The Effect of Service Leadership on Innovation with Knowledge Sharing As a Variable of Mediation at Small Micro and Medium Enterprises Furniture Klender In East Jakarta

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Abstract: *Micro Business is one of the industries that sustain national economy that needs to get serious attention from the government so that it can compete in national and even international business. This study aims specifically to analyze the influence of servant leadership on work innovation with knowledge sharing as mediation in the Klender Furniture Micro Business in East Jakarta. This study uses a quantitative approach with descriptive methods by describing aspects of the research variables or the behavior of the respondents surveyed. The data collection method is a survey with a questionnaire technique. The unit of analysis that is determined is 114 micro entrepreneurs. Data collection methods are carried out through a questionnaire. Data Analysis Method uses Structural Equation Modeling-Partial Least Square (SEM-PLS).*

Background:

Materials and Methods:

Types of research

This study uses a descriptive quantitative approach with survey methods, to describe the relationship between Noor variables (2011: 34-38). The survey method was conducted using a structured questionnaire technique given to respondents and was designed to produce specific information about the perceptions and opinions of a Malhotra object (2009: 364). This study will analyze the effect of servant leadership on work innovation with knowledge sharing as mediation at thesmall micro and medium enterprisesfurniture Klenderin East Jakarta.

1. Conceptual and Operational Definitions of Variables
The identification of variables in this study consisted of:

2. Independent variableIs a variable that affects or is the cause of the change or the emergence of the dependentisvariableSugiyono (2013: 29). The independent variable uses the symbol X. The independent variable in this study consists of: Servant Leadership (X).

3. Mediation Variables :cccording to Tuckman in Sugiyono (2013: 59) intervening variables are variables that theoretically affect the relationship between the independent variable and the dependent variable into an indirect relationship and cannot be observed and measured. This variable is an interrupting variable / between the independent variable and the dependent variable, so the independent variable does not directly affect the change or the emergence of the dependent variable.

4. Dependent variable is a variable that is affected or which is due to the independent variable Sugiyono (2013: 29). This variable uses the symbol Y. In this study the dependent variable consists of Consumer Satisfaction (Y).

Results:

The exogenous variables assessed in this research model are servant leadership. While the endogenous variables assessed in this research model are knowledge sharing and innovation.Based on the results of data analysis done above, the calculation value of R-Square (R2) which shows how well the proposed research model is obtained From the calculation results (R2), it can be seen that the endogenous variables of product quality (Z) can be explained by exogenous variables namely service quality (X1) and discipline (X2) by 73% while the remaining 27% is explained by other exogenous variables. Meanwhile, the construct of customer satisfaction (Y) of 0.693 where these results

indicate that endogenous variables of customer satisfaction (Y) can be explained by exogenous variables namely service quality (X1) and discipline (X2) and product quality (Z) by 69% while the rest 31% is explained by other exogenous variables.

Key Word: *servant leadership, knowledge sharing, work innovation*

I. Introduction

Competition in the business world is increasingly sharp, where organizations must be able to compete in order to win every competition. Every organization must have a human resource that has a central role, because without the role of the organization's human resources will not run effectively. To be able to win the competition, each organization must prepare human resources who have good competence, besides that the organization must be able to maintain its advantages from competitors. In maintaining its superiority, every organization is required to have a product that is different from its competitors. Every organization must be able to make breakthroughs and innovate.

Innovation is an organizational system that has activities for renewal and creativity in the creation of services, new products, ideas or new processes (Ellitan and Anatan, 2009: 222). Innovation that becomes one Business functions are also defined by Drucker in Ellitan and Anatan (2009: 223) as a change in business that can encourage the creation of new dimensions of performance in the company.

The furniture industry in Indonesia has been a profitable business. The need for furniture in the country is always increasing from year to year, in line with the start of improving the property business in Indonesia. Currently, furniture and furniture products that are in high demand are those that have long durability. Furniture and furniture purchases are generally carried out with a minimum usage expectation of up to 10 years. Good furniture and furniture must have staying power, in terms of product design and durability. They did not lose their value even over a long period of time.

Based on the Ministry of Industry's information that the national furniture and furniture industry has great potential to grow and develop because it is supported by abundant raw material sources and skilled craftsmen. Therefore, the Government prioritizes the development of this labor-oriented export-oriented sector to be more productive and competitive through strategic policies. (Ministry of Industry, 2017)

The Indonesian Furniture and Crafts Industry Association (HIMKI) targets the furniture industry to grow up to 16% this year. The Chairperson of HIMKI, said the development of the furniture and handicraft industry in Indonesia from year to year was still quite encouraging despite facing challenging global market conditions. National furniture products are in great demand by the world market, for example the US, UK, Netherlands, Germany, France, Australia, Belgium, South Korea, Taiwan, Japan, Italy, and the United Arab Emirates (UAE). Based on data from the Ministry of Industry, during January-November 2017, national furniture exports were valued at US $ 1.34 billion. In the same period the previous year, the furniture industry recorded exports of US $ 1.48 billion. Indonesia is targeting sales of US $ 5 billion by 2019. (Bisnis.com, 2018).

