

Employee Performance of Life Insurance Companies: The Mediating Effect of Organizational Citizenship Behavior

Suhardi Suhardi^{1*}, Djoko Soelistya², Retno Purwani Setyaningrum³, Nur Aisyah⁴,
Nora Pitri Nainggolan¹

¹ Universitas Putera Batam, Batam, Kepulauan Riau, Indonesia.

² Universitas Muhammadiyah Gresik, Gresik, Jawa Timur, Indonesia.

³ Universitas Pelita Bangsa, Cikarang, Jawa Barat, Indonesia.

⁴ Universitas Medan Area, Medan, Sumatera Utara, Indonesia.

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ABSTRACT

This study aims to determine the impact of employee leadership and team member exchange through organizational citizenship behaviour on the employee performance of foreign life insurances. This research uses the purposive sampling method for selection. One hundred sixty respondents are participating in the research used to test the model studied. The data is collected using a questionnaire and then analyzed using the SEM AMOS program. This study showed that servant leadership positively affects organizational citizenship behavior, team member exchange, and employee performance. While team member exchange has a positive and significant impact on organizational citizenship behavior, team member exchange has a negative and significant effect on employee performance. Subsequently, organizational citizenship behavior positively and significantly impacts employee performance. The mediating effect indicated that team member exchange and servant leadership influence organizational citizenship behavior and affect employee performance. The study's results imply that when employees perform beyond their jobs (organizational citizenship behavior roles) and engage in team member exchange, they have quality social communication with the workgroup members. Additionally, employees who work under servant leadership can develop strong personal bonds. Employees with low levels of autonomy in their work can improve performance if mediated by organizational citizenship behavior.

ABSTRAK

Penelitian ini bertujuan untuk mengetahui pengaruh kepemimpinan yang melayani dan pertukaran anggota tim melalui perilaku kewargaan organisasional terhadap kinerja karyawan perusahaan asuransi jiwa milik. Kami menggunakan metode purposive sampling dalam mengumpulkan data, dan kami akhirnya melibatkan 160 responden dalam memeriksa model yang diusulkan. Data dikumpulkan dengan menggunakan keusioner dan selanjutnya dianalisis menggunakan program SEM AMOS. Penelitian ini menunjukkan bahwa kepemimpinan yang melayani berpengaruh positif terhadap perilaku kewargaan organisasi, pertukaran anggota tim, dan kinerja karyawan. Sementara pertukaran anggota tim berpengaruh positif dan signifikan terhadap perilaku kewargaan organisasional, pertukaran anggota tim berpengaruh negatif dan signifikan terhadap kinerja karyawan. Selanjutnya, perilaku kewargaan organisasi berpengaruh positif dan signifikan terhadap kinerja karyawan. Efek mediasi menunjukkan bahwa pertukaran anggota tim dan kepemimpinan yang melayani mempengaruhi perilaku kewargaan organisasi dan selanjutnya akan memperkuat kinerja karyawan. Hasil penelitian menyiratkan bahwa ketika karyawan melakukan di luar pekerjaan mereka (peran perilaku kewarganegaraan organisasi) dan terlibat dalam pertukaran anggota tim, mereka memiliki hubungan pertukaran sosial berkualitas tinggi dengan anggota kelompok kerja mereka. Selain itu, karyawan yang bekerja di bawah kepemimpinan yang melayani dapat mengembangkan ikatan pribadi yang kuat, dan karyawan dengan tingkat otonomi yang rendah dalam pekerjaan mereka dapat meningkatkan kinerja jika dimediasi oleh perilaku kewarganegaraan organisasi.

* Corresponding author, email address: Suhardi_rasiman@yahoo.com

1. INTRODUCTION

According to the Financial Services Authority of Indonesia (2020), 54 life insurance companies operate in Indonesia. Of the 54 life insurance companies, 24 companies are foreign-owned, as presented in Table 1. This table shows that Japan has the most investment in life insurance companies in Indonesia, followed by the United States, Canada, France, England, Germany, Switzerland, Italy, Korea, Hong Kong, Malaysia, and Singapore. According to the phenomenon of the life insurance industry business and our independent survey of insurance companies in Batam, which was part of

the 2018 Dissertation Grant Research Continuation Plan, we note that it is necessary to look for other factors that can improve employee performance in life insurance companies due to the current impact of Covid-19. At this point, we will investigate how servant leadership, team member exchange (TMX), and the role of organizational citizenship behavior (OCB) can influence the employee performance of foreign-owned life insurance companies. This research is essential to generate valuable insights for the companies to survive in increasing competitive advantage in this Covid-19 era.

