THE INFLUENCE OF SERVANT LEADERSHIP AND IT’S IMPACT IN PRIVATE HOSPITAL

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ABSTRACT
This study examines the Effect of Servant Leadership and High-Performance Work System (HPWS) on Employee Retention and Employee Satisfaction with Employee Engagement as a Mediating Variable. The sample in this study was 138 employees of private hospitals in Medan Municipality. Data collected through questionnaires were analyzed using data analysis methods using Structural Equation Modeling (SEM) which was operationalized with the Analysis of Moment Structure (AMOS) tool. The results of the study show that Servant Leadership and High-Performance Work Systems have a significant effect on Employee Engagement, Employee Retention, and Employee Performance. Employee Engagement has a direct effect on Employee Retention and also on Employee Performance. Then in testing the indirect effect of Employee Engagement, it was found to play a role as a partial mediating variable in the relationship between the influence of Servant Leadership and High Performance Work System (HPWS) on Employee Retention and Employee Performance.

Keywords: Servant Leadership, High-Performance Work System, Employee Retention, Employee Performance, Employee Engagement.

INTRODUCTION
Hospitals as one of the institutions providing advanced health services, a public service entity, whether privately established, are tasked with providing complete individual health services, which have an obligation to provide the best service to their patients, so that the four functions and responsibilities as stated in Law No. 44 of 2009 in Article 5 must also be implemented properly, including functioning as a provider of medical treatment and recovery services in accordance with hospital service standards; maintaining and improving individual health through comprehensive second and third level health services according to medical needs, can be carried out well and optimally.

In carrying out health service activities for patients, hospital management cannot be separated from the implementation of HR practices and organizational strategies to improve hospital performance, which is the cumulative performance achievement of all hospital employees. This has been mentioned in research by Arifin and Matriadi (2022) that employee performance functions because of ability and motivation. Employees need performance management attention because employee performance is part of organizational performance which can influence whether or not the organization’s performance achieves its goals. Employee Performance is the achievement of results for carrying out certain tasks. At the same time, organizational performance results from the organization’s achievement at a certain level to achieve and realize its goals, which is greatly influenced by the level of achievement of employee performance results. In improving the performance of hospital employees, hospital management determines performance indicators that must be achieved and there is a performance-based assessment program. Apart from that, there needs to be an effort from management to retain employees through an employee retention strategy so that they remain and continue to work loyally at the hospital, so that organizational performance not distrubed.
Human resource management practices with achieving optimal employee performance and good employee retention levels are expected by all hospital owners, including private hospital owners in the city of Medan. Hospital services in Medan City can now be accessed easily by the people because its citizens have registered with the National Health Insurance (JKN) insurance program and have been declared a city that has achieved universal health coverage (UHC) in this program as published by BPJS RI Health as program organizer. Thus, it can be said that accessibility of public health services for Medan city residents to hospitals can be achieved with the national insurance scheme.

However, there is a phenomenon of poor health services, namely there are maladministrative incidents in health services accessed by the public. This potential maladministration is due to the lack of a hospital monitoring system, resulting in the potential for neglect of legal obligations and procedural deviations. This means that health facilities do not have standardization and regulations regarding patient quota limits, resulting in the potential for maladministration to lead to discriminatory behavior towards patients. Furthermore, there is a phenomenon of bad precedent for hospital services in the city of Medan, namely the occurrence of long queues for blood laboratory services in the emergency room, waiting rooms that are stuffy and hot, and long waiting times for emergency room patients until they get a treatment room.

On the one hand, findings regarding the low performance of Medan City Hospital employees have been mentioned in research by Silalahi (2021) that the performance of the majority of implementing nurses has poor performance at 75.1% and the minority has good performance at 25.9% and the influencing factors regarding performance is lack of attention and appreciation from superiors, compensation, and motivation. Furthermore, there is a phenomenon of low employee engagement in Indonesia based on the findings of the Gallup Organization in 2013 which revealed that 92% of employees in Indonesia showed weak employee engagement with their employer organizations.

Employee engagement is a psychological or affective state (can be described through commitment, attachment, etc.) that builds performance or attitude. Employees who have low engagement with the company tend to have the desire to move or leave the company. According to Schaufeli et al., (2002) in Aiyub et al., (2021) states that employee engagement is an activity full of enthusiasm for work which is characterized by enthusiasm, dedication and also work absorption. Enthusiasm refers to energy, resilience, and effort in carrying out work. Dedication refers to a sense of pride, enthusiasm, and a sense of meaning.

