

Research Article

Hendri Kacaribu^{1*}, Ika Baskara²

The Effect of Compensation, Transformational Leadership on Work Engagement by Mediating the Behavior of Organizational Citizens in Insurance Broker Companies

*Corresponding Author: **Hendri Kacaribu**: Esa Unggul University, Indonesia; hendrikacaribu@yahoo.com
Ika Baskara: Esa Unggul University, Indonesia; ika.baskara@esaunggul.ac.id

Received: January 13, 2024; **Accepted:** January 25, 2024; **Online:** January 28, 2024 | DOI: <https://doi.org/10.47353/ijema.v1i8.91>

Abstract: *This study examines the factors that influence Work engagement in the insurance brokerage industry in Indonesia, where Compensation, transformational leadership are the independent variables, while Organizational Citizen Behavior is the mediation. The sample used was 360 respondents, collected through a questionnaire and measured with a 1-5 Linkert scale and analyzed using Structural Equation Modeling (SEM). This study found that Compensation, transformational leadership has a positive effect on Organizational Citizen Behavior in insurance brokerage companies, while Compensation, transformational leadership has a positive effect on Work engagement in insurance brokerage companies. Organizational Citizen Behavior also influences work engagement in insurance brokerage companies. In addition, this study also shows the results of the influence of Organizational Citizen Behavior mediation on the positive relationship of Compensation, transformational leadership on Work engagement in insurance brokerage companies. For future researchers, it is expected to add other factors that influence work engagement as well as industry and other analysis in order to add research insight. This research has implications for insurance brokerage companies to consider Compensation, transformational leadership, Organizational Citizen Behavior in order to be able to increase work engagement so that insurance brokerage company goals can be achieved effectively and well as expected. In addition, it is necessary to examine in more detail the relationship between Organizational Citizen Behavior and Work engagement in insurance brokerage companies in Indonesia.*

Keywords: *Compensation, transformational leadership, Organizational Citizen Behavior, Work engagement*

Introduction

Every organization has a goal not only to select the right people for the right jobs, but also to attract and retain employees in the organization. Employees are one of the main assets of every organization (Siddiqui and Sahar, 2019). The superior abilities of employees are not only a reference for being able to survive in competition, this is what underlies an organization's need for employees who are well involved in their work (Didik and Herawati, 2021). Work engagement is a phenomenon that has occurred a lot in various industries in the world today. Because of the great potential for work engagement to drive organizational prosperity, organizations need to pay attention to the work engagement of their employees (Wood et al., 2020). Apart from that, companies must also consider the impact of other factors that can influence employee work engagement such as salary, leadership in the organization, and even organizational behavior on employee interest in their work.

One way for organizational management to increase employee engagement can be through compensation. A good organization must have a good compensation management system and be able to increase work engagement in the organization (Robianto et al., 2020). Compensation is a factor that greatly influences employees. Therefore, it is hoped that companies can provide fair compensation so that employee involvement increases in achieving company goals (Reny et al., 2021). Compensation is important for employees as individuals because the amount of compensation reflects the magnitude of their work, including the employees themselves, their families and the community (Fauzin, et. al., 2020). The

compensation system in organizations is used to motivate employees both in terms of supervision, work performance and commitment to the company (Ali, 2020). Compensation can also be given in various forms such as salary, allowances or recognition and appreciation for employee work results which can also increase work engagement with the company (Robianto et al., 2020).

Today, organizations face a competitive business environment where managers, as leaders, must influence employees, respecting their feelings and morale, to obtain high performance, participation and engagement (Šakić and Tandır, 2019). The leadership component is equally important, because there is no organization without a leader, and an organization without a leader moves in a disorganized manner and appears to have no purpose. (Rozi et al., 2021). Every leader has their own leadership style, strategies, and practices, and instead of trying to follow a strict model of how to lead properly, they should aim to strengthen and build on their unique approach. (Martin, 2020). Sultoni et al. (2020) revealed that transformational leadership is able to motivate subordinates to do more than what is usually expected according to their capacity.