Table 1. Foreign-owned life insurance company in Indonesia

No	Company Name	State	Foreign Share Ownership	% Foreign Ownership
1	PT. Asuransi Allianz Life Indonesia	German	Allianz of Asia Pacific & Africa GmbH	99.76
2	PT. Hanwha Life Insurance Indonesia	Korea	Hanhwa Life Insurance, Ltd.	99.61
3	PT. Great Eastern Life Indonesia	Singapura	The Great Eastern Life Assurance Co.Ltd. Singapura	99.48
4	PT. Chubb Life Insurance Indonesia	USA	CHUBB INA International Holdings, Ltd	98.22
5	PT. Asuransi Jiwa Generali Indonesia	Italy	Generali Asia N.V.	98.00
6	PT. Tokio Marine Life Insurance Indonesia	Japan	Tokio Marine & Nichido Fire Insurance Co. Ltd.	97.80
7	PT. Sun Life Financial Indonesia	Canada	Sun Life Assurance Company of Canada	97.61
8	PT. AIA Financial	Hong Kong	AIA International Limited	95.00
9	PT. Asuransi Jiwa Manulife Indonesia	Canada	The Manufacturers Life Insurance Company	95.00
10	PT. Prudential Life Assurance	English	Prudential Corporation Holdings Limited	94.60
11	PT. AXA Financial Indonesia	France	National Mutual International Pty.Ltd, AXA Societe Anonyme (AXA SA)	91.00
12	PT. Zurich Topas Life	Switzerland	Zurich Insurance Company Ltd	83.67
13	PT. Asuransi CIGNA	USA	Cigna Worldwide Insurance	80.00
14	PT. Commonwealth Life	Australia	CMG Asia Life Holding Ltd, Commonwealth International Holdings Pty	80.00
15	PT. FWD Lie Indonesia	Hong Kong	FWD Group Financial Services, Pte.Ltd	75.33
16	PT. Astra Aviva Life	English	Aviva International Holdings Ltd	50.00
17	PT. Asuransi Jiwa Sinarmas MSIG	Japan	Mitsui Sumitomo Insurance Co., Ltd.	50.00
18	PT. Asuransi Jiwa Mega Indonesia	USA	Pruco Life Insurance Company	49.00
19	PT. AXA Mandiri Financial Services	France	National Mutual International Pty.Ltd	49.00
20	PT. Asuransi Takaful Keluarga	Malaysia	Syarikat Takaful Malaysia Bhd.	42.73
21	PT. BNI Life Insurance	Japan	Sumitomo Life Insurance Company	39.99
22	PT. Avrist Assurance	Japan	Meiji Yasuda Life Insurance Company	29.87
23	PT. Panin Dai-ichi Life	Japan	Dai-Ichi Life Holdings, Inc.	5.00
24	PT. Asuransi Jiwa Sequis Life	Japan	Nippon Life Insurance Company	0.01
Total of 25 Joint Venture Life Insurance Companies				
% 25 Joint Venture Life Insurance Companies Against Total				
Total 54 Life Insurance Companies				

Source: Financial Services Authority of Indonesia & Finance Publication Report (2020)

As a growing area of research, servant leadership has been recognized as a leadership philosophy that addresses morality, ethics, and virtue (Carter & Baghurst, 2014; Eva et al., 2019; Heyler & Martin, 2018; Saleem et al., 2020). It has

attracted research interest in human resource management studies in the last decade, particularly concerning the role of organizational citizenship behavior (OCB) and servant leadership. Servant leadership inspires and contains ethical issues

(Carter & Baghurst, 2014). In this article, we examine the mediating effect of organizational citizenship behavior on the relationship between servant leadership and team member exchange on employee performance.

Organizational citizenship behavior was emphasized as part of an essential mediation process for employee leadership to influence the organization's outcome (Elche et al., 2020; Zhu et al., 2013). Some studies also have a collective view of the relationship between leadership and organizational citizenship behavior (Aziz et al., 2018; Ghalavi & Nastiezaie, 2020; Qiu & Dooley, 2022; Saleem et al., 2020). However, Newman et al. (2017) point out that the mechanism at the individual level that underlies the relationship between employee leadership and OCB is not yet fully understood. However, a systematic examination of the mediating role of organizational citizenship behavior in the relationship between team member exchange, servant leadership, and employee performance is still lacking. Previous research has only examined this mechanism on team performance at the group level (Bilal et al., 2021; Christensen-Salem et al., 2021; Saleem et al., 2020). Some studies combining the role of organizational citizenship behavior in servant leadership found a positive relationship (Rosnani, 2018; Ruiz-Palomino et al., 2021; Wang et al., 2017).

The concept of team-member exchange (TMX) has attracted our attention because it can provide a comprehensive understanding of the internal team exchange relationship, compared to the leadership member exchange (LMX) or self-managed team (SMT), which can only reflect the vertical relationship between superiors (leaders) and their subordinates (members). In other words, the team member exchange (TMX) variable can provide an additional role. In addition to vertical relationships, such as the leadership member exchange (LMX) variable, it can also reflect horizontal reciprocal relationships with other members and colleagues (Saleem et al., 2020; Banks et al., 2018; Newman et al., 2017; Mustamil & Najam, 2020).

Other studies examining the mediating role of organizational citizenship behavior treat it as a unidimensional variable (Afshardoost et al., 2021; Jaramillo et al., 2015; Shafiee et al., 2020). Due to recent advances and application of organizational citizenship behavior in leadership, this distinction between organizational citizenship behavior in servant leadership is necessary to improve understanding of the underlying functional mechanisms of employee leadership related to employee performance (Zhu et al., 2013).

To fill this gap, we investigate the role of various aspects of organizational citizenship behavior in mediating servant leadership, team member exchange, and employee performance. Thus, we focus on the impact of servant leadership and team member exchange on employee performance through organizational citizenship behavior as a mediating mechanism. We will explore the impact of research variables, team member exchange (TMX), servant leadership, and organizational citizenship behavior on employee performance of foreign life insurance companies. The findings of this study might allow us to understand better how to leverage the effects of servant leadership and team member exchange to promote desired employee performance through organizational citizenship behavior.