Empirically, several studies have proven the relationship between servant leadership and employee performance, for example research from Harwiki (2016), Novanda (2018) stated that there is a positive and significant influence of servant leadership on employee performance. Furthermore, Ferdinandito & Haryani (2021) stated in their research results that the servant leadership style tends to be indirectly related to improving the quality of public services.

Furthermore, employee performance cannot be separated from HR management practices in implementing the HR management system. The current best HR management practice as mentioned by Kaur, et al (2021) is High Performance Work Systems (HPWS) where this concept is developing very rapidly in the private sector, where the main interest is revenue, profit and financial efficiency. HPWS according to Gautama (2018) is an HR practice created to improve employee skills, commitment and productivity so that it becomes a source of competitive advantage. HPWS will be reciprocated by employees through increased work engagement and commitment to the organization, which consequently leads to high organizational performance.

Arefin et al. (2019) define a high performance work system (HPWS) as a system that motivates and develops individuals to improve company performance. HPWS includes comprehensive employee recruitment and selection procedures, incentive compensation, performance management systems, and extensive employee involvement and training. HPWS consisting of relatively high skill requirements, job design, and incentive structures (Chen et al., 2016). HPWS focuses on providing support for employee development by enriching work, improving employee work skills, and
encouraging participatory decision making (Huang et al., 2018). HPWS is considered to create value for organizations by reducing costs, increasing productivity, and creating value for employees. The influence of HPWS on employee performance has been proven empirically through research by Jyoti & Rani (2017), Wahid & Hyams (2018), and Jiang et al., (2012) that HPWS is considered to be able to foster positive work attitudes among employees, which will ultimately improve performance. This is also supported by Pranogyo et al. (2021), which states that HPWS improves employee performance by increasing work opportunities and quality so that employees have a competitive advantage that can help the organization succeed.

For hospital management, efforts to retain employees, most of whom are professionals, are very strategic and failure to retain employees can cause financial losses. Schawbel (2016) said that 87% of employers stated that one of the challenges in the private sector is the level of employee satisfaction and how to increase employee retention which is dominated by millennials, and stated that the Servant Leadership style is the best style that can be used in the 21st century. So Maintaining educated and trained employees like hospital employees in general is important in a knowledge and skill-based business environment.

Therefore, the author aims to find out and analyze the influence of Servant Leadership on Employee Retention among employees in Private Hospitals in Medan City. Apart from that, also to find out and analyze the influence of Servant Leadership on Employee Performance among employees in Private Hospitals in Medan City and to find out and analyze the influence of HPWS on Employee Performance for employees at Private Hospitals in Medan City.

LITERATURE REVIEW

Definition of Servant Leadership.

Poli (2011), Servant Leadership is a process of reciprocal relationship between the leader and those being led where in the process the leader first appears as the party who serves the needs of those being led which ultimately causes him to be recognized and accepted as a leader.

Servant Leadership Indicators

According to Dennis (2004), Servant Leadership can be measured through the Servant Leadership Assessment Instrument (SLAI). Based on this, the Servant Leadership indicators are as follows:

1. Affection (Love).
2. Empowerment.
4. Humility.
5. Trust (Trust).

Definition of High-Performance Work System (HPWS)

Aristama & Artana (2020) stated that the High Performance Work System (HPWS) prioritizes the internal consistency of company functions which are aligned with the company’s strategy. HPWS leads to policies that influence behavior so that it has an impact on the unit or organization. The benefit of implementing HPWS is that it can increase job satisfaction so that employee productivity can increase and employees are better able to make better decisions.

HPWS Indicators

According to Ghautama, (2018), the indicators used in this research include:

1. Employee Security,
2. Selective Staffing,
3. Comprehensive Training,
4. Reduced Status Differentiation,
5. Competitive Compensation and Benefits

Definition of Employee Retention
Huber (2012) emphasizes that retention is the act of nurturing or retaining. Karthi (2012) argues that employee retention is a process in which employees are encouraged to remain with the organization for a maximum period of time or until the completion of a project, whereas according to Sumarni (2011) and Susilo (2013) employee retention is the ability of a company to retain potential employees owned by the company to remain loyal to the company.

**Employee Retention Indicator**

Employee Retention Indicators proposed by Mathis and Jackson (2006) are as follows:

1. Organizational components.
2. Organizational career opportunities.
3. Award.
4. Task and Job Design.
5. Employee relations.

