

THE EFFECT OF EMPLOYEES EMPOWERMENT ON INNOVATION IMPLEMENTATION
BEHAVIOR MODERATED BY SERVANT LEADERSHIP

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ARTICLE INFO

Received 12 April 2024
Accepted 30 July 2024
Published 30 September 2024

Keywords:

*Innovation Implementation
Behavior. employee employment,
servant leadership*

DOI:10.24036/hrms.v4i3

Kata Kunci: *Innovation
Implementation Behavior.
employee employment, servant
leadership*

ABSTRACT

This research aims to research about. (1) the influence of employee employment on the Innovation Implementation Behavior of Bank Nagari employees (2) the influence of servant leadership on the Innovation Implementation Behavior of Bank Nagari employees (3) the influence of employee employment on the Innovation Implementation Behavior of Bank Nagari employees which is moderated by servant leadership. The type of research is quantitative descriptive research, the data source is primary data, and the data collection technique is through distributing questionnaires which are distributed directly to PT Bank Nagari employees. The results of the research are (1) there is a significant influence of employee employment on the Innovation Implementation Behavior of Bank Nagari employees (2) there is a significant influence of servant leadership on the Innovation Implementation Behavior of Bank Nagari employees (3) there is a significant influence of employee employment on the Innovation Implementation Behavior of Bank Nagari employees. moderated by servant leadership.

ABSTRAK

Tujuan penelitian ini adalah untuk meneliti tentang. (1) pengaruh employee employment terhadap Innovation Implementation Behavior karyawan bank nagari (2) pengaruh servant leadership terhadap Innovation Implementation Behavior karyawan bank nagari (3) pengaruh employee employment terhadap Innovation Implementation Behavior karyawan bank nagari yang di moderasi oleh servant leadership. Jenis penelitian adalah penelitian deskriptif kuantitatif, sumber data adalah data primer, dan Teknik pengumpulan data adalah lewat penyebaran kuesioner yang di sebar langsung ke karyawan PT Bank Nagari. Hasil Penelitian nya adalah (1) terdapat pengaruh signifikan employee employment terhadap Innovation Implementation Behavior karyawan bank nagari (2) terdapat pengaruh signifikan servant leadership terhadap Innovation Implementation Behavior karyawan bank nagari (3) terdapat pengaruh signifikan employee employment terhadap Innovation Implementation Behavior karyawan bank nagari yang di moderasi oleh servant leadership.

How to cite: Helfitri, Della & Syahrizal (2024). The effect of employees on innovation implementation behavior moderated by servant leadership in employees of PT. Bank Pembangunan Daerah Sumatra Barat Head Office Padang. *Human Resource Management Studies*, Vol (3), 10-19. DOI: <https://doi.org/10.24036/hrms.v4i3>



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INTRODUCTION

PT. Bank Pembangunan Daerah Sumatera Barat Head Office is a locally government-owned financial institution in West Sumatera. PT Bank Pembangunan Daerah Sumatera Barat, a public organization, aims to be a prominent and reliable Regional Development Bank in Indonesia. Its mission is to actively contribute to economic growth and welfare, while consistently and equitably fulfilling and maintaining the interests of its stakeholders. The statement "Together Fostering the Image of Building the Country" is derived from the organization's goal and mission. Employees are the primary resource and investment for the organization. Employees are crucial in executing firm operations to attain the desired objectives. The Head Office of PT West Sumatra Regional Development Bank, as a financial enterprise, must possess the ability to compete by employing a strategy that focuses on fostering innovative behavior among its workers. Each section's employees are tasked with being the trailblazers in generating innovative ideas, products, processes, and business models. This is because they have a deeper understanding of the company's day-to-day operations through their interactions with colleagues, customers, communities, and government entities (Hendri and Devie, 2015).

It is imperative to foster a culture that motivates employees to generate novel ideas and actively participate in innovative endeavors. The tough environment and competition in the business world, especially banking today, is required for every company to diligently innovate in order to survive and win the competition that requires employee involvement. Employee involvement in the innovation process is to optimize the potential capabilities of employees so that it is beneficial for both employees themselves and the company, because employees are able to create various kinds of innovations and are the main component and as a driving force in every company activity (Eko, 2012). The following are the divisions in PT Bank Nagari and the number of employees.