2. THEORETICAL FRAMEWORK AND HYPOTHESES

Employee Performance

Employee performance results from the quality and quantity of work employees achieve from performing their duties according to their assigned responsibilities (Yosiana et al., 2020). It means that employees have successfully performed their assigned tasks or activities according to their responsibilities and achieved the expected results (Suhardi et al., 2018). Nonetheless, Setyawati et al. (2018) state that employee performance is a tool for comparing personal work that adheres to organizational rules. Employee performance results from work given by the company to achieve quality or quantity targets (Lestari et al., 2020). According to Indrasari (2017: 55), the employee performance indicators are:

- a. Quality of results: the accuracy and neatness of work, speed for completing work.
- b. Productivity: the number of activities that can be completed according to the target given by the organization
- c. Punctuality: how quickly the work can be completed correctly and on time, according to the results of the work with the set time
- d. Effectiveness: maximum utilization of existing resources to increase profits and reduce losses
- e. Independence: able to carry out work without assistance to avoid adverse results.
- f. Work commitment: work commitment between employees and the organization
- g. Responsibility: able to follow instructions given by the organization, complete tasks, fulfill responsibilities

Servant Leadership

Among the various leadership style theories, the most recent leadership style currently in high demand in research is the servant leadership style. Malingumu et al. (2016) state that servant leadership starts from sincere feelings that arise from a heart that desires to serve. The orientation of servant leadership is to help followers with spiritual-moral standards. Servant leaders usually prioritize followers' needs as a top priority and treat them as coworkers. Due to their involvement, they are very closely related. According to Robbins & Judge (2019: 414), servant leadership is characterized by a focus on opportunities to help subordinates grow and develop.

Leadership is still considered an essential factor in improving performance. Still, along the way, there have been shifts that were initially processed and result-oriented, then turned into a human (people) and future-oriented (Saleem et al., 2020). The main challenge in the concept of leadership is developing and empowering people who are under their coordination in an organization. Malingumu et al. (2016) state that the characteristics of servant leadership have several similarities with transformational leadership, including trust, credibility, influence, services, and visionary (commitment to determining the future vision of the company/organization by involving all members to choose a better organizational direction together). However, if viewed conceptually, there are differences and have additional predictive validity on top of the exchange of leader members and transformational leadership (Andersen, 2018; Saleem et al., 2020). According to Van Dierendonck (2011), who became one of the revolutionary pioneers of new leadership thinking, servant leadership focuses on developing and empowering followers to encourage followers to become servant leaders. Krumrei-Mancuso & Rowatt (2021) view servant leadership as having humility characteristics synonymous with humility. Servant leadership leads its members always to respect and place the achievements of others higher than their achievements, oriented to relational power and the moral development of members. Van Dierendonck (2011) states that The servant leadership indicators are:

a. Love: the cornerstone of the servant leader-follower relationship

- b. Empowerment: is giving power to others, and for the servant leader, it involves effective listening, making people feel significant, emphasizing teamwork, and valuing love and equality
- c. Vision: the act or power of imagination.
- d. Humility: keeping one's accomplishments and talents in perspective, which is self-acceptance, and being other-focused, rather than being self-focused
- e. Trust: confidence in or reliance on another team member in terms of their morality and competence

Servant leadership plays a vital role in enhancing organizational performance. Manager servant leadership inspires the emergence of supervisor servant leadership, encouraging employee performance (Stollberge et al., 2019). Servant leadership increases employee motivation and ultimately encourages employee performance (Donia et al., 2016; Gutierrez-Wirsching et al., 2015; Su et al., 2020). Employees led by a servant leader have higher intrinsic motivation than other employees (Bande et al., 2016; Faraz et al., 2021). Servant leadership also promotes employee creativity, which is crucial for company sustainability in a highly competitive environment (Iqbal et al., 2020; Tuan, 2020; Yang et al., 2019).

Team Member Exchange

According to Farmer et al. (2015), team member exchange (TMX) is essential in organizational behavior, but researchers are relatively new to this phenomenon. Chen (2018) defines TMX as the process of exchanging ideas, ideas, feedback, and support with team members who share information, collaboration, and rewards. Meanwhile, according to Banks et al. (2014) and Newman et al. (2017), TMX wanted to assess how team members personally experienced weaknesses concerning task-based interactions.

Based on this perspective, TMX can be considered a team member's perception of the overall interrelationship in the form of information sharing and support between team members. Banks et al. (2014) state that TMX indicators include:

- a. Reciprocal: a form of trust attitude based on the intentions or behavior of others;
- b. Expectations: individual expectations of other team members can influence how the team interacts and how they interpret the behavior of other members, which will affect how they behave;

- c. Compatibility: perceived similarity can provoke interaction with other members; this interaction leads to communication behavior that encourages the conduct of sharing beliefs, ideas, and feedback, and these behaviors all lead to the occurrence of TMX.
- d. Feedback environment: a person's perception of feedback from superiors or coworkers in an environment that supports the regular exchange of feedback.

The relationship between leaders and subordinates affects the attitudes and behavior of leaders and subordinates (Chen et al., 2018). The employees' motivation and commitment increase when information, efforts, and mutual respect is shared between employees and their leaders (Seong & Choi, 2019). Supportive leadership through team member exchange enhances employee innovative and creative work behavior (Ghosh et al., 2019; Malingumu et al., 2016; Seong & Choi, 2019; Shih & Wijaya, 2017). It also increases employee satisfaction and decreases turnover (Kim & Yi, 2019). Thus, team member exchange increases employee and company performance (Al-Tit, 2020; Farh et al., 2017; Oh & Jang, 2020).

