

# RELATIONSHIP BETWEEN SERVANT LEADERSHIP AND EMPLOYEE INNOVATIVE WORK BEHAVIOR: ROLE OF WORK ENGAGEMENT AS MEDIATOR

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**ABSTRACT:** *The purpose of this research is to investigate the impact of mediating role of Work Engagement (WE) on the relation of Servant Leadership (SL) and Employee Innovative work Behavior (IWB). Originality of this research is checking the role of work engagement as mediator. This research is done on the employees of banks of Pakistan. 300 questionnaires are sent to different banks via cross sectional survey. Bank Managers and staff from different departments are respondents of our research. Methodology techniques are reliability testing by using SPSS20 whereas mediating role and model fit is tested by SmartPLS. Results show that servant leadership has positive impact on employee innovative work behavior. If employees are dedicated towards their job tasks, under the servant leadership employees behave more innovatively. Result on the Mediating role of work engagement should also be stated.*

**Key Words:** Servant Leadership, Employee Innovative Work Behavior and Work Engagement

## INTRODUCTION

Role of Bank in any country of the world play a significant role in the development of country. Bankers perform their job in a risky environment. Banker's staff and their leaders have to be behaving innovatively and creatively in their tasks. If Managers guide them by using servant leadership style, employees will be more engaged in their work and they shall perform their tasks innovatively. In this present day time, just those associations survive whose primary center is on Innovation. In the meantime, managers ought to have the capacity to adjust new changes and their supporters and colleagues ought to be devoted to their work. A manager who comprehends worker needs, capacities, wishes, objectives and potential, can cultivate them to devote their work. In the event that workers are devoted and focused on their occupation, they have a tendency to carry on creatively. [1]. Work Behavior (IWB) is game plan of issues and begin and planned presentation of new accommodating thoughts, and in addition set of practices needs to create, dispatch and actualize thoughts with an intend to improve individual or business execution [2].

It is proved that Focal point for some leaders are self-interest. But an opposite point of view about leadership also exist which is servant leadership[3]. Worker initiative hypothesis expresses that a servant leader is one who serves other instead of requesting, one who persuade supporters to participate in creative work practices in their work. Henderson's studies demonstrated that how and why it happens. This study likewise recommended that extra research is expected to affirm this declaration [4].

This study demonstrates the significance of intervening part of work engagement with innovative work behavior and servant leadership. This examination is likewise valuable for managers of banking associations as it covers that how leaders can connected with workers with advancement by utilizing servant leadership aptitudes.

## LITERATURE REVIEW

### SERVANT LEADERSHIP

Recently, Researchers have investigated that kind of initiative which especially underlined on the needs of representatives; this is known as Servant Leadership[5]. [28] explained that servant leader is one who first serves others. He defined

leadership as any person who is leader and who later serves other first in establishing expectations. After exploration of literature of servant leadership, seven dimensions of servant leadership has been discovered [6]. These dimensions are also measured by [5]. These are: First, Emotional Healing, which means Fulfilling of passionate needs of subordinate. Second, creating value for group which means showing real respect for helping group around the association. Third is Conceptual Skills means Having Sufficient Knowledge of Organization's undertaking that are useful for association's prosperity. Fourth, Empowering-Provide power to subordinates to observe and take care of issues of association. Fifth, Helping Subordinates develop and succeed which means Provide bolster and guide subordinates in their vocation development and advancement. Sixth, Putting Subordinates first means satisfying so as to put enthusiasm of subordinates first their needs. Lastly, Behave Ethically means Communicate straightforwardly, decently and sincerely. In similarity with this writing, we characterize hiring administration as serving others initially, confirm through these seven traits[4].

### EMPLOYEE INNOVATIVE WORK BEHAVIOR

Inventive work behavior alludes to a composite conduct made out of era of thoughts, presentation of thoughts and thought application [9]. At that point [10] clarified imaginative work conduct in the same way. Innovative work behavior as a procedure blade which one distinguish issue, produces thought and answer for take care of that issue, work to construct bolster and presents a model, execute it for the advantage of the association [11].

