The Impact of Servant Leadership and Work Environment on Employee Performance with Work Discipline as an Intervening Variable in the KPPU Office

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ABSTRACT

Research in this thesis aims to examine how work discipline functions as an intervening variable in the relationship between employee performance and servant leadership with the work environment. Respondent data will use the results of the questionnaire distribution to KPPU Head Office employees who are permanent employees with a minimum service period of 5 years and employee ages between 25 to over 50 years online to 100 employees. Seven tests were conducted in this study on hypotheses based on variable indicators made using the smartPLS approach in the analysis of SEM PLS (Partial Least Square). There are three types of testing in this process: outer model, inner model, and hypothesis. This research is expected to have theoretical and positive consequences associated with the research. In addition, businesses can use the implications of this research to inform the creation of job improvement initiatives for their employees.

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INTRODUCTION

In implementing an authoritative and clean government system and realizing effective, efficient, good and quality public services, of course, it is necessary to support professional, responsible, fair, honest and competent employees in their fields. One of the efforts to achieve a company’s goals more effectively and efficiently requires employee performance in accordance with Company policies and guidelines. The Company’s goals, vision and mission will succeed if the performance of its human resources is strong, and vice versa.

Performance is where an employee or employee within a certain period of time and at work has work results compared to various possibilities, such as goals or indicators or standards that have been agreed and determined together according to Jufrizen, (2017). In addition, according to Prawirosentono (2019), Prawirosentono explained that performance is the outcome of work that can be completed by an individual or group within an organization in compliance with their assigned duties in order to accomplish organizational goals that are morally and ethically acceptable, legally related and compliant.

The public sector has special properties that make it difficult to measure or evaluate efficiency. According to Carter (1991), there are usually two views to explain the difference between public and private sector performance measurement. First, in the private sector it is more about profit-seeking, so measuring performance in the private sector is a straightforward technical process that can be compared. In the public sector does not seek profit, but rather seeks public service. Second, there is certain political and social pressure on the public sector. Public services operate under a limited budget ceiling and government agencies representing the public sector compete with each other for that limited budget. Private sector budgets are more flexible because the sources of financing are more diverse, both from shareholder capital and from external parties (Mardiasmo, 2002).

Government Performance Appraisal Management System in accordance with the State Civil Apparatus Law Number 5 of 2014 Article 1 Paragraph 1. The State Civil Apparatus or ASN is a call for government employees and civil servants employed in government agencies based on work agreements. In addition, prospective civil servants are mutatis mutandis subject to the performance appraisal provisions contained in PP (Government Regulation) Number 30 of 2019. Based on performance planning at the individual, unit, and organizational levels, this stage of performance appraisal of civil servants is carried out.

One factor that affects employee performance is work discipline. Law Number 5 of 2014 concerning State Civil Apparatus refers to the ability of civil servants to carry out their duties and not break the rules set forth in laws, regulations, and/or official regulations, which if disregarded or violated will be subject to disciplinary punishment, called civil servant work discipline. Every government institution or agency is obliged to design and implement a civil servant performance management system. Ministers and heads of government agencies supervise its implementation.
Performance is an aspect that is often used by an organization or company to assess the work of the organization or company both individually and in groups. In the company there are several aspects that can affect the performance of the company such as servant leadership, work environment, and work discipline.

The workplace environment is another factor that can affect employee performance besides servant leadership. A good work environment is an environment where workers can carry out their duties with a sense of comfort, safety, and health. Therefore, building and maintaining a positive work environment is critical to a business or organization's ability to achieve its goals.

Based on this, this study aims to determine how the influence of the work environment and servant leadership on employee performance at the KPPU office, with work discipline as an intervening variable.

THEORETICAL REVIEW
A. Servant Leadership

A leadership style or paradigm known as "servant leadership" was created to help a society or country get through its leadership crisis. The needs, interests, and goals of the people he leads often take precedence over his or her own by servant leaders. Greenleaf (1970) introduced the concept of servant leadership, also known as servant leadership. According to Greenleaf, servant leadership develops organically in people who want to help others, giving rise to the desire to become a leader (Rahayu, 2019). While servant leadership is defined as "Respect for others" by Max Depree in his book The Art of Leadership. The first step to doing this is to realize that everyone is unique in their abilities.

