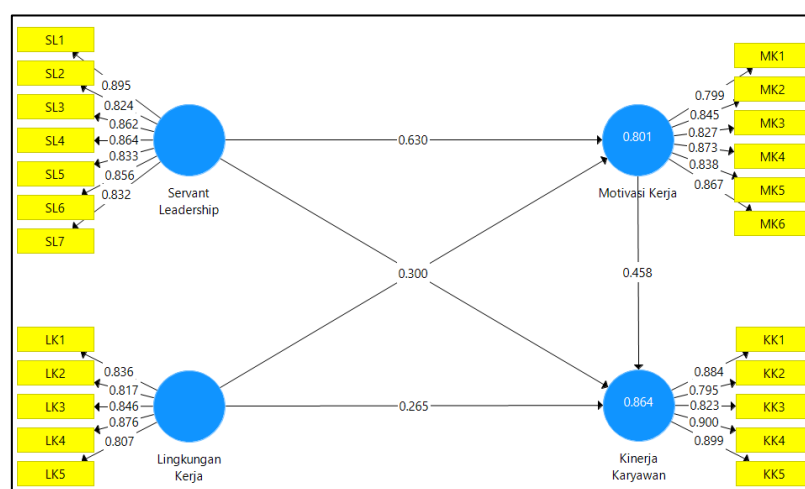


Figure 5. 1 Research Framework Model

Source: Data processed SmartPLS, 2021

## 1. Reliability Indicators

**Table 5. 1 PLS Loading Factor Test Results**

	Employee Performance	Work Environment	Work Motivation	Servant Leadership
KK1	0,884			
KK2	0,795			
KK3	0,823			
KK4	0,900			
KK5	0,899			
LK1		0,836		
LK2		0,817		
LK3		0,846		
LK4		0,876		
LK5		0,807		
MK1			0,799	
MK2			0,845	
MK3			0,827	
MK4			0,873	
MK5			0,838	
MK6			0,867	
SL1				0,895
SL2				0,824
SL3				0,862
SL4				0,864
SL5				0,833
SL6				0,856
SL7				0,832

Source: Data processed SmartPLS, 2021

In Table 5.1 all statements with a total of 23 statements have a *loading factor* value that is in accordance with the requirements, namely at least 0.5, so it can be concluded that all statements in this study are valid.

## 2. Convergent Validity

**Table 5. 2 Construct Validity Test Results**

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Employee Performance	0,912	0,916	0,935	0,742
Work Environment	0,893	0,897	0,921	0,700
Work Motivation	0,918	0,919	0,936	0,709
Servant Leadership	0,937	0,940	0,949	0,727

Source: Data processed SmartPLS, 2021

In Table 5.2 it is known that the AVE value of the three variables has met the requirement that it is greater than 0.5. So it can be concluded that all three variables are declared valid.

## 3. Discriminant Validity

**Table 5. 3 PLS Cross Loading Test Results**

	Employee Performance	Work Environment	Work Motivation	Servant Leadership
KK1	0,884	0,726	0,750	0,755
KK2	0,795	0,633	0,723	0,650
KK3	0,823	0,693	0,807	0,770
KK4	0,900	0,825	0,838	0,843
KK5	0,899	0,784	0,755	0,747
LK1	0,660	0,836	0,572	0,771

LK2	0,673	<b>0,817</b>	0,621	0,708
LK3	0,714	<b>0,846</b>	0,689	0,694
LK4	0,767	<b>0,876</b>	0,793	0,728
LK5	0,742	<b>0,807</b>	0,732	0,578
MK1	0,710	0,667	<b>0,799</b>	0,731
MK2	0,691	0,651	<b>0,845</b>	0,676
MK3	0,746	0,686	<b>0,827</b>	0,725
MK4	0,824	0,783	<b>0,873</b>	0,738
MK5	0,782	0,700	<b>0,838</b>	0,800
MK6	0,786	0,657	<b>0,867</b>	0,762
SL1	0,819	0,814	0,856	<b>0,895</b>
SL2	0,687	0,697	0,727	<b>0,824</b>
SL3	0,746	0,675	0,713	<b>0,862</b>
SL4	0,805	0,680	0,779	<b>0,864</b>
SL5	0,750	0,715	0,824	<b>0,833</b>
SL6	0,724	0,690	0,664	<b>0,856</b>
SL7	0,693	0,659	0,651	<b>0,832</b>

Source: Data processed SmartPLS, 2021

In Table 5.3 the indicators against each of its variables are the largest value when compared with the results of indicators against other variables, so that it is by the provisions and it can be stated that all statements in this study are valid.

#### 4. Composite Reliability

Based on Table 5. 2 the values of Composite Reliability and Cronbach's Alpha all variables have values greater than 0.7. That is, all research variables can be declared reliable.