The success of an organization is if its members not only carry out their main tasks, but are also willing to carry out extra tasks, such as a willingness to work together, help each other, provide input, play an active role, provide extra services, and want to use their work time effectively (Robbins and Judge, 2019). Furthermore, Anwar (2021) stated that Organizational Citizen Behavior is extra behavior from a person that is beneficial for the organization. Organizational Citizen Behavior is also a unique aspect of individual activities at work and is a habit or behavior that is carried out voluntarily, is not part of formal work, and is indirectly recognized by the reward system. Therefore, Organizational Citizen Behavior is known to increase the effectiveness, efficiency and performance of an organization (Podsakoff et al., 2000; Anwar, 2021).

Based on the results of research conducted by previous researchers regarding compensation and work engagement, such as research conducted by Chawla et al. (2017) who conducted research related to rewards on work engagement among 653 employees of public companies in India. The results of his research show that compensation can increase employee work engagement in public companies in India. Fauchil et al., (2020), who conducted research related to remuneration on work engagement of 80 manufacturing employees, where the conclusions showed that remuneration was able to strengthen work engagement of manufacturing employees. Abdullahi et al. (2020) transformational leadership, on Organizational Behavior in 618 employees of small and medium companies in Ghana, where the conclusions show that transformational leadership is able to strengthen work engagement of small and medium employees in Ghana.

Based on the results of research conducted by Chawla et al. (2017); Fauchil et al., (2020); Abdullahi et al. (2020), previously related to transformational leadership, Psychological well-being, Organizational Citizen Behavior and employee performance showed mixed results. However, previous research only discussed the relationship between compensation, transformational leadership and work involvement abroad. Apart from that, previous researchers have not integrated it, besides that the interface mentioned in previous research was not tested in the Indonesian context. So this research will explore the impact of compensation, Transformational Leadership on work engagement. The mediating effect of Organizational Citizen Behavior on the relationship between Compensation, transformational leadership, and work engagement was also examined in this research. So far, there has been no empirical work looking at this relationship in the Indonesian context. Apart from that, it is important to carry out this research in the

brokerage and insurance services industry in Indonesia with research in 2023. For this reason, all potential opportunities need to be captured and utilized to achieve better work engagement.

From the results of the explanation above, the aim of this research is to test and find out the influence that is formed from the relationship between Compensation, Transformational Leadership on work engagement and Organizational Citizen Behavior as a mediating variable. Apart from that, this research is used as evaluation and correction material for management of brokerage and insurance service companies in Indonesia so that they can see the influence of Compensation, Transformational Leadership on work engagement and Organizational Citizen Behavior as mediating variables in brokerage and insurance companies in Indonesia and can determine appropriate policies. Meanwhile, for other parties involved, this research can be used as reference material for analysis and learning to measure the influence of variables, so that it can provide great benefits to society.

Literatur Review

Compensation

Wekesa and Nyaroo (2013) define compensation as any form of payment or reward given to employees arising from work. Compensation is one of the basic reasons for employees to look for work. Milkovich et al. (2013) argue that compensation refers to all forms of financial returns and real benefits that an employee receives as part of his employment contract.

The definition of compensation is all forms of payment not including financial benefits, but refers to direct financial compensation and indirect financial compensation (Mathis and Jackson, 2019). Compensation can also be interpreted as an award given to employees which influences employee work engagement. Compensation that is given fairly can improve the quality of employee work engagement (Setyawan et al., 2021).

Transformational Leadership

Transformational Leadership is defined as the behavior adopted by a leader to influence his followers and achieve organizational goals. It has become an interest of researchers to expand the knowledge of the scientific community (Santiago et al., 2021). According to Manoppo (2020), Transformational Leadership is a process in which leaders and followers help each other to progress to a higher level of moral and motivation, in addition Transformational Leadership is idealized in the sense that they are a moral example of working towards the benefit of the team (Manoppo, 2020). Transformational Leadership according to Trivedy (2019) is a process where the effort is to examine the concept from the changing and evolutionary time perspective that world management is targeting; and what leadership needs to do to survive. Flexible leadership adopts a participation type of management with an emphasis on employee communication and appreciation (Kishen et al., 2020).