Organizational Citizenship Behaviour

Khan et al. (2020) state that organizational citizenship behavior (OCB) is a free individual action that is not directly or explicitly related to the reward system and can enhance the effective functioning of the organization. Malingumu et al. (2016) suggest that organizational citizenship behavior is a form of informal behavior that goes beyond what is officially intended to contribute to the well-being of an organization. Meanwhile, according to Robbins & Judge (2019: 31), organizational citizenship behavior reflects a satisfied employee, who tends to speak positively about the company, helps others, and exceeds the usual work expectations. Satisfied employees find it easier to do a better job at work, so they want to respond to positive experiences.

Organizational citizenship behavior is individual contributions that go beyond the role guidelines in the workplace and are rewarded based on individual performance results. Organizational Citizenship Behaviour involves various actions such as helping others volunteer for additional responsibilities and following workplace rules and procedures. Malingumu et al. (2016) state that organizational citizenship behavior is more associated with the reflection of an employee as a social being. This is a volunteer activity by

organizational members supporting administrative functions. This behavior is more altruistic, which is expressed in the form of actions that show selflessness and concern for the welfare of others. It can be concluded that organizational citizenship behavior is voluntary (extra-role behavior) that is not described in the job description, is a voluntary action without obligation, is useful, and can be evaluated through job evaluation. According to Knez et al. (2020), indicators for organizational citizenship behavior are:

- a. Altruism: actions are taken willingly to assist others, such as equals, to complete work-related tasks.
- b. Civic virtue: active involvement in the organization's progress and concern with the organization's life.
- c. Conscientiousness: use of working time, attendance, and compliance with all forms of organizational rules exceed the minimum standards.
- d. Courtesy: actions to circumvent work-related disagreement with other parties, such as managers and superiors.
- e. Sportsmanship: ability and willingness to endure any uneasiness or obscurity in the workplace and perform tasks without complaining.

Organizational citizenship behavior improves employee performance (Dinka, 2018; Harwiki, 2016). The dimensions of organizational citizenship behavior boost employee commitment (Pradhan et al., 2016; Zayas et al., 2015). It also improves the employee's creative and innovative work behavior (Akturan & Çekmecelioğlu, 2016) and reduces counterproductive work behavior (Ng et al., 2016).

Organizational citizenship behavior can also mediate the relationship between leadership style and team member exchange with employee performance. Tian et al. (2020) prove that organizational citizenship behavior mediates the relationship between transformational leadership and employee retention. At the same time, Ribeiro et al. (2018) and Sugianingrat et al. (2019) show that it mediates the relationship between authenticity and employee performance. Furthermore, Supriyanto et al. (2020) prove that it mediates the effect of spiritual leadership on employee performance.

Teng et al. (2020) prove that team member exchange positively impacts organizational citizenship behavior and performance. They also reveal that organizational citizenship behavior mediates the relationship between team member exchange and performance. In addition, Hackett et

al. (2018) show that organizational citizenship behavior mediates the impact of team member exchange and leadership style on performance. Figure 1 summarizes the research framework of this study.

Based on the discussion above, the research hypothesis is as follows:

- H₁: Servant leadership significantly impacts the organizational citizenship behavior of foreign life insurance employees.
- H₂: Servant leadership significantly impacts team member exchange of foreign life insurance employees.

H₃: Servant leadership significantly impacts employees' performance in foreign life insurance.

H₄: Team member exchange significantly impacts the organizational citizenship behavior of foreign life insurance employees.

H₅: Team member exchange significantly impacts employees' performance in foreign life insurance.

H₆: Organizational citizenship behavior significantly impacts employees' performance in foreign insurance.

3. RESEARCH METHOD

The survey focused on 23 foreign life insurance companies in Riau, Indonesia. We distributed the questionnaire to 230 foreign life insurance

employees, and 160 completed the questionnaire with valid answers. Table 2 shows the construct and indicators of the research variables. All variables are measured using a Likert scale, 1 to 5.

Table 2. Construct and indicator

Construct	Indicator
Servant Leadership (SL)	Love
	Empowerment
	Vision
	Humility
	Trust
Team Member Exchange (TMX)	Reciprocal
	Hope
	Compatibility
	Feedback Environment
	Altruism
Organizational Citizenship Behavior (OCB)	Civic Virtue
	Conscientiousness
	Courtesy
	Sportsmanship
	Result Quality
Employee Performance (PERFMA)	Productivity
	Punctuality
	Effectiveness
	Independence
	Work Commitment
	Responsibility

Servant leadership is represented by five indicators: love, empowerment, vision, humility, and trust. Team member exchange is measured using four indicators: reciprocal, hope, compatibility, and feedback environment. Organizational citizenship behavior is reflected by four indicators: civic virtue, conscientiousness, courtesy, and sportsmanship. Last, employee performance is measured using seven indicators:

result quality, productivity, punctuality, effectiveness, independence, work commitment, and responsibility.

Table 3 provides the characteristics of the research sample. The respondents are dominated by female employees aged between 20 - 40 years, with high school education, 5 -10 years of work experience, and as agents/marketers of insurance companies.