Based on World Bank data processed by the Ministry of Industry, it is known that the competitiveness of the logistics sector ranks 55th out of 189 countries. Even though Malaysia and Thailand rank 27 and 36 (Bisnis.com, 2017).East Jakarta precisely the Klender region is one of the MSME areas that sells furniture and furniture. Economic conditions and weak competitiveness of human resources become one of the factors causing the decline in purchasing power of furniture production. Based on information obtained by researchers from furniture entrepreneurs that in the last 3 (three) years there was a decline in sales of about 30%, partly due to human resource factors, namely decreased interest in the furniture and furniture business so it did not produce innovative products. Innovative work behavior has not been fully applied in producing furniture and furniture.

Work innovation behavior must be generated in many ways including knowledge sharing and leadership models. Knowledge can be categorized into two types, namely tacit knowledge which contains knowledge implicit or knowledge stored in oneself (the brain) of a person and the second is explicit knowledge in the form of tangible knowledge, easily managed and shared (share) (Sangkala, 2007: 90). The real creation of knowledge comes from the conversion of the two types of knowledge mentioned earlier. In the knowledge conversion model, there are four processes that occur, namely socialization, externalization, internalization and combination (Nonaka and Takeuchi in Sangkala, 2007: 92).

The ability to innovate well will help the emergence of initiatives to produce work methods that are more effective and efficient (Aristanto, 2017: 134). Employees who have a good ability to innovate have more ability to solve problems at work and can speed up work, so that individual performance is better. The researcher wants to know the extent of the influence of the application of servant leadership and knowledge sharing that will ultimately result in work innovation at UMKM Furniture Klender East Jakarta.

II. Material And Methods

Types of research

This study uses a descriptive quantitative approach with survey methods, to describe the relationship between Noor variables (2011: 34-38). The survey method was conducted using a structured questionnaire technique given to respondents and was designed to produce specific information about the perceptions and opinions of a Malhotra object (2009: 364). This study will analyze the effect of servant leadership on work

innovation with knowledge sharing as mediation at thesmall micro and medium enterprises Furniture Klender East Jakarta.

Conceptual and Operational Definitions of Variables
The identification of variables in this study consisted of:
1. Independent variable
Is a variable that affects or is the cause of the change or the emergence of the dependent variable Sugiyono (2013: 29). The independent variable uses the symbol X. The independent variable in this study consists of: Servant Leadership (X).
2. Mediation Variables
According to Tuckman in Sugiyono (2013: 59) intervening variables are variables that theoretically affect the relationship between the independent variable and the dependent variable into an indirect relationship and cannot be observed and measured. This variable is an interrupting variable / between the independent variable and the dependent variable, so the independent variable does not directly affect the change or the emergence of the dependent variable.
3. Dependent variable
Is a variable that is affected or which is due to the independent variable Sugiyono (2013: 29). This variable uses the symbol Y. In this study the dependent variable consists of Consumer Satisfaction (Y). The operational dimensions of the research variables are presented in the following Table 3.1:

Table 3.1 Variables, Operational Definitions and Indicators

No	Variabel	Dimensi	Indikator
1	**Servant Leadership** Greenleaf (2002:112)	*Altuistic Calling*	• Facilitator skills • Facilitator appearance
		Emotional Healing	• Trusted facilitator • Facilitator skills
		Wisdom	• Facilitator response • Dexterity and reaction
		Persuasive Mapping	• The facilitator provides security guarantees
		Organizational Stewardship	• The facilitator has empathy for the participants • Listening ability
2	**Knowledge Sharing** Hoof *and* WeenendalamLin (2007).	*Knowledge donating*	• Communicate knowledge • Individual communication • Group communication
		Knowledge collecting	• Gaining knowledge
3	**Work Innovation** menyatakanimplementasiinovasiberdasarkankeputusankeputusan yang biasanyadibuat oleh seorang manager di dalamorganisasi (Hakan dan Jamel, 2015).		• *Informational Acquisition* • *Information Distribution* • *Information Interpretation* • *Behavioral* • *Cognitive Change*

Statistical analysis
Population and Sample
Population is a generalization area that consists of objects / subjects that have certain qualities and characteristics determined by researchers to be studied and then conclusions Sugiyono (2013: 119). Another understanding was conveyed by Malhotra (2009: 364), that the population is a combination of all elements that have a set of similar characteristics that include the universe for marketing research purposes. In this study, the

study population was East Jakarta Furniture Klenderthe small micro and medium enterprises actors who recorded more than 180entities.