Organizational Citizen Behavior

Organizational Citizen Behavior is always an important thing that always has phenomenal meaning for the organization. Organizational Citizen Behavior is extra individual behavior, which is not directly or explicitly recognized in the formal work system, and which can increase the effectiveness of organizational functioning in aggregate (Organ, 1988; Rita et al., 2018). Organizational Citizen Behavior is a type of discretionary employee behavior that results in “maintenance and enhancement of the social and

psychological context that supports task performance” (Organ, 1997; Singh and Singh, 2019) and is considered an important tool of organizational and long-term performance.

According to Aprilda et al. (2019), Organizational Citizenship Behavior (OCB) is defined as work-related behavior directed at individuals or the organization as a whole outside of formal organizational behavior to encourage efficiency and effective organizational operations. According to Dubey et al. (2020), Organizational Citizen Behavior can be defined as 'contribution to the continuation and facilitation of the social and psychological environment that directly influences task performance in a significant way'. Individuals in organizations sometimes express certain behaviors that go beyond their assigned tasks (Dubey et al., 2020).

Work Engagement

Work engagement is a positive, motivating, and work-related state of mind characterized by enthusiasm, dedication, and absorption (Mostafa and El-Motalib, 2020). Engagement is a positive feeling associated with a situation that is characterized by sincerity, dedication, and appreciation (Robianto et al., 2020). Meanwhile, employee work involvement means involving all employees without differentiating levels in the process of making decisions and solving problems in the organization. Employee work involvement means positive compatibility between employees and their profession (Didik and Herawati, 2021).

Employee work involvement can be formed if there is a sense of suitability for each individual in the organization which is influenced by positive and negative situational influences both from the profession and between employees. Employee work engagement increases if employees have good job satisfaction. This sense of suitability can give employees the decision to stay (Reny et al, 2021). Based on Kahn's (1990) theory, work engagement is a motivational concept, because employees allocate personal resources to their work tasks (Decuyper and Schaufeli, 2020). According to Kahn (1990), work engagement means that employees are (1) physically engaged, (2) cognitively alert, and (3) empathetically connected to others on the work floor.

Hyphoteses Development

The Relationship of Compensation to Organization Citizen Behavior

Compensation can play a role in improving work performance and job satisfaction. If compensation is felt to be appropriate to ability and productivity and is related to work performance, it will be able to adjust to individual needs. Compensation can be given as a form of appreciation for the services and contributions provided by employees. The award is not only in the form of money but can be in the form of goods either given directly or indirectly. More than that, compensation is not just a free gift, but rather a payment or reward received during work (Dessler, 2016). Chawla et al. (2017) who conducted research related to rewards on Organizational Citizen Behavior, showed that compensation was able to increase employee Organizational Citizen Behavior. Fauchil et al., (2020), conducted research related to remuneration on Organizational Citizen Behavior, where the results showed that compensation had a positive effect on Organizational Citizen Behavior. Based on a number of studies, it can be concluded that:

H1: Compensation has a positive effect on Organizational Citizen Behavior

The Relationship of Transformational Leadership to Organization Citizen Behavior

There is a general consensus that transformational leaders have the ability to push employees beyond narrow personal interests in pursuit of a shared mission (Khaola and Coldwell, 2019) with implications for superlative performance for the organization. Moreover, based on social exchange theory, it is conceivable that an ordinary employee could easily reciprocate quality leadership by engaging in Organizational Citizen Behavior. Employees who are sensitive to a leader's leadership style tend to respond with personal behavior that is consistent with the way they are treated by leadership. Previous empirical research has also found a positive relationship between transformational leadership and Organizational Citizen Behavior. Research related to transformational leadership on Organizational Citizen Behavior, such as research conducted by Hendijani Fard et al. (2020); Khaola and Rambe (2021); Praditya et al. (2021); Tania et al. (2021); Lee et al. (2018), reported a positive relationship between transformational leadership and individual-level follower performance across various types of criteria, including contextual performance (OCB). Based on this explanation, the following hypothesis can be proposed:

H2: Transformational Leadership has a positive effect on Organizational Citizen Behavior

The Relationship between Compensation and Employee Work Engagement.