Table 1. Number of Divisions and Employees of PT Bank Nagari

No	Division	Amount Employee
1	Funds & Treasury Division	23
2	Compliance Division	11
3	Finance & Accounting Division	13
4	Credit & Micro Banking Division	16
5	Supervision Division	17
6	Rescue Division Credit	12
7	Planning Division Strategic	11
8	Corporate Secretary Division	16
9	Human Resources Division	18
10	Technology and Digitalization Division	25
11	General Division	28
12	Sharia Business Division	12
13	Management Division Risk	12
14	Marketing Division	15
TOTAL		229

Source : PT Bank Nagari

Greenleaf (2002) asserts that companies have a crucial role in facilitating the development of innovation implementation behavior among employees. Innovation implementation behavior pertains to the process by which employees develop the ability and dedication to utilize specific innovations. This involves employees adopting innovations that are often determined by a management within the firm (David & Susan, 2010). However, after researchers conducted interviews with several employees of PT Bank Nagari, there were several complaints felt by employees by bank nagari such as busy working hours, high workplace pressure.

Employee empowerment refers to the delegation of decision-making authority in a specific area of activity, without the need for obtaining consent from others (Luthans, 2011). Employee empowerment refers to the delegation of authority to employees, allowing them to independently plan, control, and make decisions regarding their assigned tasks, without requiring express approval from their superiors (Kok Pooi, 2011).

Studies on servant leadership, innovation implementation behavior, and employee empowerment have yielded varying outcomes. The research conducted by Dewa Ayu Made Fanny Swinda Putri, I Made Artha (2020), Hakan Erkutlu, Jamel Cafra (2015), Pande Kurnia Dewi, Ayu Desi Indrawati (2017), Muhammad Muntaz Khan, Shujaat Mubarak, Tahir Islam (2020) demonstrates a positive correlation between servant leadership, innovation implementation behavior, and employee empowerment. Amalia and Handoyo's research (2018) disputes the notion that there is a favorable indirect association between empowerment and innovation implementation behavior.

LITERATURE REVIEW

1. Innovation implementation behavior

Innovation implementation behavior pertains to the process by which employees develop the ability and dedication to utilize specific innovations. This entails employees adopting innovations based on decisions typically made by a management inside the firm (David & Susan, 2010). Employees are required to apply innovation when doing their tasks within the organization (Klein & Sorra, 1996).

2. Employee Empowerment

Employee empowerment is a company leader authorizing employees to control, give power, provide autonomy, create participation, and make work-related decisions. (Albrecht & Andreetta, 2011). Empowering individuals entails fostering their active participation in decisions and endeavors that impact their professional lives (Eko, 2012).

3. Servant Leadership

Servant leadership is a leader who is able to motivate his subordinates. Servant leadership does not only focus on personal satisfaction but prioritizes meeting the needs of its subordinates (Robert C Liden, Liao, & Meuser, 2014). Servant leadership is able to build kinship so that it creates a sense of tolerance between employees.

METHOD

The author employs a study design based on causation. The author aims to determine whether there exists a correlation or causal link between each variable that is the primary subject of this study. The authors want to utilize the causality technique to investigate and determine the degree to which. The purpose of this study is to examine the impact of servant leadership on the relationship between employee empowerment and innovation implementation behavior in the head office of PT. West Sumatra Regional Development Bank. The study includes a sample size of 86 participants, and data collection is done through the distribution of questionnaires. The data analysis technique used is Structural Equation Modeling (SEM) analysis, specifically using Smart PLS 4.

RESULT AND DISCUSSION

1. Outer Model Evaluation

The data from the questionnaire, which was completed by 189 respondents, was subsequently analyzed using PLS-SEM with smart PLS 4 software.

a. Validity Test

1. Convergent Validity

J. F. Hair (2014: 45) used two metrics, namely convergent validity and discriminant validity, to assess the validity in this study. The criteria for assessing convergent validity include an average variance extract (AVE) value greater than 0.5 and outer loading greater than 0.6. The graphic illustrates the causal relationship between constructs and the loading factor value for each indicator.