The sample is a subgroup of population elements selected to participate in the study that is truly representative of Sugiyono (2016: 120). The sample in this study uses the Slovin formula as follows:

$$n = \frac{N}{1 + N.e^2}$$

$$n = \frac{180}{1 + 180 \, (0,05)^2}$$

$$n = 114,28 \text{ arounded} 114 \text{ units}$$

Method of collecting data
In research, the way to obtain data is called the Suharso (2009) data collection method. Data collection methods in this study are:
1. Questionnaire
The questionnaire is a list of written questions that have been formulated previously to be answered by selected respondents Suharso (2009: 89). The questions in this research questionnaire include questions related to four variables namely Facilitator, Product Quality, Infrastructure Quality and Customer Satisfaction.
2. Observation
Observation or observation can be done without asking questions. Suharso (2009: 89). In this method observations are made on objects related to research problems. Observations were made to complement the data obtained through the results of filling out the questionnaire.
3. Documentation
Documentation is secondary data stored in the form of documents or files (conventional or electronic records), books, writings, reports, minutes of meetings, magazines, newspapers and so forth. The documentation data collection method is used in order to fulfill the data or information needed for the purpose of the research variables that have been previously designed (Suharso, 2009: 89).

III. Data Analysis Methods

Quantitative data analysis method is an approach to processing data through statistical or mathematical methods collected from primary data or secondary data. The advantage of this method is the more measurable and comprehensive conclusion. Data analysis techniques used are: 1) Descriptive Analysis, which describes the results of data collected as it is through statistical measures such as mean, median, mode and standard deviation; 2) Correlation Analysis, looking at the relationship between one phenomenon with another phenomenon which is theoretically unproven; and 3) Causality Analysis, measuring the causal relationship between several phenomena which in theory are supposed to influence each other. Data analysis techniques used include descriptive statistical tests, data quality tests, classic assumption tests, linear regression analysis, and hypothesis testing.

3.5.1 Descriptive Statistics Test
Descriptive statistics provide a description or description of a data that is seen from the average value (mean), standard deviation, variance, maximum, minimum, sum, range, kurtosis, and skewness (skewed distribution) Sugiyono (2013: 19). The results of the study will be analyzed with descriptive statistical methods which are data processing for the purpose of describing or giving a picture of the object under study through a sample or population. Data processed in descriptive statistics is only one variable. Descriptive statistics can produce tables, graphs, and diagrams of Sujarweni (2014: 29).

Data Quality Test
1. Test Validity
Validity test is used to measure the validity of a questionnaire. A questionnaire is said to be valid if the questions on the questionnaire are able to reveal something that will be measured by the questionnaire Sugiyono (2013: 52). A statement can be said to be valid with the following criteria:
• The results of r count are compared with r table where df = n-2 with sig. 5%. If r table <r arithmetic, then the data is valid.

• The results of r count are compared with r table where df = n-2 with sig. 5%. If r table> r count, then the data is invalid (Sujarweni, 2014: 192).

2. Reliability Test

Reliability test is a tool used to measure a questionnaire which is an indicator of a variable or construct. A questionnaire is said to be reliable or reliable if someone's answer to the statement is consistent or stable from time to time Sugiyono (2013: 47). The reliability test in this study was measured using the One Shot reliability measurement method with Cronbach's Alpha. If Cronbach's Alpha of a variable> 0.7 then a variable or construct is declared reliable and reliable. Conversely, if the Cronbach's Alpha value <0.7 then the statement item is declared unreliable Ghozali (2016: 48).

Classical Assumption Test

1. Normality Test

Normality test aims to test whether in the regression model, confounding or residual variables have a normal distribution (Sugiyono, 2016: 154). The normality test in this study was conducted using the Kolmogorov-Smirnov non-parametric statistical test and the Normal Probabilty-Plot (P-Plot) chart test with a significance level of 5%. Ghozali (2016: 162) revealed that the Kolmogorov-Smirnov One-Sample test can be carried out to test whether residuals are normally distributed. If the Asymp value. Sig (2-tailed)> significant level of 0.05, the residuals in the study were normally distributed.

2. Multicollinearity Test

Ghozali (2016: 103) revealed that multicollinearity test aims to test whether the regression model found a correlation between independent variables. A good regression model should not occur correlation between independent variables. To detect the presence or absence of multicollinearity can be seen from the value of tolerance and variance inflation factor (VIF). Tolerance measures the variability of selected independent variables that are not explained by other independent variables. So a low tolerance value equals a high VIF value (because VIF = 1 / Tolerance). The cutoff value commonly used to indicate the absence of multicollinearity is a tolerance value ≥ 0.10 or equal to a VIF value ≤ 10 Ghozali (2016: 104).

3. Heteroscedasticity Test

Ghozali (2016: 134) states that the heteroscedasticity test aims to test whether in the regression model there is an inequality of variance from the residuals of one observation to another. The heteroscedasticity test in this study was carried out with a graphical analysis of the Scatterplot and the Park test.

3.5.4 Linear Regression Analysis

Sanusi (2013: 131-132) states that in general, linear regression consists of two or more variables: it states the causal relationship between servant leadership variables (X1), knowledge sharing (X2), and work innovation variables (Y).

Hypothesis Test

Hypothesis testing in this study consists of:

1. Test Statistics t

T test is a test used to determine partially the influence of independent variables with the dependent variable. The statistical test t or significant test of individual parameters basically shows how far the influence of one independent variable in explaining the variation of the dependent variable Ghozali (2016: 97). The following is a more detailed description of the t test statistics used in this study:

• Determination of critical values / significance level (t table):

This study uses a significant level (α = 0.05 or 5%) with a sample (n = 102) to test the hypothesis, if the value of α is smaller than the significance level of 0.05 then Ha is accepted.