Compensation can be interpreted as the return that an organization provides for employee contributions. Financial and non-financial compensation has an influence on employee work engagement (Fauzin, et. al., 2020). High and fair compensation in accordance with employee contributions encourages increased job satisfaction (Sugiono et al., 2021). This compensation increases employee work involvement. This explains that the higher the suitability of the compensation received by employees, the more employee work engagement will also increase. This is in accordance with research conducted by Ashraf (2020); Fauchil et al. (2020); Robianto et al. (2020) which states that compensation has a positive effect on employee work engagement. Based on this explanation, the following hypothesis can be proposed:

H3: Compensation has a positive effect on Work Engagement

The Relationship of Transformational Leadership to Employee Engagement.

The relationship between transformational leadership and work engagement explains that when employees are treated in a fair and respectful manner by their leaders, they tend to think about their relationship with their leaders in terms of social exchange rather than economic exchange (Blau, 1964) adnan et al 2020. Besides Therefore, they tend to reciprocate by putting extra effort into their work, through increased work dedication and being willing to be more actively involved in work. When an employee has the freedom to make decisions and take actions without consulting a superior all the time, it can result in work engagement. Bellingham, (2003) states that transformational leaders want to empower employees through training and support and they want to give their employees the freedom to show initiative through responsibility and authority. The stronger the ethical leadership style, the stronger the employee's work engagement. This is in accordance with research conducted by (Tanjung et al., 2020); (Khaola & Rambe, 2021); (Aboramadan & Dahleez, 2020), which confirms that transformational leadership has a positive relationship with work engagement. Based on this explanation, the initial hypothesis that can be proposed is as follows:

H4: Transformational leadership has a positive effect on work engagement.

The Relationship between Organization Citizen Behavior and Employee Work Engagement

Employees who have good organizational behavior tend to provide maximum performance and work ethic. Positive Organizational Citizen Behavior will have a strong influence on work engagement. Employee work engagement will be very strong if organizational citizenship behavior is also in the positive category. A person with a good level of behavior at work and in his personal life tends to have positive feelings about work engagement, while a person who does not behave badly has negative feelings about work engagement. This is in accordance with research conducted by Chan et al. (2020); Yalabik et al. (2017); Håvold et al. (2021); Bayona et al., (2020); Manalo (2020); Yu et al. (2020) which states that Organizational Citizen Behavior has a positive effect on employee work engagement. Based on this explanation, the following hypothesis can be proposed:

H5: Organizational Citizen Behavior has a positive effect on Work Engagement

Mediation of Organization Citizen Behavior on transformational leadership compensation on Employee Work Engagement

According to Ampofo (2020) explains that when employees feel that the organization has provided them with resources to increase their level of work engagement in the organization, they tend to reciprocate by showing positive attitudinal results, such as behaving at work and participating in work involvement. Given the amount of accrued work resources (Zhang et al., 2019), highly engaged employees are unlikely to show negative attitudes such as work disengagement and job dissatisfaction, as they may perceive such attitudes as morally wrong after the help offered by the company (Ampofo, 2020). Based on this, the hypothesis proposed is:

H6: Organizational Citizen Behavior is able to mediate the positive influence of Compensation on Work Engagement.

H7: Organizational Citizen Behavior is able to mediate the positive influence of Transformational Leadership on Work Engagement.

Based on this framework, the research model includes:

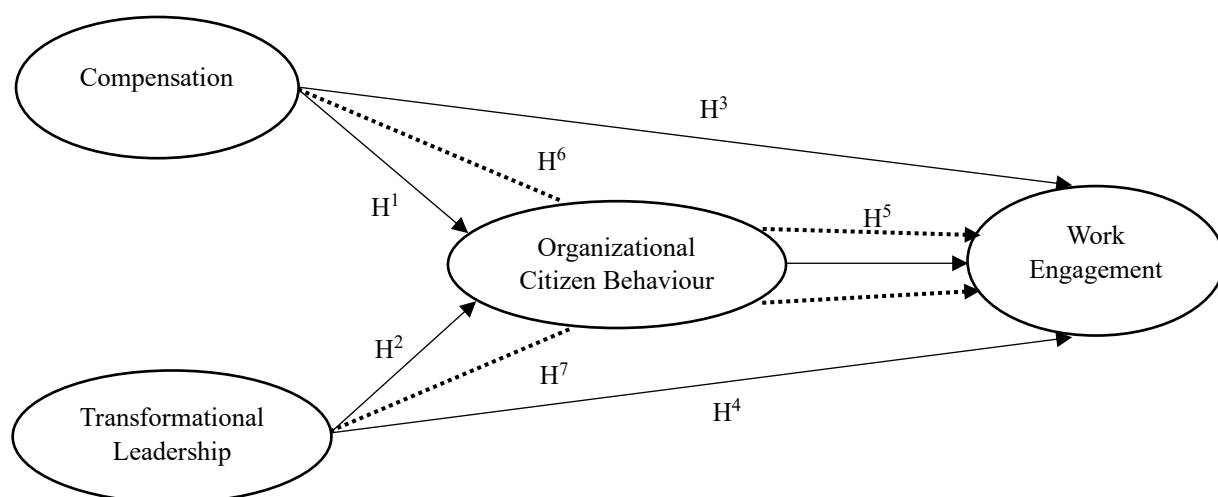


Figure 1. Research Model

Method

This research is a causal study between the independent variables, namely Transformational Leadership, Compensation and Organizational Behavior, and the dependent variable, namely work engagement. The measurements in this study used 2 independent variables, namely Transformational Leadership, using dimensions according to 12 questions and indicators, while Compensation used dimensions according to Negal et al 2014 and indicators with 5 questions. For the work engagement variable, dimensions according to (Ampofo, 2020) are used and indicators totaling 6 questions, Organizational Behavior mediation uses dimensions and indicators totaling 30 questions. In this measurement, researchers will distribute questionnaires using a 1-5 Linkert scale where score 1 is Strongly disagree, score 2 is Disagree, score 3 is neutral and score 4 is agree and score 5 is strongly agree.

The population of respondents in this study were employees of Insurance Brokers in the Jakarta area, with a total of 300 people. The reason for using the entire population as a sample is because it represents the entire population, because if the population is less than 300, then it is not representative of the sample for this study. A sample is a part of a population that has certain characteristics or conditions that will be studied by researchers. The sampling technique used in this research used a purposive sampling technique. This purposive sampling technique is determined by gender, education, position and working period for more than 1 year. The reason for using this purpose sampling technique is because it is suitable for use in quantitative research or research that does not carry out generalizations. According to (Hair et al., 2014) the sample size will be determined based on the results of the minimum sample calculation. Determining the minimum sample size for SEM is: (Number of indicators) x (5 times) Based on these guidelines, the minimum sample size for this research is: Maximum sample = $5 \times 53 = 265$ respondents. Based on the formula above, the minimum sample size in this research is 170 respondents.

After all the questionnaire results have been collected by the researcher, they will then be analyzed using Structural Equation Models (SEM), where SEM is a multivariate statistical technique that combines all aspects of factor analysis, path analysis and regression. so that the analysis results become more complete (Hair et al., 2018). One of the other advantages of SEM is the ability to model constructs as latent variables or variables that are not measured directly, but are estimated in the model from the variables that are measured and that are assumed to have a relationship with these variables - latent variables. SEM can also be considered as a combination of regression and factor analysis. Evaluation operations include determining the validity and reliability of instruments (confirmatory factor analysis), evaluating variable relationship models (path analysis), and creating hypothesis models (structural models and regression analysis). The results of data processing will be used as a reference in collecting information for users and stakeholders at the final stage (Raharjo & Santosa, 2020).

Result and Discussion

Based on the distribution of questionnaires carried out online, the data collected was 360 respondents, with 182 male respondents with a percentage of 51% and 178 female respondents with a percentage of 49%. Then 106 of them have SMA-SMK/D3 education, 195 people have Bachelor's Education Status, 40 people have Master's Education Status (S2) and 19 people have Doctoral Education Status (S3). Furthermore, the majority of respondents in this study were in the age range of 25 - 30 years as many as 135 people or 38%. Respondents in this study were dominated by respondents with the highest age being 25-30 years at 135 with a percentage of 38%, ages 30-35 at 85 with a percentage of 24%, ages 35-40 years

at 68 with a percentage of 19%, age >40 years was 37 with a percentage of 10% and the lowest age <25 years was 35 with a percentage of 10%. Next, out of 170 respondents or 47% have staff positions, then 97 respondents or 27% have supervisor positions. There were 58 manager positions or 16%, company leaders were 26 respondents and 4% and other nonstructural positions were 19 or 5%. The length of work demographic is dominated by employees with a service period of 1-5 years as many as 135 respondents or 38%, followed by a service period of 6-10 years as many as 87 respondents or 24%, < 1 year as many as 70 respondents or 20%, > 10 years as many as 66 respondents or 18%.