#### 5.3.2 Inner Model

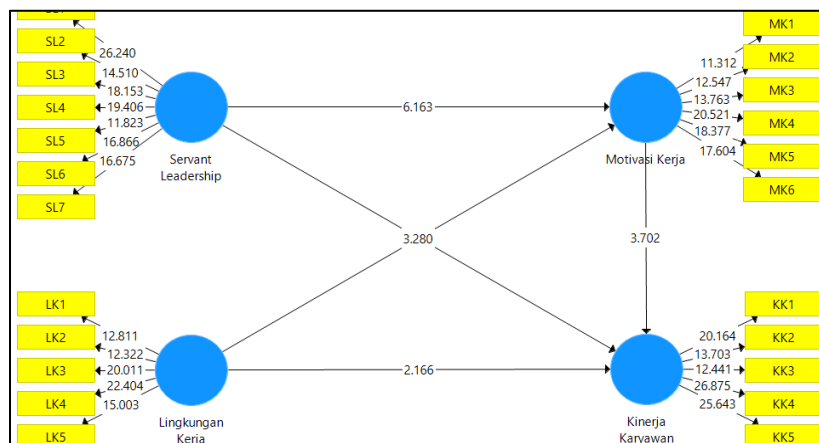


Figure 5. 2 Bootstrap Framework Model

Source: Data processed SmartPLS, 2021

#### 1. R Square

Table 5. 4 Inner Model R Square Test Results

	R Square	R Square Adjusted
Employee Performance	0,864	0,855
Work Motivation	0,801	0,792

Source: Data processed SmartPLS, 2021

Based on Table 5. 4, the *R-Square* value obtained on employee performance was 0.864, while the *R-Square* value on work motivation was 0.801. Both have a high value because and are close to 1, then it can be stated to have a strong influence.

## 2. Q Square

**Table 5. 5 Q Square Inner Model Test Results**

	Sso	SSE	Q <sup>2</sup> (=1-SSE/SSO)
Employee Performance	250,000	105,476	0,578
Work Environment	250,000	250,000	
Work Motivation	300,000	144,724	0,518
Servant Leadership	350,000	350,000	

Source: Data processed SmartPLS, 2021

If a value of  $> Q^2_0$  is found, then the model has predictive *relevance* and vice versa. Based on Table 5. 5 , then:

$$\begin{aligned}
 Q^2 &= 1 - (1 - R^2_{\text{Work Motivation}}) \times (1 - R^2_{\text{Employee Performance}}) \\
 &= 1 - (1 - 0.518) \times (1 - 0.578) \\
 &= 1 - (0.482) \times (0.422) \\
 &= 1 - 0.2034 \\
 &= 0.7966
 \end{aligned}$$

The calculation result was 0.7966. This means that the diversity of the research data is 79.66%. While the remaining 20.34% can be explained by factors outside the research model. This research can be stated to have a good predictive relevance model because it has a value close to 1.

## 3. Statistical T Test

**Table 5. 6 Statistical T Test Results**

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
Servant Leadership -> Employee Performance	0,256	0,250	0,127	2,014	<b>0,045</b>
Servant Leadership -> Work Motivation	0,630	0,616	0,102	6,163	<b>0,000</b>
Work Environment -> Employee Performance	0,265	0,264	0,122	2,166	<b>0,031</b>
Work Environment -> Work Motivation	0,300	0,315	0,092	3,280	<b>0,001</b>
Work Motivation -> Employee Performance	0,458	0,464	0,124	3,702	<b>0,000</b>
Work Environment -> Work Motivation -> Employee Performance	0,138	0,143	0,052	2,665	<b>0,008</b>
Servant Leadership -> Work Motivation -> Employee Performance	0,289	0,290	0,103	2,807	<b>0,005</b>

Source: Data processed SmartPLS, 2021

The cut-off value of the T-test is 1.96. If T value obtained above 1.96 and p value less than 0.05 will produce a significant influence. Based on Table 5. 6 obtained the following results:

- The result of the T servant leadership value on employee performance is 2.014 and the p value is less than 0.05, so servant leadership has an influence on employee performance.
- The result of the T value of servant leadership on employee motivation is 6.163 and the p value is less than 0.05, so servant leadership has an influence on employee motivation.
- The result of the T value of the work environment statistics on employee performance is 2.166 and the p value is less than 0.05, so that the work environment has an influence on employee performance.
- The result of the T value of the work environment statistics on employee motivation is 3,280 and the p value is less than 0.05, so that the work environment has an influence on employee motivation.

- e. The result of the T value of the work environment statistics on employee motivation is 2.807 and the p value is less than 0.05, so that work motivation has an influence on employee performance.

#### **4. Test Mediation**

The values *cut off* the work environment to employee performance through work motivation of 2,665 with a *p value* smaller than 0.05. That is, there is a mediation of the work environment towards employee performance through work motivation. The values *cut off servant leadership* to employee performance through work motivation of 2,807 with a *p value* smaller than 0.05. That is, there is mediation in the relationship of *servant leadership* to employee performance through work motivation and the mediating value of this relationship is the greatest.