**Definition of Employee Performance**

Gomes in Mangkunegara (2009) stated that employee performance as output, efficiency and effectiveness is often linked to productivity. This opinion states that an employee's performance cannot be separated from the results achieved, and is effective in increasing productivity. According to Mangkunegara (2009) in his book entitled Human Resource Performance Evaluation, the definition of employee performance is "the quality and quantity of work results achieved by an employee in carrying out his duties in accordance with the responsibilities given to him". This understanding can be concluded that human resource performance is work performance or work results (output) both quality and quantity achieved by human resources over a period of time in carrying out their work duties in accordance with the responsibilities given to them. Performance is the result or overall level of success of a person during a certain period in carrying out tasks.

**Definition of Employee Engagement**

Employee Engagement is an effort made by a company to understand the relationship between the organization and its employees, both qualitatively and quantitatively. The concept of employee engagement was initially popularized by Gallup Consultants in 2004 and its principles continue to be adopted today. In the research journal Yuswardi (2019), Ali and Farooqi (2014) stated that employee engagement is a positive attitude of employees towards the company where they work. Next, Susanto, F et al (2016) state that employee engagement is positive feelings, thoughts and attitudes about work which cause greater individual performance and commitment.

**Employee Engagement Indicators**

Employee engagement is defined as a positive feeling for doing a job which is characterized by the dimensions of vigor (enthusiasm), dedication (dedication), and absorption (absorption) (Schaufeli and Bakker, 2003).

**RESEARCH METHODS**

**Research Object and Locations**

The research object is the source of the data used in the research. The research object is the employees of 10 (ten) private hospitals whose services are affiliated with JKN and whose addresses are in Medan City.

**Data collection technique**

The data needed in this research is data related to the variables to be studied and deemed appropriate to be appointed as variables for this research.

Based on the type of necessary data sources, the technique of data collection used in the study is by two methods

1. By distributing questionnaires
2. Observe and make direct observations of the research object.

In this research, data collection techniques were carried out using the questionnaire method. Hadi (2006) states that a questionnaire is a set of questions that have been prepared and written in advance by researchers, to ask respondents for answers. Questionnaires do not always take the form
of questions, but can also take the form of statements. The data collection technique was carried out by giving a list of questions or questionnaires directly to 160 respondents who were BPJS Health Langsa Branch employees which was created using a 1-5 (Likert) scale to obtain interval data and given a value or score, for the category of statements with answers. strongly disagree with a score of 1 (one) to strongly agree with a score of 5 (five).

Data Analysis Method

The data analysis technique used in this research is using SEM (Structural Equation Modeling) with the AMOS (Analysis of Moment Structure) program version 20.

RESULT AND DISCUSSION

Discriminant Validity (DV) value if the obtained value must be higher than the correlation value between constructs (Ghozali, 2016). The results of calculating correlation values between constructs are shown in Figure 5.11 and Table 5.13 below:

![Figure 1 Discriminant Validity Test Results](image)

Based on the picture, it can be explained that each latent construct has a good discriminant validity (DV) value. This can be seen from the square root value of the AVE of each latent construct which is higher in value compared to the correlation value between constructs. For example, the AVE squared value of the Servant Leadership construct is 0.769, which is greater than the correlation value with HPWS, namely 0.179. Likewise, the correlation value for the Employee Engagement construct (0.607) and Employee Performance (0.627) is greater.

Then the AVE square root value of the HPWS construct is 0.735 which is greater than the correlation value between Employee Engagement, namely 0.280, and the correlation value of the Employee Retention construct of 0.542. Likewise, the comparison of the square root of AVE with the correlation between the Employee Retention constructs is 0.7 12 greater than the correlation value with Employee Performance, namely 0.691. And based on the description above, it can be concluded that all variables in this study have good Discriminant Validity (DV) values.

The model suitability test aims to see whether the research model is fit or whether the data is appropriate and correctly explains or supports the model. This test is carried out for all variables, both exogenous and endogenous, in one complete path diagram in a full model.
To determine the extent to which the initial model formed in this research meets the Goodness of Fit (GOF) criteria, a test was carried out on the full model involving all variables. The results of testing the full research path model are shown in Figure below:

![Figure 2 Full Image of Research Path Model After Modification](source: Output Amos (2023))

Based on the numbers shown in the Full Research Model Figure, and further summarized in the GOF Criteria Table, it can be explained that the research path model does not meet the goodness of fit index (GOF) criteria, because not all cut off values meet the specified criteria set. Therefore, this research model needs to be modified to the indicator modification criteria. The complete goodness of fit index (GOF) value is displayed in the Full Research Model GOF Criteria Table.