Dennis (2004) states that the Servant Leadership Assessment Instrument (SLAI) can be used to measure servant leadership. In this regard, the indicators of Servant Leadership are as follows: (1) Affection; (2) Empowerment; (3) Vision (Vision); (4) Humility; and (5) Trust.

B. Work Environment

The work environment is a place where an employee carries out his work, with a comfortable environment can improve the ability of employees to work so that the work environment is an important thing at work, and vice versa. In order for the working environment within a business or organization to be appropriately taken into account.

Those factors that affect an organization’s firm’s performance, either directly or indirectly" is how George R. Terry (2006) defines the work environment. In addition, Siddiq (2021) defines the work environment as everything that surrounds the workplace and has the potential to affect how well employees do their jobs, including relationships within the company as well as service to colleagues and working conditions. According to Sedarmayanti (2011), there are two types of work environments, namely (1) physical work
environments and (2) non-physical work environments. Undoubtedly, every business has a strategy or elements that contribute to its development and success. According to Sunyoto (2015), there are several factors related to the organizational environment are (1) employee relations; (2) work regulations; (3) illumination; (4) air circulation; (5) noise level of the working environment; and (6) security.

C. Work Discipline

In accordance with the findings of Mondy and Noe (1990), discipline relates to *when someone displays self-control, it’s a sign of orderliness, cooperation, and accuracy when working in a group within an organization*. It is further defined as a state of self-control and neatness of an employee when working with a group of work units. According to Supomo and Nurhayati (2018), work discipline refers to the attitude or behavior of karaywan which is characterized by continuous obedience, appreciation, and respect for various rules and standards that have been set by the organization to achieve its goals.

A person who has strong work discipline will feel responsible for the tasks assigned to him. In turn, it can improve employee morale and performance, thus helping the company achieve its goals. The following are the indicators of work discipline according to Malayu S.P. Hasibuan (2010): (1) follow all company regulations; (2) efficient use of time; (3) take responsibility for work and assignments; and (4) absenteeism.

D. Employee Performance

John Whitmore (1997), defines work as the performance of a task expected of a person, it is an achievement, action and demonstration of broad ability. Barry Cushway (2002), asserts that another disis performance is evaluating an individual's work in relation to a predetermined goal. The definition of performance, as stated by Bangun (2018), is “the result of work achieved by someone based on job requirements”. Furthermore, as described by Mangkunegara (2018), “the term performance comes from job performance or actual performance (work performance or actual achievements achieved by someone), or the quality and quantity of work results to be achieved by an employee in carrying out their duties, tasks according to the responsibilities assigned to him”.

In accordance with Law Number 5 of 2014 concerning State Civil Apparatus Article 1 paragraph, the State Civil Apparatus also called ASN is a professor for civil servants and government employees with work agreements working in government agencies, the management system for the performance assessment of civil servants pays attention to the following performance assessment factors, according to the dea PP (Government Regulation) Number 30 of 2019 is: (1) purpose; (2) achievements; (3) results; (4) benefits realisation; and (5) employee conduct.
E. Hypothesis Formulation

The relationship between research variables is expressed with a framework based on previous theories from previous research are servant leadership (X1), work environment (X2), work discipline (Z1) and employee performance (Y1), namely:

![Theoretical Framework](image)

Information:
- Direct influence
- Indirect influencers

H1: Servant Leadership influence on Work Discipline
H2: Work Environment affects Work Discipline
H3: Work Discipline affects Employee Performance
H4: Servant Leadership influence on Employee Performance
H5: Work Environment Affects Employee Performance
H6: Servant Leadership Positive and Significant Influence on Employee Performance Through Work Discipline
H7: Work Environment Has a Positive and Significant Effect on Employee Performance Through Work Discipline

METHODOLOGY

The aim of this research is to examine and ascertain how the work environment and servant leadership impact employee performance in the KPPU office, with work discipline as an intervening variable, both partially and simultaneously. The author uses quantitative research design to draw conclusions and make adjustments based on the hypotheses proposed. The sampling technique utilized in this study, nonprobability sampling, does not offer every member of the population an equal chance of being chosen as a
sample (Sugiono, 2017). Purposive sampling is the sampling strategy used, and its purpose is to accurately represent the characteristics of the population for use in future studies.