### **5.4 Discussion**

#### **5.4.1 The Influence of Servant Leadership on Work Motivation**

The results of the study concluded that *servant leadership* has a positive and significant influence on work motivation, so the first hypothesis was accepted. UD. Berkat Bersama leadership always strives to be a serving leader. That is, the better the working relationship, the harmony of work can be created and have an impact on employee work motivation.

#### **5.4.2 Servant Leadership Concerns Employee Performance**

The results of the study concluded that *servant leadership* has a positive and significant influence on employee performance, so the second hypothesis is accepted. UD Berkat Bersama leadership always pays attention to the results of the work of its employees so that it can comply with the specified standards. However, not only the final result but also have to pay attention to the process of its work.

#### **5.4.3 The Effect of the Work Environment on Work Motivation**

The results of the study concluded that the work environment has a positive and significant influence on work motivation, so the third hypothesis is accepted. Responden felt that the working environment of UD. Berkat Bersama is not comfortable. It means UD. Berkat Bersama has a fairly dense work area, but the thing that can be done is the right arrangement.

#### **5.4.4 The Effect of the Work Environment on Employee Performance**

The results of the study concluded that the work environment has a positive and significant influence on employee performance, so the fourth hypothesis is accepted. Based on the observations of researchers an, the UD work environment. Berkat Bersama is felt uncomfortable so that employee performance is hindered or delayed. Hal what can be done is the right spatial arrangement to make it more comfortable so that it is motivated in working.

#### **5.4.5 The Effect of Work Motivation on Employee Performance**

The results of the study concluded that work motivation has a positive and significant influence on employee performance, so the fifth hypothesis is accepted. There are some employee relationships that are not good, so employee cooperation is not considered up to standard because there is no serious work motivation, a problem with UD. Berkat Bersama needs to create togetherness activities such as gathering all employees in the hope that employee cooperation can increase over time.

### **5.5 Managerial Implications**



**Table 5. 7 Managerial Implications**

Variable	Before Research	After Research
<i>Servant Leadership</i>	UD Superior Berkat Bersama always strives to be a leader who serves. However, according to respondents, respondents could not feel the success of the leadership as the success of the respondent. This is evidenced by the lowest <i>mean</i> gain in the statement "The success of my boss is my success as well"	Ud. Berkat Bersama, especially leaders need to pay attention to working relationships between fellow employees as well as between employees and leaders because the better the relationship that occurs, harmony at work can be created which will have an impact on employee motivation at work. Things that can be done to strengthen good relations between employees and leaders are to often spend time together such as working together or holding togetherness activities such as gatherings, competitions or other activities that can increase togetherness. Looking at the results of this study, it means that <i>servant leadership</i> can also be applied in small <i>family businesses</i> or in development and with poorly educated employees.
Work Environment	The employee's work environment or work area is considered uncomfortable. This is evidenced by the lowest <i>mean</i> gain on the statement "I feel my work area has a comfortable wiggle room"	Ud. Berkat Bersama certainly has a fairly dense work area considering that there are also many products that are being worked on, but the thing that can be done is the right arrangement. If the arrangement is right, the raw materials are neatly arranged, the finished materials are neatly arranged, of course, employees can feel more comfortable.
Work Motivation	Respondents felt that the working relationship between employees was sometimes still awkward, besides that by working hard but no appreciation at all from the company made UD employees work motivation. Thanks to the lack of mutual benefit, this is evidenced by the lowest <i>mean</i> gain in the statement "There is a good relationship between your work and your colleagues at UD. Berkat Bersama" and "The awarding of awards given by UD. Berkat Bersama to employees"	Ud. Berkat Bersama need to create togetherness activities such as Gatherings that can gather all employees, spend time together in the hope that employee cooperation can increase over time.

Source: Data Diolah (2021)

## 6. Conclusions and Suggestions

### 6.1 Conclusion

Based on the results of statistical and descriptive data analysis, it is concluded that:

1. Leadership style *servant leadership* has a significant effect on UD Berkat Bersama's work motivation.
2. Leadership style *servant leadership* has a significant effect on the performance of employees at UD. Berkah Beersama.
3. The work environment has a significant effect on UD Berkat Bersama's work motivation.
4. The work environment has a significant effect on the performance of UD. Berkat Bersama employees.
5. Work motivation has a significant effect on the performance of UD Berkat Bersama's employees.

### 6.2 Suggestion

1. For UD. Berkat Bersama

UD. Berkat Bersama needs to pay attention to the cooperation and togetherness of employees with leaders such as carrying out more togetherness activities. It is necessary to pay attention to the specifications of a comfortable work area so that employees work with high motivation and produce the expected performance. This is derived from the lowest *mean* values in the *servant leadership* and work environment indicators.

## 2. Share future Research

Subsequent research can conduct research with the same variables, but using different methods such as qualitative methods to deepen the research findings. Further research can add variables that are not used in this study so that it is expected to improve employee performance. Research can also use different objects to get more varied characteristics.

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