2. Coefficient of Determination (R2)

The coefficient of determination is done to measure how far the ability of the regression model in explaining / defining the variation of the dependent variable, the value of R2 is between 0 and 1, which is close to 1 means that the independent variables provide almost all the information needed to predict the independent variable. Conversely, a value of R2 close to 0 means that the ability of the independent variable in explaining the variation of the dependent variable is very limited Ghozali (2016: 95). Thus, the greater the value of R2, the better the research model being tested.

IV. Result

This study analyzes the influence of servant leadership with knowledge sharing as an interviening variable on innovation at the small micro and medium enterprises furniture in East Jakarta. The subjects used in this study were 180 UMKM Furniture Klender East Jakarta actors. The small micro and medium enterprises furniture Klender East Jakarta is a provider of a wide range of furniture products as well as furniture in the home space both for the living room, bedroom, and kitchen space and as of Central Java province with local production of wood carving crafts both teak and mahogany located in the area Klender East Jakarta. Located in the Klender area of East Jakarta, the small micro and medium enterprises furniture is a solution for its special customers from the Jabotabek area between Jakarta, Bekasi, Depok, Tangerang and Bogor who want to have furniture that reflects luxury without the need to go or order from Central Java.

1. Evaluation of Measurement Model (Outer Model)

Evaluation of the measurement model or outer model is carried out to assess the validity and reliability of the model. Outer models with reflexive indicators are evaluated through convergent and discriminant validity of the indicators forming latent constructs and composite reliability and Cronbach alpha for the indicator blocks (Ghozali, 2015).

1.1 Test Validity

1.1.1 Convergent Validity

According to Ghozali (2015), the rule of thumb commonly used to assess convergent validity is that the loading factor value must be more than 0.7 for confirmatory research and the average variance extracted (AVE) value must be greater than 0.5.
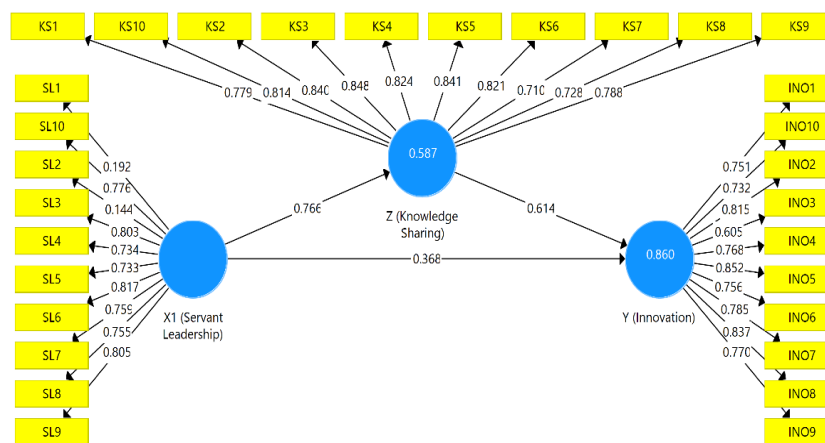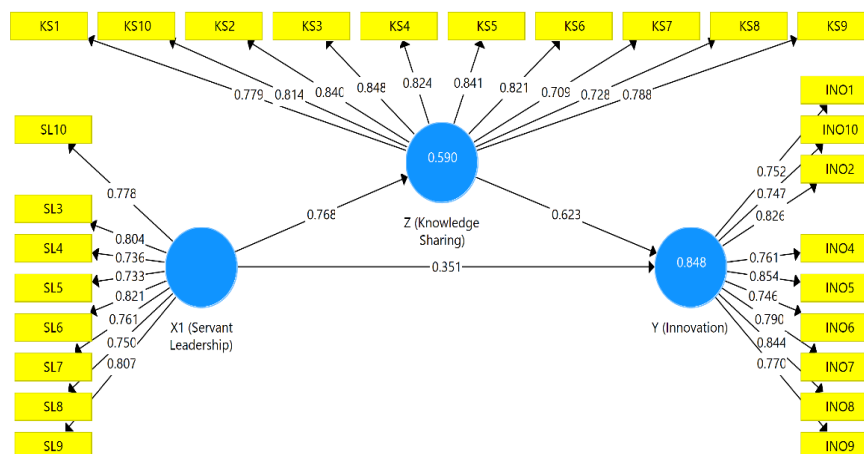

Figure 4.4 PLS (First Run) Algorithm Results

that there are some invalid statements, namely statements INO3, SL1, SL2 with loading factor values below 0.7 Based on the description above, statements of each invalid variable will be dropped from the model.

Figure 4.5 PLS Algorithm Results (Modification 1)

Source: Smart PLS Output (2020)

In addition to seeing the value of loading factors, convergent validity can also be assessed by looking at the average variance extracted (AVE) value.