Respondent data will use the results of the questionnaire distribution to employees at the KPPU Office who are permanent employees with a minimum service period of 5 years and employee ages between 25 years to over 50 years online to 100 employees. Seven tests were conducted in this study on hypotheses based on variable indicators compiled using PLS-based SEM analysis (Partial Least Square) smartPLS application. There are three types of testing in this process: outer model, inner model, and hypothesis.

RESULTS AND DISCUSSION

Validity Test

![SmartPLS Loading Factor Results](v.3.2.9)

Table 4.1

<table>
<thead>
<tr>
<th>Variabel</th>
<th>Item/Indikator Pernyataan</th>
<th>Nilai Loading Factor</th>
<th>Keterangan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Servant Leadership</td>
<td>X1.1</td>
<td>0.760</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X1.2</td>
<td>0.731</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X1.4</td>
<td>0.707</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X1.5</td>
<td>0.748</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X1.6</td>
<td>0.772</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X1.7</td>
<td>0.767</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X1.8</td>
<td>0.727</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X1.9</td>
<td>0.767</td>
<td>Valid</td>
</tr>
</tbody>
</table>
Based on the table that the instruments used for data collection have a level of accuracy, consistency, and precision because the AVE, Cronbach’s Alpha, and Composite Reliability values each variable > 0.7 and > 0.5. which excels.

Test Model
Test Coefficient of Determination ($R^2$)

<table>
<thead>
<tr>
<th>Variabel</th>
<th>Cronbach’s Alpha</th>
<th>rho_A</th>
<th>Composite Reliability</th>
<th>Average Variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disiplin Kerja</td>
<td>0.881</td>
<td>0.894</td>
<td>0.910</td>
<td>0.630</td>
</tr>
<tr>
<td>Kinerja Pegawai</td>
<td>0.847</td>
<td>0.848</td>
<td>0.887</td>
<td>0.568</td>
</tr>
<tr>
<td>Lingkungan Kerja</td>
<td>0.887</td>
<td>0.891</td>
<td>0.914</td>
<td>0.641</td>
</tr>
<tr>
<td>Servant Leadership</td>
<td>0.920</td>
<td>0.924</td>
<td>0.933</td>
<td>0.583</td>
</tr>
</tbody>
</table>

Based on the table 4.14 of the value of loading factor or outer loading above, it can be concluded that all variables related to employee performance, work environment, work discipline, and servant leadership have a valid loading factor or outer loading value greater than 0.7.

Reliability Test

<table>
<thead>
<tr>
<th>Variabel</th>
<th>Cronbach’s Alpha</th>
<th>rho_A</th>
<th>Composite Reliability</th>
<th>Average Variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1.10</td>
<td>0.735</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X1.11</td>
<td>0.869</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lingkungan Kerja</td>
<td>X2.1</td>
<td>0.798</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>X2.2</td>
<td>0.857</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>X2.3</td>
<td>0.852</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>X2.4</td>
<td>0.759</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>X2.5</td>
<td>0.801</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>X2.6</td>
<td>0.728</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disiplin Kerja</td>
<td>Z1.1</td>
<td>0.844</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>Z1.2</td>
<td>0.751</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Z1.3</td>
<td>0.868</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Z1.4</td>
<td>0.710</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Z1.5</td>
<td>0.851</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Z1.6</td>
<td>0.723</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kinerja Pegawai</td>
<td>Y1.2</td>
<td>0.777</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>Y1.3</td>
<td>0.731</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Y1.4</td>
<td>0.751</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Y1.5</td>
<td>0.761</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Y1.6</td>
<td>0.794</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Y1.8</td>
<td>0.703</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The size of the work discipline variable was obtained by 0.389 based on R-square data processing. This shows that the variables of work environment and servant leadership influence 39% of work discipline, while variables that are not included in the research model affect the remaining 61%, classified as moderate because the value of the coefficient of determination is greater than 0.33.