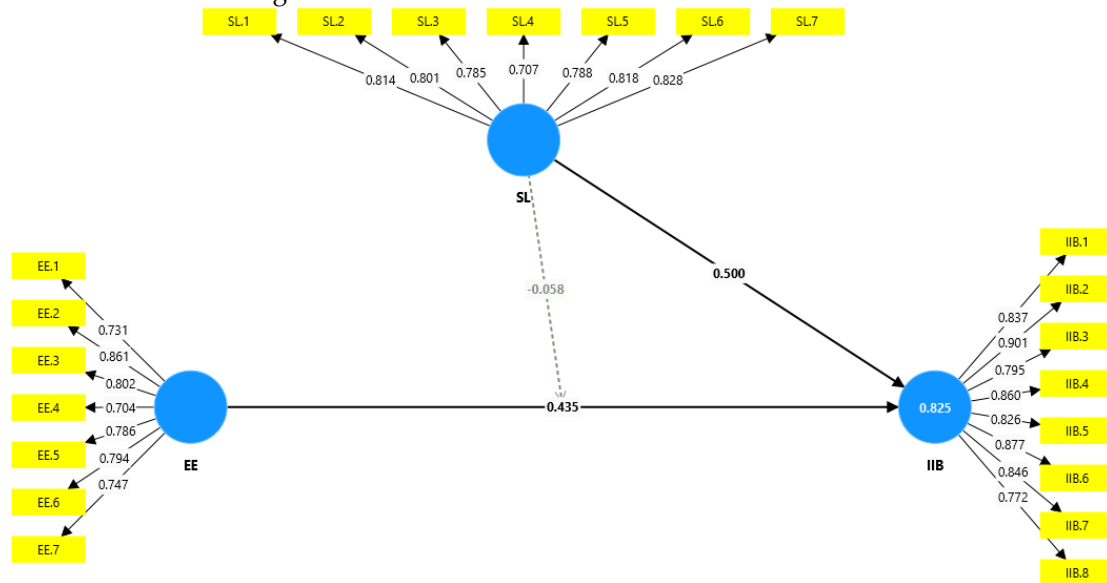


Figure 1. Outer Model

The diagram illustrates the original configuration of the measurement model used to assess the validity of the parent variable. For additional information, please refer to the initial structure outer loading output table below:

Table 2 Outer Loading Test

Indicator	<i>Employee Empowerment</i>	<i>Servant leadership</i>	<i>Innovation Implementation Behavior</i>
EE.1	0,731		
EE.2	0,861		
EE.3	0,802		
EE.4	0,704		
EE.5	0,786		
EE.6	0,794		
EE.7	0,747		
SL.1		0,814	
SL.2		0,801	
SL.3		0,785	
SL.4		0,707	
SL.5		0,788	
SL.6		0,818	
SL.7		0,828	
IIB.1			0,837
IIB.2			0,901

IIB.3			0,795
IIB.4			0,860
IIB.5			0,826
IIB.6			0,877
IIB.7			0,846
IIB.8			0,772

Source: Processed Smart PLS 4 (2024)

According to the information presented in Table 2, all variables have outer loading values greater than 0.6. Therefore, we may conclude that the data is legitimate. The subsequent value is the AVE.

Table 3 AVE Value

Variable	AVE Value
<i>Employee Empowerment</i>	0,603
<i>Servant leadership</i>	0,706
<i>Innovation Implementation Behavior</i>	0,628

Source: Processed Smart PLS 4 (2024)

According to the table, the results indicate that the AVE value for all variables is greater than 0.5, confirming the presence of convergent validity.

2. Discriminant Validity

Discriminant validity testing can be evaluated by examining the Cross Loading value. When evaluating Cross Loading, it is considered favorable if the number of values for each variable in the construct exceeds the correlation between the construct and other latent variables.