Table 3. Characteristics of respondents

No	Characteristics	Count	(%)
Gender			
1	Male	68	42.5
2	Female	92	57.5
	Total	160	100.0
Age			
1	20-30 Years	44	27.5
2	31-40 Years	63	39.4
3	41-50 Years	35	21.9
4	51-60 Years	18	11.3
5	> 60 Years	0	0.0
	Total	160	100.0
Education			
1	Elementary/Junior	1	0.6
2	High School	88	55.0
3	Diploma/Bachelor	67	41.9
4	Master	4	2.5
	Total	160	100.0
Length of Work			
1	< 5 years	32	20.0
2	5 - 10 years	93	58.1
3	11 - 15 years	11	6.9
4	16 - 20 years	14	8.8
5	> 20 years	10	6.3
	Total	160	100.0
Monthly Income			
1	< IDR 5 Million	33	20.6
2	IDR 5-10 Million	79	49.4
3	IDR 10-15 Million	26	16.3
4	IDR 15-20 Million	15	9.4
5	> IDR 20 Million	7	4.4
	Total	160	100.0
Job Status			
1	Non-Agent	33	20.6
2	Agency/Marketer	127	79.4
	Total	160	100.0

Next, we test for instrument validity and construct internal consistency. Figure 1 shows that the instrument's validity has been confirmed. The reliability of constructs is examined using the Cronbach

Alpha test. Table 4 shows that all constructs have Cronbach Alpha values higher than 0.70. It means that they are reliable.

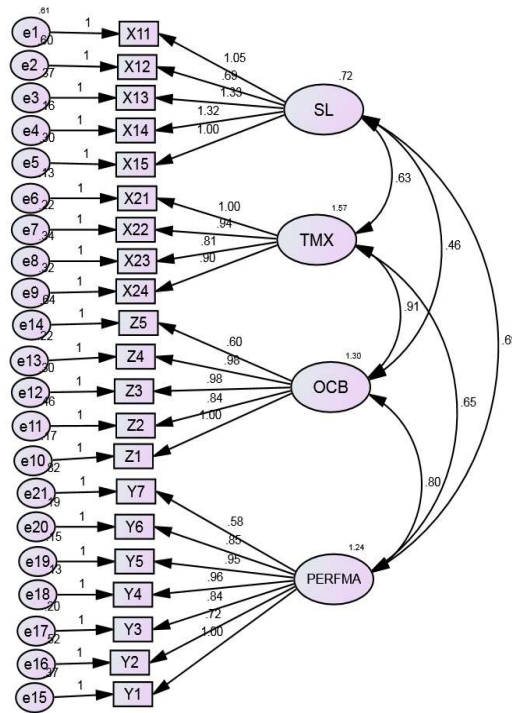


Figure 1. Confirmatory factor analysis

Table 4. Results of reliability test

Construct	Cronbach Alpha	Conclusion
Servant Leadership	0.917	Reliable
Team Member Exchange	0.954	Reliable
Organizational Citizenship Behavior	0.926	Reliable
Employee Performance	0.945	Reliable
Average	0.936	

4. DATA ANALYSIS AND DISCUSSION

Model Evaluation

Figure 2 depicts the results of path analysis for Model 1. The results of the unidimensionality test of model 1 show that several indicators from the model are not valid because they have a loading factor value of less than 0.7. Therefore, we delete indicators X12, Z5, Y2, and Y7. We reanalyze Model 1, and the results are shown in Figure 3.

Based on the goodness of fit criteria presented in Figure 3, Chi-Square, Probability, RMSEA, GFI, AGFI, CMIN/df, TLI, and CFI still do not meet the requirements of good (fit), with values approaching the desired range. Nevertheless, based on regression weighting, all variables have a non-zero critical ratio

(CR) value, which means they are causal relationships. This suggests that this research model is acceptable, but the established criteria have not yet been met. Therefore, in this study, researchers changed the index without changing the model.

Based on comprehensive and careful theoretical considerations, we modified the index to this model by connecting the adjusted indices output as shown in the appendix from the most extensive Modification Indices (MI) value to the output fit model fit summary (goodness of fit index structural) is desired. The modification of this index guides the researcher because the researcher still believes that improving this index will not significantly change the results of causality (parameters).