Table 4.8 Test Results for Convergent Validity (AVE)

Konstruk	*Average Variance Extracted* (AVE)	Note
X1 (Servant Leadership)	0.600	Valid
Y (Innovation)	0.623	Valid
Z (Knowledge Sharing)	0.641	Valid

The results of the convergent validity construct test in Table 4.8 above, can be seen that each construct has fulfilled the criteria with the average variance extracted (AVE) value above 0.50.

1.1.2   Discriminant Validity
Because there is no problem in convergent validity, the next step that is tested is the problem related to discriminant validity which is done by looking at the square root of average variance extracted (AVE) value for each construct with the correlation value between the constructs in the model. This method is often called the FornellLarcker Criterion.

Table 4.9 FornellLarcker Criterion Test Results

	X1	**Y**	**Z**
X1 (Servant Leadership)	0.774		
Y (Innovation)	0.830	0.789	
Z (Knowledge Sharing)	0.768	0.893	0.800

Source: Smart PLS Output (2020)

According to Table 4.9, it can be seen that the square root of average variance extracted values are 0.774, 0.789, and 0.800. These values are smaller than the correlation of each construct and do not meet the discriminant validity criteria.
Viewed from Table 4.9, it can be seen that the square root of average variance extracted values are 0.774, 0.789, and 0.800. These values are smaller than the correlation of each construct and do not meet the discriminant validity criteria. So it is necessary to modify the indicators that have the lowest values (INO6, INO10, and KS7) on the variables that occur lacking as shown in the figure and structural table below:
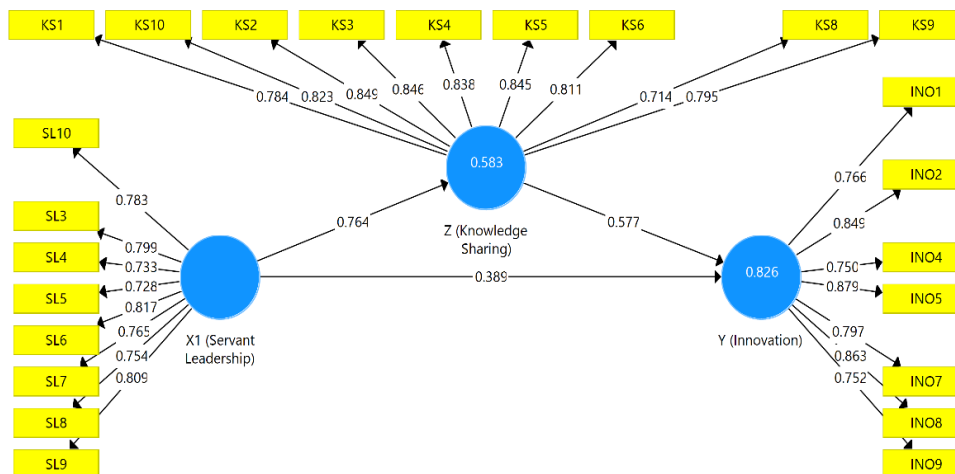

Figure 4.6 PLS Algorithm Results (Modified 2)
Source: PLS 2020 output

2. Structural Model Evaluation / Hypothesis Test (Inner Model)

After the estimated model meets the Outer Model criteria, the structural model (Inner model) is then tested. According to Ghozali (2015), evaluation of structural models (Inner models) aims to predict relationships between latent variables which can be seen from the coefficient of determination (R2), and predictive relevance (Q2) to assess the structural (inner model).

2.1 R-Square Value

The coefficient of determination R-square (R2) shows how much the exsogen variable explains the endogenous variable. The value of R-Square (R2) is zero up to one. If the value of R-Square (R2) is getting closer to one, then the independent variables provide all the information needed to predict variations in endogenous variables. Conversely, the smaller the value of R-Square (R2), the ability of independent variables to explain variations in endogenous variables is increasingly limited. The value of R-Square (R2) has a weakness that is the value of R-Square (R2) will increase every time there is an addition of one exsogen variable even though the exogenous variable has no significant effect on the endogenous variable. In this study, there are endogenous variables, namely innovation, which are influenced by exogenous variables, namely servant leadership, and knowledge sharing.

Table 4.15 Endogenous Variable R2 Value

Variabel Endogen	R-Square
Y (*Innovation*)	0.826
Z (*Knowledge Sharing*)	0.583

From table 4.15 above it can be seen that the value of R-Square (R2) or the coefficient of determination of the knowledge sharing construct (Z) of 0.583. These results indicate that the endogenous variable knowledge sharing (Z) can be explained by exogenous variables namely servant leadership (X1) by 58% while the remaining 42% is explained by other exogenous variables. Meanwhile, the construct of innovation (Y) was 0.826 where the results showed that the endogenous innovation variable (Y) could be explained by exogenous variables namely servant leadership (X1) and knowledge sharing (Z) by 83% while the remaining 17% was explained by exogenous variables the other.

2.2 Path Coefficients

Path coefficients (path coefficients) are used to see the hypothesized relationship between constructs. According to Helm et al. (2009) in Hair et al. (2014), the path coefficient values range from -1 to +1, where the path coefficient values close to +1 represent a strong positive relationship and the path coefficient value -1 indicates a strong negative relationship. Although values close to +1 or -1 are almost always statistically significant, standard errors must be obtained by using bootstrapping to test significance.