Table 4 Croos Loading Test

Indicator	<i>Employee Empowerment</i>	<i>Servant leadership</i>	<i>Innovation Implementation Behavior</i>
EE.1	0,741	0,608	0,600
EE.2	0,806	0,643	0,673
EE.3	0,801	0,651	0,624
EE.4	0,715	0,629	0,630
EE.5	0,702	0,516	0,507
EE.6	0,761	0,583	0,601
EE.7	0,731	0,625	0,641
SL.1	0,722	0,840	0,725
SL.2	0,689	0,899	0,749
SL.3	0,665	0,833	0,715
SL.4	0,717	0,856	0,724
SL.5	0,661	0,844	0,716
SL.6	0,733	0,886	0,792
SL.7	0,701	0,861	0,755
IIB.1	0,638	0,792	0,737
IIB.2	0,720	0,718	0,818

IIB.3	0,529	0,429	0,545
IIB.4	0,634	0,635	0,758
IIB.5	0,598	0,622	0,744
IIB.6	0,575	,695	0,828
IIB.7	0,666	0,765	0,852
IIB.8	0,678	0,776	0,828

Source: Processed Smart PLS 4 (2024)

According to the table provided, the data is considered legitimate if the number of values for each variable in the construct is more than the correlation of the construct with other latent variables.

2. Reliability Test

A reliability test is conducted to assess the degree of dependability or trustworthiness of a measuring device. If the resulting measurement findings are consistently stable, then the measuring instrument is deemed dependable. The reliability assessment of all items/questions utilized in this study will employ the Cronbach's Alpha value (Cronbach's Alpha coefficient), which will be presented in the subsequent table.

Table 5 Cronbach Alpha Test

Variabel	Cronbach's alpha
<i>Employee Empowerment</i>	0,889
<i>Innovation Implementation Behavior</i>	0,940
<i>Servant leadership</i>	0,901

Source: Processed Smart PLS 4 (2024)

Based on the obtained data, it is evident that the Cronbach's alpha value for each construct is greater than 0.7. With a thumb Cronbach's alpha value more than 0.7, all variables in this study can be considered reliable.

2. Test Inner Model

The Structural Model Test, also known as the inner model, seeks to forecast the causal connection between latent variables or factors that cannot be directly assessed. The test on the structural model is conducted by examining the connection between underlying constructs through the R-Square for the T test dependent construct and the significance of the structural path parameter coefficient. The subsequent data presents the outcomes of the R-Square estimation conducted using SMARTPLS version 4.

Table 5 R-Square Test

Variable	R-Square
<i>Innovation Implementation Behavior</i>	0,825

Source: Processed Smart PLS 4 (2024)

The calculation of R-square is applicable exclusively to endogenous constructs. The R-square value of Innovation Implementation Behavior is 0.825, indicating that Employee Empowerment accounts for 82.5% of the variance in Innovation Implementation Behavior, while the remaining variance is attributed to other variables.

3. Hypothesis Test

Hypothesis testing is conducted using the bootstrapping approach in SmartPLS 4 software, provided that the data meets the measurement parameters. Bootstrapping is a resampling technique that enables the assessment of the reliability of data that is freely dispersed, without the need for assuming a normal distribution or a high sample size (Ghozali & Latent, 2012). This study utilized a re-sample of 180 participants utilizing the No sign change scheme. The findings of the significance test provide evidence for hypothesis testing, with a significance level of 5% in this investigation. At a significance level of 5% or 0.05, a statistical T value greater than 1.96 is regarded "significant" and leads to accepting the hypothesis (Hair, 2013).

Table 6. Hypothesis Test

Hypothesis	Original sample (O)	T statistics (O/STDEV)	P values	Keterangan
EE -> IIB	0,435	4,079	0,000	Di Terima
SL -> IIB	0,500	4,703	0,000	Di Terima
EE xx SL -> IIB	-0,058	1,438	0,150	Di Terima

Source: Processed Smart PLS 4 (2024)

The SmartPLS analysis yielded a path coefficient value of 0.435, indicating the relationship between Employee Empowerment and Innovation Implementation Behavior. The statistical value of 4.079 (which is greater than 1.96) and a significance level of 0.000 support the acceptance of the first hypothesis.