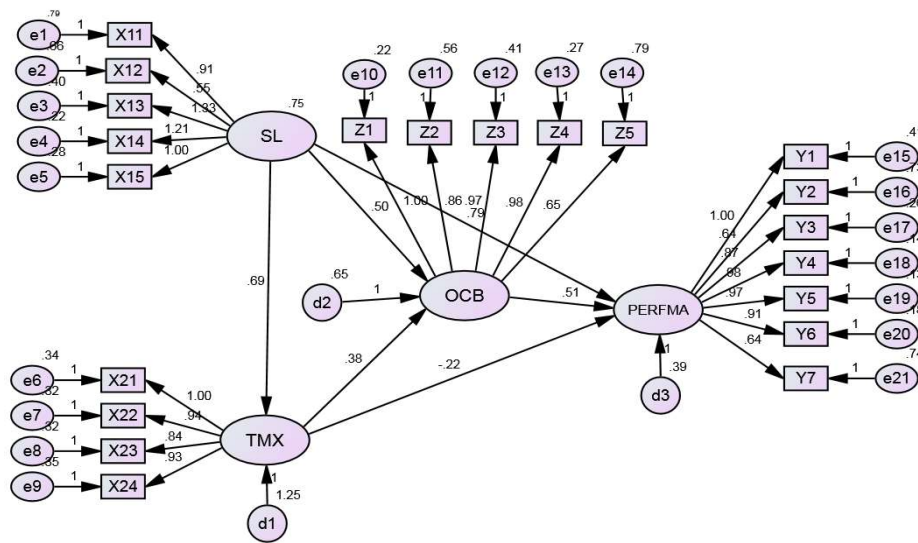


Figure 2. Path analysis results for Model 1

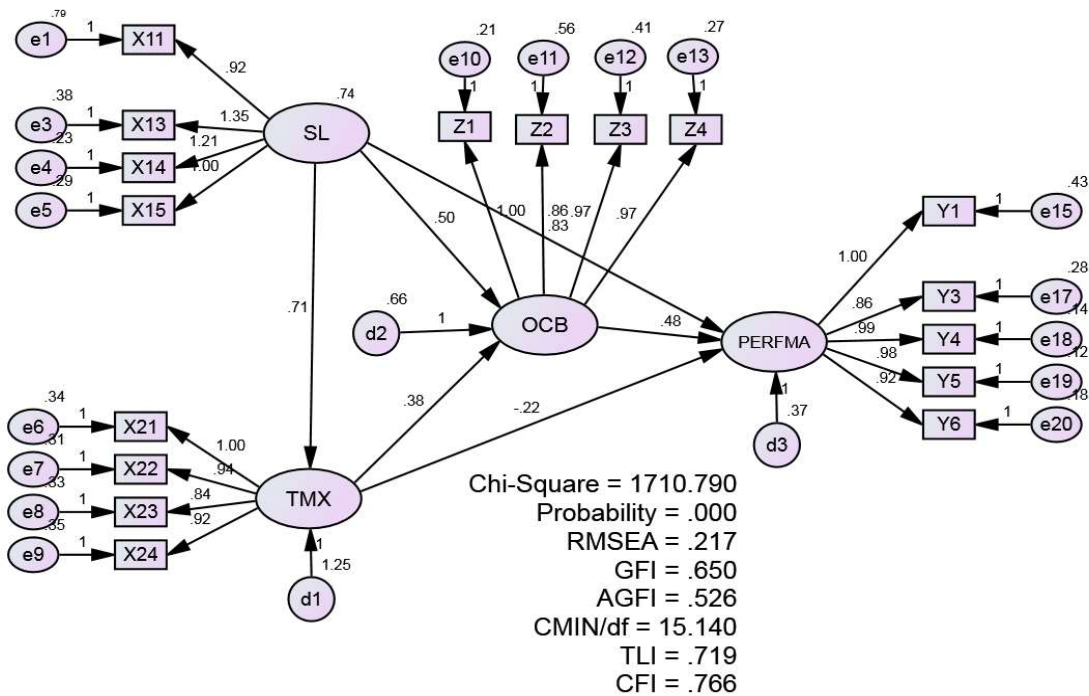


Figure 3. Analysis results after dropping invalid indicators

Hypothesis Testing Results

We re-estimate the model by following the modification indices suggestions and resulting in model 2, as shown in Figure 4 and Table 5. The results show that servant leadership significantly positively affects employee performance, organizational

citizenship behavior, and team member exchange. Furthermore, team member exchange has a significant positive effect on organizational citizenship behavior but a significant negative effect on employee performance.

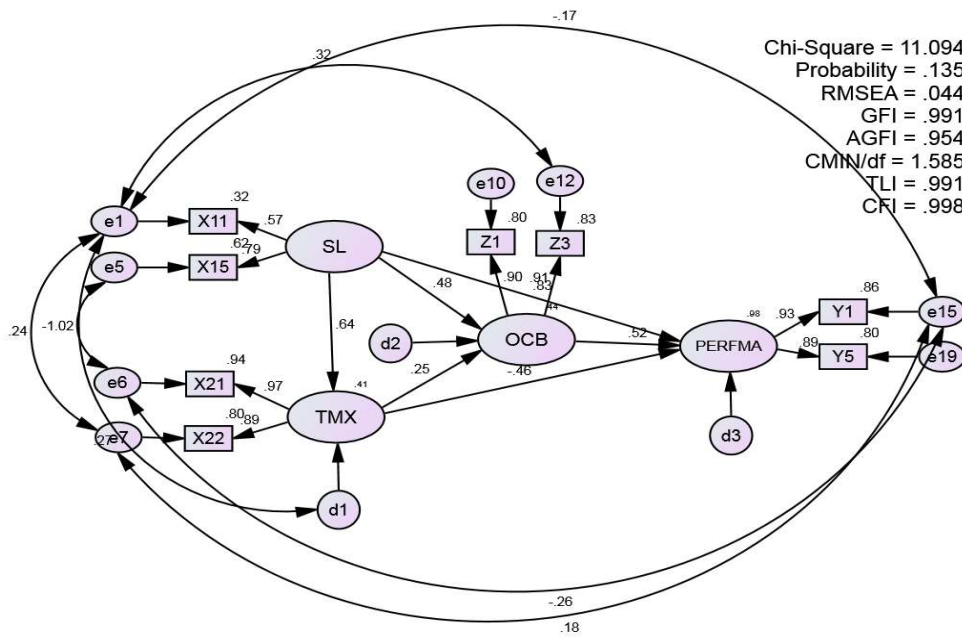


Figure 4. Path analysis model 2

Table 5. Results of regression

Relationship	Coefficient	SE.	CR.	P	Decision
TMX ← SL	1.088	0.180	6.032	***	Supported
OCB ← TMX	0.199	0.079	2.517	0.012	Supported
OCB ← SL	0.657	0.171	3.849	***	Supported
PERFUME ← TMX	-0.420	0.113	-3.699	***	Supported
PERFUME ← SL	1.287	0.343	3.750	***	Supported
PERFUME ← OCB	0.586	0.116	5.035	***	Supported