The R-square value of the employee performance variable is 0.706. This shows that work environment, work discipline and servant leadership contribute 70% to employee performance, and variables not covered in the study account for the remaining 30%.

**Q-Square Test**

It is possible to determine if there is predictive relevance by testing the value of Q-Square. If the Q-Square value > 0, it indicates predictive relevance; conversely, if Q-Square < 0, no predictive relevance is seen. The study-bound variable and the intervening variable have a Q-squared value above 0 based on the data previously described. This suggests that the predictive relevance of the study justifies the high ranking of the study. Here are the results of the Q-Square calculation:

\[
Q^2 = 1 - (1-R12) (1-R22)
\]

\[
Q^2 = 1 - (1-0.389) (1-0.706)
\]

\[
Q^2 = 1 - (0.611) (0.294)
\]

\[
Q^2 = 1 - (0.180)
\]

\[
Q^2 = 0.82
\]

**Table 4.4**

<table>
<thead>
<tr>
<th></th>
<th>R Square</th>
<th>R Square Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disiplin Kerja</td>
<td>0.389</td>
<td>0.376</td>
</tr>
<tr>
<td>Kinerja Pegawai</td>
<td>0.706</td>
<td>0.697</td>
</tr>
</tbody>
</table>

The model can be declared to have a predictive relevance value because the calculation results show a predictive relevance value of 0.820 or 82%. It can be observed that, 82% of the information in the data is explained by the model, which is indicated by a predictive relevance value of 82%, which also shows that 82% of the diversity of the data can be explained by the model. Other errors and variables that have not been included in the model accounted for another 18% of explanations. With 82% of the total information described by the PLS model, these results indicate that the construction of the model is good.

**F-Square Test**
The magnitude of the influence of endogenous latent variables on exogenous latent variables is determined by the F-Square test. F-Square itself has an indicator of the strength of influence. If the values are greater than 0.02 for the small category, 0.15 for the medium category, and 0.35 for the large category, the effect is considered weak.

### Table 4.5

<table>
<thead>
<tr>
<th>Variabel</th>
<th>Disiplin Kerja</th>
<th>Kinerja Pegawai</th>
<th>Lingkungan Kerja</th>
<th>Servant Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disiplin Kerja</td>
<td></td>
<td>1.097</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kinerja Pegawai</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lingkungan Kerja</td>
<td>0.241</td>
<td>0.020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Servant Leadership</td>
<td>0.169</td>
<td>0.032</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Based on the table data, the F-Square value of *servant leadership* on work discipline with a value of 0.169 can be declared moderate or moderate because the resulting value > 0.02 but still < 0.35. Then the work environment variable has an influence on work discipline that has a moderate or moderate influence because 0.241 > 0.15. In the variable *servant leadership* has a weak influence on employee performance because 0.032 > 0.02. In addition, the work discipline variable has an influence on employee performance variables that have a strong influence because with a value of 1.097 > 0.35 it is categorized as a strong influence. However, inversely proportional to employee performance is impacted by the work environment variable, with an F-S 0.020 > 0.02 which has no influence with weak or small categories.
Test the hypothesis

Table 4.6
Results of the Hypothesis Test of the Effect of Exogenous Variables on Endogenous Variables