Three phases of IWB has been presented by [9]. In the first of phase, an individual comprehend the issue and present new thoughts and arrangements. In the second stage, an individual pursuit approaches to support his/her thoughts or arrangements. In the last stage, an individual understands the thought by presenting model of the advancement and its application in a gathering or in a group or in an association [11]. IWB includes set of exercises that incorporates distinguishing proof, development, modification, securing and usage of thoughts[9]. Workers' IWB alludes to the start and advancement of new thoughts and after that execute these

thoughts for delivering new products and administrations or in a procedure for doing things [13].

[2] mentioned four dimensions in his study. These are: Creation of Ideas, inception of ideas, promotion of ideas and its implementation.

### **WORK ENGAGEMENT**

Work Engagement is creating enthusiasm among examination researchers and specialists on the grounds that confirmation demonstrated a positive relationship between work engagement and numerous different results[14]. Work Engagement can be states as a positive viewpoint involves vigor, devotion and absorption[15]. As indicated by [16] work driven is a motivational idea. For showing signs of improvement comprehension of work engagement develops, other potential forerunner of work engagement ought to be given genuine thought [17] Vitality and pliancy demonstrated by worker in their work is portrayed by power[18].

Fredrick (2000) demonstrated that work engagement is emphatically related to representative creative work conduct. Managers who are locked in and imaginative make connected with and creative groups. Groups who are locked in are prone to go past, show determination in assignments; they are furthermore fitting to work with inventive and innovative thoughts[19]. Dimension

of work engagement are vigor, dedication and absorption [20].

Vigor implies a readiness indicated by representative to enrich exertion in occupation and responsibility even in period of issues. Devotion is a sentiment significance, excitement, inspiration, pride and test at work environment. Absorption alludes as inclusion shows by worker in his or her work. It additionally implies loss of time while working and face challenges identified with work[18]. Work Engagement identified with encountering more constructive outcome and which thusly connected with Innovation, business-development and business achievement. Work engagement specifically identified with imaginative work conduct[21].

### **THEORETICAL FRAMEWORK MODEL**

On the basis of past literature, we developed a model. In this model, Servant Leadership is related to Innovative Work behavior of Employee while in the meantime, Work Engagement (WE) mediate this relationship. Figure1 shows theoretical framework model

### **HYPOTHESES DEVELOPMENT**

**H1:** Servant Leadership is positively related to Employee Innovative Work Behavior

It is extremely basic to comprehend self-idea of employees to carry on innovatively [22]. Obviously, there is a need to comprehend the methodology and procedures through which managers impact imagination and creative conduct of their subordinates [23]. Despite the fact that we think about distinctive social and relevant components that influence the presence of inventive practices, there is still an extraordinary arrangement that we don't have the foggiest idea[12].

**H2:** Work Engagement mediate the relationship of Servant Leadership and Employee Innovative Work Behavior

This is on the grounds that work engagement includes speculation of one's vitality in hobby of hierarchical objectives. Conferred and committed workers are viewed as a

supportable upper hand for organization. Employees will be occupied with their work just when they feel that they are dealt with decently with great looking prizes, reasonable system of dissemination, steady conduct from their managers lastly obligingness in connection from associates and supervisors.

### **METHODS AND PROCEDURES**

This research is primary research based on cross sectional survey. Twenty Five commercial banks in Pakistan is targeted for this purpose. For getting standard conclusion, 12 responses were taken from one Bank. Different departments of a bank are targeted. For example sales, customer services etc. 58% employees fall in the age of 21- 30 years. Mostly workers are Females.

### **SERVANT LEADERSHIP**

For measuring servant Leadership, 28 item scale by [6] is used. Each dimension contains 4 items. Likert scale-5 has been used for this purpose from Strongly Disagree to Strongly Agree. Sample items are "My Manager can tell if something is going wrong" and "My Manager wants to know about our career goals".