Source: Data processed, 2021

In addition to the studies discussed, the analytical model building can be used to explain servant leadership's direct and indirect effects on employee performance with the intervening variable of organizational citizenship behavior. The results are presented in Table 6 and Table 7. The findings also need to be considered in placing the intervening variable of organizational citizenship behavior on employee performance. It is essential since organizational citizenship behavior can indirectly mediate the influence of servant leadership on employee performance. In other words, servant

leadership indirectly has a better influence on employee performance when compared to the direct effect of servant leadership on employee performance. The effect of team-member exchange (TMX) through organizational citizenship behavior on employee performance shows that direct influence's value is smaller than indirect impact's value. It implies that team member exchange (TMX) indirect effect on employee performance is stronger when compared to its indirect effect on employee performance through organizational citizenship behavior.

Table 6. Recapitulation of direct effects-indirect effects and total effects

Relationship	Direct Effects	Indirect Effects	Total Effects
OCB ← SL	0.478	0.158	0.636
PERFUME ← SL	0.834	0.036	0.870
TMX ← SL	0.638	0.000	0.638
OCB ← TMX	0.247	0.000	0.247
PERFUME ← TMX	-0.464	0.129	-0.335
PERFUME ← OCB	0.522	0.000	0.522

Source: Data processed, 2021

Table 7. Recapitulation of direct effects-indirect effects through variable moderating

Relationship	Direct Effects	Indirect Effects via OCB	Conclusion
PERFMA ← SL	0.834		
PERFMA ← OCB ← SL		1.084	Mediate
PERFMA ← TMX	-0.464		
PERFMA ← OCB ← TMX		-0.335	Mediate

Source: Data processed, 2021

Last, we assess the model using a coefficient of determination (R^2). The results of this evaluation can be seen in Table 8. This table shows that team member exchange (TMX) has an R-square (R^2) value of 0.407. Servant leadership explains the 40.7 percent variation in the team member exchange (TMX). Organizational citizenship behavior (OCB) has an R^2 value of 0.441. It indicates that servant leadership and team member

exchange influences 44.1 percent variation in organizational citizenship behavior. Furthermore, the employee performance variable has an R^2 value of 0.976. It indicates that servant leadership, team member exchange, and organizational citizenship behavior influence 97.6 percent variation in employee performance. Therefore, this model belongs to the strong category.

Table 8. Model evaluation

Endogenous variables	R^2
TMX	0.407
OCB	0.441
PERFUME	0.976

Source: Data processed, 2021

Discussion

The results of the statistical output in Figure 4 and Table 5 show the probability value of the servant leadership impact on organizational citizenship behavior) is $0.000 < 0.05$ and critical ratio (cr) is $3.849 > 1.96$. It suggests that servant leadership significantly influences foreign-owned life insurance employees' organizational citizenship behavior. Thus, we conclude that servant leadership has a significant effect on organizational citizenship, and it is in support of hypothesis 1. The positive value of this study explains that the effect is unidirectional. It indicates that foreign-owned life insurance companies with high servant leadership will have better organizational citizenship behavior. Foreign-owned life insurance companies have high servant leadership that is reflected by indicators of vision ($X_{1.3}$), humility ($X_{1.4}$), trust ($X_{1.5}$), and compassion ($X_{1.1}$). It suggests that the managers and supervisors of foreign-owned life insurance companies need to improve their vision, humility, trust, and compassion for their subordinates so that their employees' voluntary willingness to help others will be high. Servant leadership can build trust-based relationships with followers in social interaction. Under the law of reciprocity, subordinates may feel obligated to act on their leader's behalf when a leader demonstrates human behavior toward subordinates. This study confirms Malingumu et al. (2016),

Newman et al. (2017), and Stollberge et al. (2019), proving that servant leadership encourages organizational citizenship behavior.

The findings also show that the probability value of the servant leadership effect on team member exchange is $0.000 < 0.05$, and the critical ratio (cr) is $6.032 > 1.96$. It means that servant leadership affects team member exchange significantly. Accordingly, we can conclude that servant leadership can increase team member exchange, which supports hypothesis 2. The positive impact of servant leadership suggests that foreign insurance companies with good servant leadership will also have a high team member exchange. Servant leaders usually support followers, focus on their growth, and provide them with the opportunity to acquire new knowledge and skills. Due to their interest in society, servant leaders usually enjoy the trust of their followers. As a result, it develops strong interpersonal relationships between serving leaders and their followers and is more likely to facilitate sharing among team members. This finding supports Malingumu et al. (2016), showing that servant leadership improves team member exchange.

The results show that servant leadership significantly affects employee performance. This can be seen from the probability value of the servant leadership impact on employee performance, which is $0.000 < 0.05$, and the critical ratio is (cr) $3.750 > 1.96$.