<table>
<thead>
<tr>
<th>Variabel</th>
<th>Original Sample (O)</th>
<th>T-Statistics</th>
<th>P Values</th>
<th>Keterangan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disiplin Kerja -&gt; Kinerja Pegawai</td>
<td>0,726</td>
<td>9,129 &gt; 1,96</td>
<td>0,000</td>
<td>Hipotesis Diterima</td>
</tr>
<tr>
<td>Lingkungan Kerja -&gt; Disiplin Kerja</td>
<td>0,411</td>
<td>6,337 &gt; 1,96</td>
<td>0,000</td>
<td>Hipotesis Diterima</td>
</tr>
<tr>
<td>Lingkungan Kerja -&gt; Kinerja Pegawai</td>
<td>0,091</td>
<td>1,084 &lt; 1,96</td>
<td>0,281</td>
<td>Hipotesis Ditolak</td>
</tr>
<tr>
<td>Servant Leadership -&gt; Disiplin Kerja</td>
<td>0,344</td>
<td>4234 &gt; 1,96</td>
<td>0,000</td>
<td>Hipotesis Diterima</td>
</tr>
<tr>
<td>Servant Leadership -&gt; Kinerja Pegawai</td>
<td>0,112</td>
<td>1,464 &lt; 1,96</td>
<td>0,146</td>
<td>Hipotesis Diterima</td>
</tr>
<tr>
<td>Lingkungan Kerja -&gt; Disiplin Kerja -&gt; Kinerja Pegawai</td>
<td>0,298</td>
<td>4991 &gt; 1,96</td>
<td>0,000</td>
<td>Hipotesis Diterima</td>
</tr>
<tr>
<td>Servant Leadership -&gt; Disiplin Kerja -&gt; Kinerja Pegawai</td>
<td>0,250</td>
<td>4146 &gt; 1,96</td>
<td>0,000</td>
<td>Hipotesis Diterima</td>
</tr>
</tbody>
</table>

In the table above, it can be explained that:

1. Workplace discipline is positively and significantly impacted by servant leadership. "Servant Leadership positively influences and significant work discipline" is evident, implying that the first hypothesis (H1) is accepted.
2. The work environment has a positive and significant impact on work discipline. The second accepted hypothesis (H2), which states that "the work environment has a positive and significant effect on work discipline" is supported by the evidence presented in this problem.
3. Servant Leadership does not have a positive and significant influence on employee performance. This shows that the third hypothesis (H3) is accepted which means that "servant leadership does not have a positive and significant effect on employee performance" is not proven.
4. Employee performance is not significantly and favorably impacted by the work environment, this implies that the fourth hypothesis (H4) is not supported, i.e., there is no proof that the work environment has a positive and significant effect on employee performance.”
5. Work discipline has a positive and significant impact on employee performance. The fifth hypothesis (H5) is thus demonstrated to be true, proving that “work discipline has a positive and significant effect on employee performance”
6. Through work discipline, servant leadership has a favorable and significant impact or influence on employee performance. The idea that “work discipline can mediate servant leadership has a positive and significant effect on employee performance” is demonstrated, implying that the sixth hypothesis (H6) is accepted.
7. The work environment has a positive and significant impact on employee performance, and work discipline serves as a mediating
variable in this relationship. The fact that “work discipline can mediate the work environment to have a positive and significant influence on employee performance” is evident suggests that the seventh hypothesis (H7) is accepted.

CONCLUSIONS AND RECOMMENDATIONS

Based on test result and discussion of the effects of work environment factors and servant leadership on employee work at the KPPU Office, with work discipline as an intervening variable, researchers can make the following conclusions:

a. Servant leadership has a positive and significant influence on work discipline. This can be interpreted that "servant leadership affects employee work discipline".

b. Workplace discipline is positively and significantly impacted by the workplace. This suggests that "employee work discipline is impacted by the work environment.

c. Employee performance is positively and significantly impacted by work discipline. One way to read this is that "employee performance is affected by work discipline".

d. There is no discernible impact of servant leadership on worker performance. This could mean that "employee performance is unaffected by servant leadership".

e. The work environment has no discernible positive impact on an employee's performance. It is possible to interpret this as meaning that "the work environment has no effect on employee performance."

f. Workplace discipline plays a mediating role and positively and significantly affects both employee performance and servant leadership. It means that "employee performance is impacted by work discipline through servant leadership."

g. The relationship between the work environment and employee performance is mediated by work discipline. This is explained by the claim that "work discipline influences employee performance in the workplace."

FURTHER STUDY

Every research certainly has limitations. Limitations in the sense of research limitations that affect the researcher's ability to explore the data they have, limitations of available data, or external factors of research such as limited time and resources. So it is necessary to conduct further research for the perfection of this research.
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1862