### **INNOVATIVE WORK BEHAVIOR**

For measuring employee innovative work behavior, a 10-items scale is used from [2]. Employees rated never to Always by using Likert scale -5. Sample item is "How often this employee wonders things can be improved?" Reliability of this scale is supportive. Cronbach alpha is 0.91.

### **WORK ENGAGEMENT**

UWES-9 Scale is adopted for measurement of work engagement. It is short form of [18]'s scale. Likert Scale -5 is used for measuring work engagement ranging from 1 to 5. Cronbach's alpha for this scale is 0.765. Sample item is "I am proud to be work I do

### **FINDINGS AND RESULTS**

#### **RELIABILITY ANALYSIS**

Scale reliability is checked by using software SPSS 21. According to [26], scale is reliable if the value of Cronbach alpha is above 0.700. As per below table, scale is reliable as Cronbach alpha for every variable is above 0.700. Table 1 shows value of reliability analysis.

#### **CONVERGENT VALIDITY**

The degree to which two items correlates with other items of same construct is known as convergent validity. Result of convergent validity is supportive if value of outer loadings is 0.708 or higher. Researchers explained that if value of outer loading is 0.40 to 0.7, it should be removed from that construct [27]. Value of Emo\_Heal and Concep\_skill has been removed from this model. Table 2 shows all results.

#### **COMPOSITE RELIABILITY**

Composite Reliability is used for measuring consistency. It calculated by adding factor's loading value, taking square and is divided by the same plus error variance. It is used to evaluate internal consistency. See Table 2

#### **AVERAGE VARIANCE EXTRACTED**

AVE is calculated by taking square of loadings of indicator's mean value. It is calculated by taking summation of the

**Figure 1 : THEORETICAL FRAMEWORK MODEL**

Table 1 Reliability Test		
Variables	Cronbach's $\alpha$	Support
Overall Reliability	0.944	Yes
Servant Leadership	0.873	Yes
Work Engagement	0.765	Yes
Innovative Work Behavior	0.914	Yes

Table 2 Indicators Loading Value, Cronbach Alpha and Model Fit					
Variables	Indicators	Loading value	Cronbach Alpha	Composite Reliability	Average Variance Extracted
Servant Leadership (SL)	Value_Community	0.772	0.873	0.902	0.647
	Emp_subord	0.743			
	Emp_subord	0.861			
	Subord_first	0.806			
	Beha_Ethical	0.737			
Work Engagement (WE)	Vigor	0.762	0.765	0.817	0.599
	Dedication	0.723			
	Absorption	0.834			
Innovative Work Behavior (IWB)	Idea_exp	0.773	0.874	0.914	0.727
	Idea_gen	0.880			
	Idea_champ	0.890			
	Idea_impl	0.860			

squared loadings divided by number of indicators. AVE value should be 0.50 or higher as it shows that variance of indicators is more than 50%. See Table 2 which shows AVE value.

Discriminant validity is the extent to which one construct is different and unique from other. Fornell-Larker criterion and cross loadings are used to measure discriminant validity. Table 3A and 3b shows value of cross loadings, outer loadings and Fornell-larker criterion.

**CROSS LOADINGS**

Cross loadings shows value of correlation of one indicator with value of other constructs. Value of cross loadings should be higher than the loadings of all other constructs. If it is not do so, then it means that there is problem in discriminant validity.

**DISCRIMINANT VALIDITY**

Table 3A Cross Loadings			
Constructs	Latent Variable		
	IWB	SL	WE
SL1	0.474	<b>0.865</b>	0.572
SL2	0.453	<b>0.820</b>	0.575
SL3	0.444	<b>0.808</b>	0.546
SL4	0.441	<b>0.768</b>	0.500

SL5	0.450	<b>0.757</b>	0.559
WE1	0.600	0.543	<b>0.836</b>
WE2	0.514	0.517	<b>0.723</b>
WE3	0.517	0.532	<b>0.760</b>
IWB1	<b>0.893</b>	0.529	0.650
IWB2	<b>0.861</b>	0.493	0.586
IWB3	<b>0.880</b>	0.491	0.640
IWB4	<b>0.772</b>	0.394	0.513