2.2.1 Direct Relationship

Direct Effect (DE) is a direct effect that can be seen from the path coefficient from an exogenous variable to an endogenous variable. For example the variables X1 and X2 against Y1, as well as the variables X1, X2, and Y1 against the Y2 variable (Caraka and Sugiarto, 2017). In this study, there are two direct effects, namely X1 and X2 on Y.

Table 4.16 Results of Path Effect coefficients (Direct Coefficients)

	Z	Y
X1 (Servant Leadership)	0.764	0.389
Z (Knowledge Sharing)		0.577

Source: Smart PLS Output (2020)

Table 4.16 shows the test results of the path coefficient (path coefficients) in the direct effect (DE) relationship has a range of 0.389 to 0.764. It can be concluded that all values have a positive relationship because they have values that are close to +1.

2.2.2 Indirect Relations (Indirect Path)

Indirect Effect (IE) is a sequence of paths through one or more intermediary variables. For example the effect of variable X1 on Y2 through variable Y1 and the effect of variable X2 on Y2 through variable Y1 (Caraka and

Sugiarto, 2017). In this study, there are three indirect effects, namely X1 and X2 on Y through Z.
Table 4.16 Results of Path Coefficients Indirect Effects

	Z -> Y
X1 (Servant Leadership)	0.440

Table 4.16 shows the test results of the path coefficient (path coefficients) in the indirect effect (IE) relationship has a range of 0.0 to 0.440. It can be concluded that all values have a positive relationship because they have values that are close to +1.

2.3 T-Statistic Value (Bootsrapping)
T-Statistic (bootsrapping) is used to see the significance value between constructs. Hair et al. (2017) in Ramayah et al. (2017) suggest doing a bootstrapping procedure with a re-sample value of 5,000. The limit for rejecting and accepting the proposed hypothesis is ± 1.96, which if the t-statistic value is in the range of -1.96 and 1.96 then the hypothesis will be rejected or in other words accept the null hypothesis (H0).
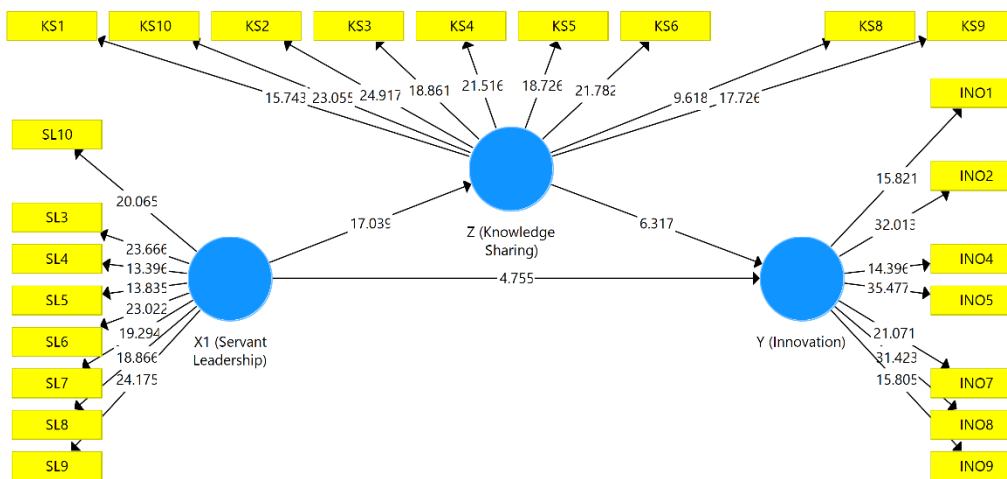

Figure 4.7 Bootsrapping Test Results
Source: Smart PLS Output (2020)

Table 4.17 T-Statistic Results (Bootsrapping) Direct Effects

	T Statistics (|O/STDEV|)	Result
X1 (Servant Leadership) -> Y (Innovation)	4.755	accepted
X1 (Servant Leadership) -> Z (Knowledge Sharing)	17.039	accepted
Z (Knowledge Sharing) -> Y (Innovation)	6.317	accepted

Table 4.17 and Figure 4.7 show the results of the T-Statistic (bootsrapping) test which have a range of 4,755 to 17,039. Where there are three relationships that are accepted.

Table 4.18 T-Statistic Results (Bootsrapping) Indirect Effects

	T Statistics (|O/STDEV|)	Result	
X1 (Servant Leadership) -> Z (Knowledge Sharing) -> Y (Innovation)	6.093	Accepted	

Source: Smart PLS Output (2020)

Table 4.18 and Figure 4.7 show the results of the T-Statistic (bootsrapping) test having a range of 0 to 6,093. Where there is one relationship that is accepted.

2.4 Predictive Relevance Value (Q Square)

Predictive relevance (Q2) for structural models measures how well observational values are generated. Predictive Relevance (Q2) for the structural model measures how well the observational values generated by the model and also the estimated parameters. Applies only to reflecting on endogenous factor models. Predictive Relevance (Q2) is greater than 0. In the same way, a Predictive Relevance (Q2) with 0 or negative values indicates the model is not relevant to the prediction of a given endogenous factor.