Outer Model Testing

To ensure the measurement is practical to use as a valid and reliable measurement, an outer model analysis was carried out (Hair et al, 2019). Links between latent variables and their indicators are examined in this model analysis. A number of markers, such as convergent validity, which states that an outer loading value between 0.5 and 0.6 is considered sufficient and that an individual's reflexive measure is said to be high if it has a correlation of > 0.6 with the construct to be assessed, can be reduced and used to analyze the model. outside. When a variable has a Cronbach's alpha value, it can be considered trustworthy and has discriminant validity and composite reliability. Because all indicators in this study have values above 0.6, it can be said that the relevant indicators have met the requirements of the outer loading test. The value of the formative weight indicator with the construct must be substantial (Hair et al. 2018). All outer loading test results were more than 0.6. All indicators have external loadings of more than 0.6, according to the test results. Then you can carry out further validity and reliability tests.

Validity tests were carried out to measure the extent to which compensation, transformational leadership and organizational behavior instruments affect the work engagement variable. It is about the extent to which the instrument truly reflects the concept or variable under study.

Table 1. Validity and Reliability Test

	Cronbach's Alpha	Rho. A	Composite Reliability	Average Variance Extracted (AVE)
Compensation	0,952	0,966	0,957	0,631
Organizational Behavior	0,866	0,872	0,899	0,598
Transformational Leadership	0,955	0,959	0,959	0,508
Work Engagement	0,965	0,966	0,968	0,502

Source: Researcher-processed data findings, 2023

According to Hair et al. (2021), that the minimum values for Cronbach Alpha (0.6), rho-A (0.6) and Composite Reliability (0.6). The reliability test output shows the results for the compensation variable with a Cronbach Alpha value of 0.952, rho-A of 0.966, and Composite Reliability of 0.957. For the organizational behavior variable, the Cronbach Alpha value is 0.866, rho-A is 0.872, and Composite Reliability is 0.899. Next, the transformational leadership variable has a Cronbach Alpha value of 0.955, rho-A of 0.959 and Composite Reliability of 0.959. Then, the work engagement variable has a Cronbach Alpha value of 0.965, rho-A of 0.966, and Composite Reliability of 0.968. All variables have values that exceed the threshold of each criterion (Cronbach Alpha, rho-A and Composite Reliability). This shows that the research model has met the validity and reliability tests so that it can be continued in the next model estimation.

In testing convergent validity, the model is seen from the Average Variance Extracted value. A model is declared to have met convergent validity if it has a value of more than 0.5. The Average Variance Extracted value in this research model is summarized in the table below. Based on the Average Variance Extracted (AVE) results, it shows that the compensation variable has an AVE of 0.631, organizational behavior has an AVE of 0.598, transformational leadership has an AVE of 0.508, work engagement has an AVE of 0.502, so that in this research it has met the requirements for convergent validity having a value of more than 0.5 and the next test can be carried out.

To find out whether multicollinearities occur or not, a multicollinearities test is carried out which is tested based on the Variance Inflation Factor value which does not exceed a value of <10. Based on the output, the maximum value of the Variance Inflation Factor (VIF) is 2.568, which means that all indicators have a VIF value below the specified limit < 10 and are declared free from symptoms of multicollinearities.

The R-Square organizational behavior value shows a value of 0.155, where the variation in this mediating variable is influenced by the compensation variable, transformational leadership by 15.5%. Meanwhile, the work engagement variable has an R-Square value of 0.705, which means that the variation represented by the compensation variable, transformational leadership is 70.6%, the remaining 29.4% is influenced by other variables outside this research.