The SmartPLS analysis yielded test results indicating a path coefficient output value of 0.500, which represents the relationship between Employee Empowerment and servant leadership. The statistical value of 4.073 ($4.073 > 1.96$) with a significance of 0.000 suggests that the second hypothesis can be accepted.

The results of the SmartPLS analysis indicate that there is a negative relationship between Employee Empowerment and Innovation Implementation Behavior through servant leadership. The path coefficient value is -0.058, which is statistically significant with a value of 1.438 ($1.438 < 1.96$) and a significance level of 0.000. Therefore, we can conclude that the third hypothesis is rejected.

B. Discussion

1. The Effect of Employee Empowerment on Innovation Implementation Behavior

The SmartPLS analysis yielded test results indicating a path coefficient output value of 0.435, which represents the relationship between Employee Empowerment and Innovation Implementation Behavior. The statistical value of 4.079 (greater than 1.96) and a significance level of 0.000 lead to the conclusion that the first hypothesis can be accepted.

According to the research conducted by Hendri and Devie in 2015, it has been confirmed that empowerment is a company-driven mechanism that serves as a catalyst for enhancing employee behavior in implementing innovation. According to Agnes and Saarc (2015), the establishment of an empowerment framework within a corporation is crucial for fostering employee innovation implementation behavior. The study conducted by Hakan and Jamel (2015) found that empowerment has a beneficial impact on the behavior of implementing innovation. According to Asif et al. (2013), empowerment has a beneficial impact on the behavior of implementing innovation. In their study, Bjorn et al. (2009) found that empowerment has a favorable impact on staff innovation implementation behavior.

2. The Effect of Employee Empowerment on Servent Leadership

The SmartPLS analysis yielded test results indicating a path coefficient output value of 0.500, which demonstrates the relationship between Employee Empowerment and servant leadership. The statistical value of 4,073 ($4,073 > 1.96$) with a significance of 0.000 supports the acceptance of

the second hypothesis. According to the study conducted by Hakan Erkutlu and Jamel Chafra in 2015, it has been demonstrated that servant leadership can positively impact the behavior of implementing innovation. Hendri and Devie (2015) demonstrate that servant leadership exerts a favorable influence on the behavior of implementing innovation. According to Wikesa et al. (2014), servant leadership positively impacts the behavior of implementing innovation. The study conducted by Izani and Yahya (2014) found that servant leadership has a beneficial impact on the behavior of implementing innovation. A study conducted by May ard et al. (2017) demonstrates that servant leadership has a beneficial impact on the behavior of implementing innovation.

3. The Effect of Servent Leadership on Innovation Implementation Behavior with Servent Leadership as Moderation

The SmartPLS analysis revealed that the path coefficient output value for the relationship between Employee Empowerment and Innovation Implementation Behavior through servant leadership was -0.058. The statistical value of 1.438 ($1.438 < 1.96$) with a significance of 0.000 indicates that the third hypothesis is rejected.

This aligns with prior research that has demonstrated the good impact of servant leadership on enhancing the implementation of empowerment, leading to an increase in innovative behavior (Hendri & Devie, 2015). According to Maynard et al. (2007), empowerment requires servant leadership in order to foster a consistent mindset among employees and promote the development of creativity and innovation within the firm. According to Hakan and Jamel (2015), empowerment has a beneficial impact on the behavior of implementing innovation, and this effect is influenced by the leader's beliefs towards servant leadership.

CONCLUSSION

Based on the analysis and discussion in the previous section, several things can be concluded

1. Employee Empowerment has a significant effect on the Innovation Implementation Behavior of employees of PT Bank Pembangunan Daerah Sumatera Barat.
2. The effect of Servent Leadership on Innovation Implementation Behavior of employees of PT Bank Pembangunan Daerah Sumatera Barat.
3. Employee Empowerment has no significant effect on the Innovation Implementation Behavior of employees of PT Bank Pembangunan Daerah Sumatera Barat with Servent Leadership as a moderating variable.

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