Table 4.19 Test Results for Predictive Relevance (Q2)

	SSO	SSE	Q² (=1-SSE/SSO)
X1 (Servant Leadership)	1,440.000	1,440.000	
Y (Innovation)	1,260.000	632.535	0.498
Z (Knowledge Sharing)	1,620.000	1,046.135	0.354

Source: Smart PLS Output (2020)

Based on the predictive relevance (Q2) calculation in table 4.19 which shows values of 0.354 and 0.498, it can be concluded that the model has the relevant predictive value.

2.5 Fit Model Evaluation

Evaluation of model fit in this study was carried out using two testing models including the standardized root mean square residual (SRMR) and the normal fit index (NFI) proposed by Hu and Bentler (1998) in Ramayah et al. (2017) that the model will be considered to have a good fit if the standardized root mean square residual (SRMR) value is below 0.08.

Table 4.20 Model Fit Test Results

	Saturated Model	Estimated Model
NFI	0.687	0.687

Source: Smart PLS Output (2020)

Based on Table 4.20, the results of the study show that the value of the saturated model (measurement) fit and the value of the estimated model (structural model) fit have the same value. From these results it can be concluded that the model in this study has a good fit because it has a normal fit index (NFI) value indicating that the model in this study 69% (0.687) is better than the null model.

3. Hypothesis Testing Results

This hypothesis testing phase is carried out after the structural model evaluation phase is carried out. This stage is carried out to determine whether the research hypotheses submitted on the research model are accepted or rejected. To test the proposed hypothesis, it can be seen from the original sample and T-statistic values through the bootsrapping procedure. According to Helm et al. (2009) in Hair et al. (2014), the path coefficient values range from -1 to +1, where the path coefficient values close to +1 represent a strong positive relationship and the path coefficient value -1 indicates a strong negative relationship. Meanwhile, the limit of the t-statistic value to reject and accept the proposed hypothesis is ± 1.96, which if the t-statistic value is in the range of -1.96 and 1.96 then the hypothesis will be rejected or in other words accept the null hypothesis (H0).

Table 4.21 Hypothesis Testing Results Direct Effect

Path	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistic (|O/STDEV|)	P-Values
X1 > Z	0.764	0.768	0.045	17.039	0.000
X1 > Y	0.389	0.392	0.082	4.755	0.000
Z > Y	0.577	0.572	0.091	6.317	0.000

Source: Smart PLS Output (2020)

According to on Table 4.21, it can be seen that X1 has a positive and significant effect on Z. This is indicated by the results of tests between the two variables which indicate the existence of an original sample value of 0.764 which is close to +1 and has a T-Statistic value of 17,039 (> 1.96).

According to Table 4.21, it can be seen that X1 has a positive and significant effect on Y. This is indicated by the test results between the two variables which indicate the existence of an original sample value of 0.389 which is close to +1 and has a T-Statistic value of 4.755 (> 1.96).

According to Table 4.21, it can be seen that Z has a positive and significant effect on Y. This is indicated by the results of tests between the two variables which indicate the existence of an original sample value of 0.577 which is close to +1 and has a T-Statistic value of 6,317 (> 1.96).

Table 4.22 Hypothesis Testing Results Indirect Effects

Path	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistic (|O/STDEV|)	P-Values
X1 > Z > Y	0.440	0.438	0.072	6.093	0.000

According to table 4.22, it can be seen that the indirect relationship between X1 to Y through Z has a positive and significant effect. This is indicated by the results of tests between the two variables which indicate the existence of an original sample value of 0.440 which is close to the value of +1 and has a T-Statistic value of 6,093 (> 1.96).

V. Discussion

This study aims to determine the effect of servant leadership on innovation through knowledge sharing as a mediating variable at the small micro and mediaum enterprises furniture in East Jakarta. The exogenous variables assessed in this research model are servant leadership. While the endogenous variables assessed in this research model are knowledge sharing and innovation.Based on the results of data analysis done above, the calculation value of R-Square (R2) which shows how well the proposed research model is obtained From the calculation results (R2), it can be seen that the endogenous variables of product quality (Z) can be explained by exogenous variables namely service quality (X1) and discipline (X2) by 73% while the remaining 27% is explained by other exogenous variables. Meanwhile, the construct of customer satisfaction (Y) of 0.693 where these results indicate that endogenous variables of customer satisfaction (Y) can be explained by exogenous variables namely service quality (X1) and discipline (X2) and product quality (Z) by 69% while the rest 31% is explained by other exogenous variables.