Therefore, we can infer that servant leadership of foreign-owned life insurance employees can improve employee performance, which supports hypothesis 3. Leaders provide ideals or reference points where followers can orient themselves and learn from them. Servant behaviors such as empowerment and ethical behavior are likely to motivate employees to make their own decisions in the workplace and deal openly, fairly and honestly with others. Emphasize the importance that if employees are interested in the organization's well-being, they are more likely to make more efforts to achieve the organization's goals. In other words, the target set by the company, in terms of quality and quantity, will be more easily achieved by employees when managers and superiors have good vision, humility, trust, and affection. Servant leadership encourages employee motivation and creativity, improving employee performance (Iqbal et al., 2020; Stollberge et al., 201; Su et al., 2020; Tuan, 2020).

The finding proves that team member exchange significantly impacts organizational citizenship behavior, with a probability of $0.012 < 0.05$ and the critical ratio (cr) of $2.517 > 1.96$. It means that hypothesis 4 is accepted. Increased mutual support and trust between team members can strengthen relationships between members. Inter-social exchange relations are formed based on contributions and reciprocal relationships between parties. This interpersonal relationship affects each member's loyalty, emotion, and contribution. Good relationships are built on trust and mutual respect. When good relationships are created, members will have a good level of trust and loyalty, so they are willing to do work voluntarily beyond their duties and responsibilities.

The results also reveal that team member exchange significantly affects employee performance, with a probability of $0.000 < 0.05$ and a critical ratio (cr) of $-3.699 > 1.96$. Therefore, it supports hypothesis 5. However, this study shows a negative relationship between team member exchange and employee performance. It means that if the foreign ownership life insurance company has a high team member exchange, it will get low-performance employees. This could imply that because the characteristics of work in insurance tend to be individual, the exchange of information between members is not necessary. Insurance agents, who comprise most research respondents, have their targets. They tend to keep their clients or prospective clients from being taken over by other agents. The more an agent can maintain confidentiality, the more likely he is to be able to achieve his performance targets. The finding

contradicts with Al-Tit (2020), Farh et al. (2017) and Oh & Jang (2020), proving that team member exchange increases employee and company performance. However, it confirms Eva et al. (2019) that team member exchange harms employee and company performance.

The finding also reveals that organizational citizenship behavior mediates the impact of servant leadership on employee performance. A better servant leadership improves employee organizational citizenship behavior and this, in turn, improves employee performance. The value of direct influence is smaller than indirect influence. It implies that servant leadership indirectly has a better influence on employee performance when compared to the direct effect of servant leadership on employee performance. This result follows Supriyanto et al. (2020) and Tian et al. (2020), showing that organizational citizenship behavior mediates the effect of a leadership style on employee performance.

Furthermore, the finding shows that direct influence's value is smaller than indirect impact's value. It suggests that team member exchange indirectly has a better effect on employee performance than the direct effect of servant leadership on employee performance. Organizational citizenship behavior is significant as a mediator variable of employee performance in foreign-owned life insurance companies. This finding supports Teng et al. (2020) and Hackett et al. (2018), proving that organizational citizenship behavior mediates the relationship between team member exchange and employee performance.

5. CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATIONS

This study explores the effect of servant leadership, team member exchange, and organizational citizenship behavior on employee performance in foreign insurance companies. In addition, it also examines the mediating effect of organizational citizenship behavior on the impact of servant leadership and team member exchange on employee performance. The results support all hypotheses. Servant leadership significantly influences organizational citizenship behavior, team member exchange, and performance of foreign-owned life insurance employees. Team member exchange significantly influences employees' organizational citizenship behavior and performance. Last, organizational citizenship behavior mediates the impact of servant leadership and team member exchange on the performance of foreign-owned life insurance employees.

Interestingly, team member exchange affects employee performance significantly but has a negative relationship. It suggests that employees in insurance companies are not too demanding of high team member exchange when wanting high employee performance. This study confirms that servant leadership is essential for organizations. Servant leadership emphasizes prioritizing the interests of employees over the glorification of leaders. Servant leaders' attention to employees increases trust, loyalty, and satisfaction with the leader. Although the focus of a servant leader is employees, it is directly beneficial for the organization as a whole, especially in that it contributes to the organizational citizenship behavior of employees who can attract and retain talented and committed employees.

Several managerial implications can be drawn from this study. Considering the vital role of organizational citizenship behavior in mediating the impact of servant leadership on employee performance, managers and supervisors of foreign companies need to boost individual contributions that go beyond the role stated in the job description. Managers and supervisors of foreign-owned life insurance companies need to improve their vision, humility, trust, and compassion for their subordinates so that their employees' voluntary willingness help others will be high. Furthermore, insurance companies should encourage mutual support and trust between team members so that the member exchange team builds up well.

There are some limitations of this study. First, we used a structured questionnaire and survey, which was limited according to the questions we provided and could not express the employee's true feelings. Second, the conclusions are drawn from foreign-owned life insurance companies in the Riau Islands Province of Indonesia so that they could not be generalized to other companies/organizations. Third, the influence of team member exchange on the relationship between employee performance may be expected to be more assertive on particular objects because this study has a negative association. A high team member exchange will result in low employee performance. It is recommended for further research to collect data with interview techniques to know the respondent's real feelings and expressions.

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