<table>
<thead>
<tr>
<th>No</th>
<th>Criteria</th>
<th>Expected Value</th>
<th>Result Value</th>
<th>Conclusion</th>
</tr>
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<tr>
<td>1</td>
<td>Chi Square</td>
<td>Expected to be Small</td>
<td>212,469</td>
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<td>2</td>
<td>Goodness Of Fit Index (GFI)</td>
<td>≥ 0.90</td>
<td>0.889</td>
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<td>3</td>
<td>Adjusted Goodness Fit Of Index (AGFI)</td>
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<td>4</td>
<td>Tucker Lewis Index (TLI)</td>
<td>≥ 0.95</td>
<td>0.983</td>
<td>Good</td>
</tr>
<tr>
<td>5</td>
<td>Comparative Fit Index (CFI)</td>
<td>≥ 0.95</td>
<td>0.986</td>
<td>Good</td>
</tr>
<tr>
<td>6</td>
<td>Root Mean Square Error of Approximation (RMSEA)</td>
<td>≤ 0.08</td>
<td>0.027</td>
<td>Good</td>
</tr>
<tr>
<td>7</td>
<td>CMIN/DF</td>
<td>≤ 2.00</td>
<td>1.010</td>
<td>Good</td>
</tr>
<tr>
<td>8</td>
<td>P-Value</td>
<td>≥ 0.05</td>
<td>0.160</td>
<td>Marginal</td>
</tr>
</tbody>
</table>

Source: Output Amos (2023)

The figure and table above show that all the Goodness of Fit values required by the Amos Model have not been met statistically, such as the Chi-square value of 321.343, Goodness of Fit Index (GFI) 0.889 ≥ 0.90, Adjusted Goodness fit index (AGFI) of 0.855 ≥ 0.90, Tucker Lewis Index (TLI) value of 0.983 ≥ 0.95, Comparative Fit Index (CFI) value of 0.986 ≥ 0.95, Root Mean Square Error of Approximation (RMSEA) value of 0.000 ≤ 0.027, CMIN value /DF is 1.010 ≤ 2.00 and the P-Value (sign) is 0.160 ≥ 0.05. According to Hair et.al (2019) The use of 4-5 Goodness of Fit that meets the
requirements is sufficient to assess the suitability of a model. This shows that the research path model built and developed for this research can be declared statistically fit.

**The Relationship between Servant Leadership and Employee Retention through Employee Engagement.**

<table>
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**Figure 3 ER Mediation Effect Test Results**

Based on the results of calculating the mediation effect, it can be concluded that employee engagement partially mediate \( (\text{partially mediate}) \) the servant leadership relationship with employee retention of private hospital employees in Medan City.

**The relationship between Servant Leadership and Employee Performance through Employee Engagement**

<table>
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**Figure 4 SL-EE-E P Mediation Effect Test Results**

Based on the results of calculating the mediation effect, it can be concluded that employee engagement partial mediation \( (\text{partial mediation}) \) of the relationship between servant leadership and employee performance of private hospital employees in Medan City.

**The relationship between HPWS and Employee Retention through Employee Engagement**

<table>
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**Figure 5 R Mediation Effect Test Results**

Based on the results of calculating the mediation effect, it can be concluded that employee engagement partial mediation of the relationship between HPWS and employee performance of private hospital employees in Medan City.
CONCLUSION

This research found that Servant Leadership and HPWS have a significant effect on Employee Retention and Employee Performance. This research found that Servant Leadership has a significant effect on Employee Retention through the application of the mediating variable of Employee Engagement. This research found that Servant Leadership has a significant effect on Employee Performance through the application of the mediating variable of Employee Engagement. This research found that HPWS has a significant effect on Employee Retention through the application of the mediating variable Employee Engagement. This research found that HPWS has a significant effect on Employee Performance through the application of the mediating variable Employee Engagement.

Based on the research results and the description of the hypothesis conclusions above, several suggestions are given as follows: To improve employee retention and employee performance in Private Hospitals employees, then the directors and private hospital owners need to improve things related to the implementation of servant leadership and HR practices related to HPWS-oriented work systems for both the board of directors and owners of private hospitals in Medan City. Leaders and Owners of Private Hospitals in Medan City need to pay attention to and increase efforts to implement servant leadership in the hospitals that he lead. Servant leadership is one of the important factors to encourage increased employee retention and performance in hospitals.

This research has limitations or shortcomings, including the following: This research took place at a private hospital, so the research results were not able to provide a comprehensive picture of the results of organizations under the government, especially those related to Servant Leadership, and HPWS, Employee Performance and Employee Engagement, job satisfaction as intervening variables. Therefore, for future researchers to be able to take samples from both private hospitals and government hospitals. Structural Equation Modeling (SEM) model in data analysis and only uses four variables. Therefore, future researchers can add the variables used so that the measurements are more precise.

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