In addition, the research model was found to have a predictive value that was relevant to the Q-Square (Q2) values of 0.354 and 0.498. Meanwhile, from these results it can be seen that the model in this study has a good fit because it has a normal fit index (NFI) value which shows that the model in this study is 69% (0.687) better than the null model.According to Capeda et. al. (2018), to analyze the effects of mediation it is necessary to see the change in influence from direct effects to indirect paths. There are three categories to analyze the effects of mediation according to Cepeda et al. (2018), namely no mediation effects, full mediation effects and partial mediation effects.

a. No Mediation

This analysis applies if the direct path (direct relationship) between exogenous and endogenous variables has a significant effect while the indirect path (mediated relationship) is not significant then it can be concluded that there is no mediating effect or only a direct effect.

b. Full Mediation

This analysis applies if the direct path (direct relationship) between exogenous and endogenous variables has insignificant influence while the indirect path (relationship through mediation) is significant, it can be concluded that the mediating variable plays a full role or is called full mediation.

c. Partial Mediation

This analysis applies if the direct path (direct relationship) between exogenous and endogenous variables has a significant effect while the indirect path (relationship through mediation) also has a significant effect, so it can be concluded that the mediating variable does not play a full role or is called partial mediation.

This data analysis has been carried out from the conceptualization stage of the model to testing the research hypothesis. The results of the analysis can show how the role of mediation carried out by knowledge sharing (Z) in the relationship of servant leadership (X1), and innovation (Y).

1. Servant Leadership influences Knowledge Sharing

Based on the test results on the influence of servant leadership on knowledge sharing has an original sample value of 0.764 which is close to +1 and has a T-Statistic value of 17,039 (> 1.96). so it can be concluded that the first hypothesis (H1) is accepted and servant leadership influences knowledge sharing. The results of

this study reinforce research conducted by Sial, Zulfiqar, Kousar, Habib (2015) which proves that servant leadership has a positive and significant effect on knowledge sharing.

2. Servant Leadership influences Innovation

Based on the test results on the influence of servant leadership on innovation has an original sample value of 0.389 which is close to +1 and has a T-Statistic value of 4.755 (> 1.96) so it can be concluded that the second hypothesis (H2) is accepted and servant leadership has a positive and significant effect on Innovation . The results of this study reinforce the research conducted by Dewi and Indrawati (2017) which proves that servant leadership has a positive and significant influence on innovation.

3. Knowledge Sharing influences Innovation

Based on the test results on the influence of knowledge sharing on innovation has an original sample value of 0.577 which is close to +1 and has a T-Statistic value of 6,317 (> 1.96) so that it can be concluded that the third hypothesis (H3) is accepted and knowledge sharing has a positive and significant effect on Innovation. The results of this study reinforce the research conducted by Maharani and Susanti (2015) which proves that knowledge sharing has a positive and significant influence on innovation.

4. Servant Leadership influences Innovation through Knowledge Sharing

Based on the test results on the influence of servant leadership on innovation through knowledge sharing has an original sample value of 0.440 which is close to +1 and has a T-Statistic value of 6,093 (> 1.96) so that it can be concluded that the fourth hypothesis (H4) is accepted and servant leadership has a positive and significant effect towards innovation through knowledge sharing.

VI. Conclusion

Based on the results of testing the hypotheses and the discussion presented in the previous chapter, a number of conclusions can be obtained as follows:

1. Servant leadership has a significant positive effect on knowledge sharing at at Small Micro Small and Medium EnterprisesFurniture Klender East Jakarta. This proves that the existing Servant leadership factor has a direct role in encouraging knowledge sharing at Small Micro Small and Medium EnterprisesFurniture Klender East Jakarta.
2. Servant leadership has a positive and significant effect on innovation at Klender Furniture in East Jakarta. This proves that the servant leadership factor that exists in the small micro and medium enterprisesfurniture Klender East Jakarta has a direct role to encourage innovation in the Small and Medium EnterprisesFurniture Klenderin East Jakarta.
3. Knowledge Sharing has a positive and significant effect on innovation in Lender Furniture in East Jakarta. This proves that the existing knowledge sharing factor has a direct role to encourage innovation in Small and Medium EnterprisesFurniture KlenderEast Jakarta.
4. Servant leadership has a positive and significant effect on innovation through knowledge sharing atSmall and Medium Enterprises Furniture Klende in East Jakarta. This proves that the knowledge sharing factor that exists in the Klender Furniture in East Jakarta Klender has a direct role in the relationship of servant leadership to innovation in the Small and Medium EnterprisesFurniture Klender in East Jakarta.

Suggestions

According to the results of the research conducted, the researchers provide some suggestions because this study still has some limitations from several aspects so it needs to be improved in further research, as follows:

1. Researchers suggest that small and medium enterprisesUMKM Furniture Klender East Jakarta to improve servant leadership factors, especially in the leadership of the type of person who is responsible for managing employees and their organizations, leaders in their organizations have not been fully accountable to them in managing employees.
2. The researcher suggests to the small and medium enterprisesFirnitureEast Jakarta Klender to increase the knowledge sharing factor especially the knowledge sharing factor among fellow employees who have not been fully voluntary or could be called commercially viable.
3. The researcher suggests to the thesmall and medium enterprises furniture Klender East Jakarta to increase the innovation factor especially the factor of employees voluntarily sharing knowledge with colleagues, because the information circulating in the organization can be obtained free of charge from colleagues within the organization and not fully commercial.

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