**FORNELL-LARKER CRITERION**

Table 3B Fornell-Larker Criterion			
	IWB	SL	WE
IWB	0.853		
SL	0.563	0.805	
WE	0.704	0.685	0.774

The second way to evaluate value of discriminant validity is Fornell-Larker criterion. Take square root of AVE and compare with correlations of latent variable. This value should be higher than the highest correlation of any other construct. The purpose for this system is that a build imparts more change to its pointer as opposed to whatever other one. One factors causes effect with other factor. How much this effect and cause relates to each other is checked by Path Analysis in SmartPLS. Figure 2 shows path analysis diagram

of our relationship among variables by PLS path analysis. When one unit of a variable increased, it effect Findings of our data analysis shows that one unit increase in a variable causes increase in other one increase in another one while other variables remains constant. Data analysis results reveal that if we increase one unit of SL, WE will increase by 0.685 while other variable remains unchanged. Similarly, increase in one unit of WE, it will cause increase in IWB by 0.600. Positive values in path analysis show positive relationship among variables. WE play a vital role in increasing relationship between WE and IWB. Figure 2 shows PLS-path analysis. Values of path analysis coefficient have been shown in table 4. Path coefficient value of SL and IWB is 0.152 which shows relationship between two variables. Role of Work Engagement as mediator makes this relationship strong.

**HYPOTHESES TESTING AND PATH ANALYSIS**

**Table 4 Hypotheses and Model Fit**

	Sample Mean (M)	Path Coefficient value	Standard Error	P-Value	T-Statistics	Hypotheses support
<b>SL and IWB</b>	0.151	0.152	0.077	0.039	1.961	Yes
<b>SL and WE</b>	0.687	0.685	0.038	0.000	18.120	Yes
<b>WE and IWB</b>	0.603	0.600	0.057	0.000	10.584	Yes

P value of 0.039 of SL and IWB indicates that their relationship is significant at 0.05 probability of error having value 0.152.

**CONCLUSION**

This study includes a variable Work engagement as mediator to past exploration on relationship between servant leadership and innovative work behavior. This relationship has been confirmation representatives of financial industry of Pakistan. We conclude that that SL and IWB have direct and positive relation with each other. This research is done in Pakistani Banking context. Significant purpose of this paper is to check the relation between servant leadership, work engagement and innovative work behavior. Path coefficient value between independent and dependent variable is 0.152 which is slightly less. But when work engagement as a mediator involves, relationship between SL and IWB become strong.

**LIMITATIONS & SUGGESTIONS**

This research is cross – sectional research limited to banking industry of Pakistan especially commercial banks. Future research should be conducted while taking big five banks of Pakistan. This study covers all departments. Future research is recommended to check this relationship by considering one or two departments. Future research is recommended to test this relationship on other industry. This relationship can also be tested by taking some other potential variables as Mediator.

**Figure 2 Path Analysis**

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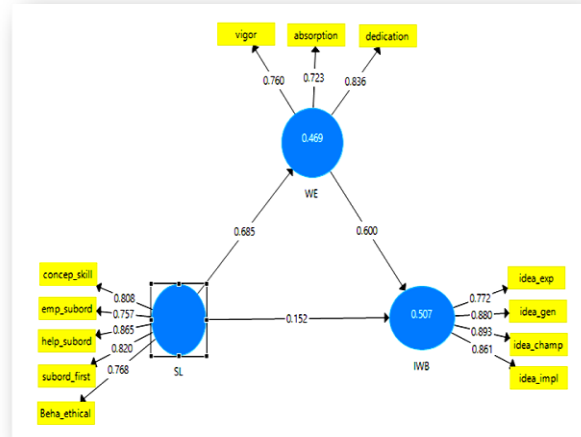
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