Inner Model Testing

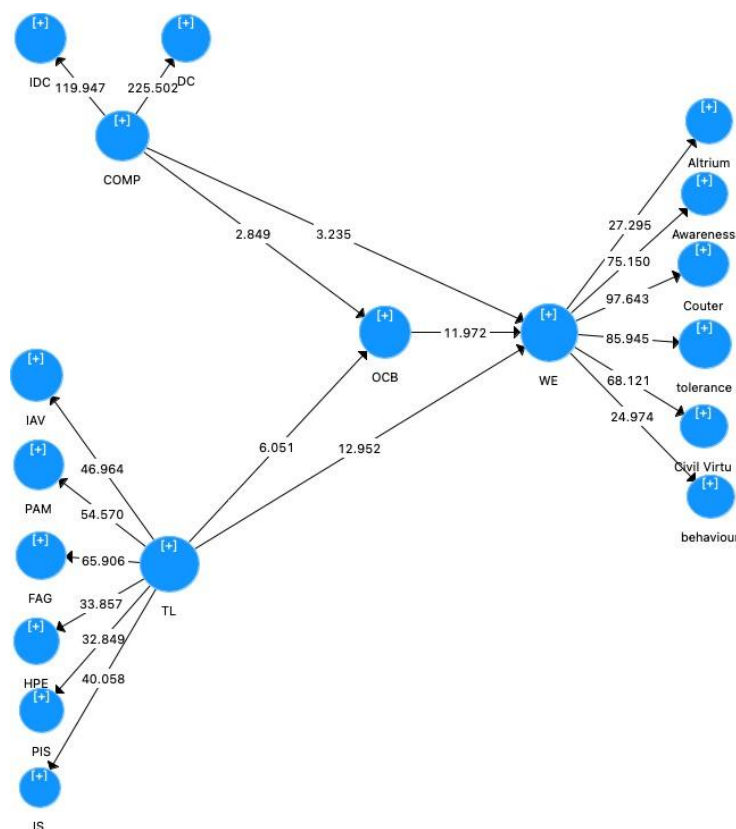


Figure 2. Path Diagrams

Based on the results of the structural equation models (SEM) analysis that has been carried out, as well as based on the results of the path analysis that has been obtained, it can be concluded that all

hypotheses are accepted because they have P-Values < 0.005, so the results of this research hypothesis are as follows:

Table 2. Research Hypothesis

Hypothesis	T Statistics	P Value	Results
H ₁ : Compensation has a positive effect on Organization. Citizen Behavior	2,002	0,046	Accepted
H ₂ : Transformational Leadership has a positive effect on Organizational Citizen Behavior	4,888	0,000	Accepted
H ₃ : Compensation has a positive effect on Work engagement	2,537	0,011	Accepted
H ₄ : Transformational Leadership has a positive effect on Work Engagement	11,934	0,000	Accepted
H ₅ : Organizational Citizen Behavior has a positive influence. on Work Engagement	12,301	0,000	Accepted
H ₆ : Organizational Citizen Behavior is able to mediate positive effect of Compensation on Work Engagement	2074	0,039	Accepted
H ₇ : Organizational Citizen Behavior is able to mediate the positive influence of Transformational Leadership on Work Engagement.	5,060	0,000	Accepted

Source: Researcher-processed data findings, 2023

The first finding in this research is that fair and adequate compensation can make employees feel valued and recognized for their contributions. This can increase job satisfaction levels and help create a climate where employees are more likely to engage in positive behaviors that go above and beyond the demands of the job. Employees who feel that they receive compensation commensurate with their efforts and contributions are likely to feel that they are indebted to the organization. As a result, they may be more likely to engage in voluntary behavior that supports the organization. Good compensation can increase employee loyalty to the organization. Insurance brokerage company employees who feel appreciated and treated fairly tend to be more loyal to the insurance brokerage company and may be more likely to engage in OCB. Appropriate compensation can help form a psychological bond between employees and the organization. Employees who feel emotionally or psychologically attached to the organization tend to be more motivated to do things that are beneficial to the insurance broker company. Employees who are satisfied with their compensation and feel they are treated well are more likely to feel attachment to an insurance brokerage company. Employees who feel connected have a higher tendency to commit OCB. This research is in line with research conducted by Chawla et al. (2017), Fauchil et al., (2020) where the conclusions show that compensation has a positive effect on Organizational Citizen Behavior.

The second finding is that Transformational leaders often use vision and inspiration to guide employees so that employees feel motivated by a clear vision and goals, so they tend to be more motivated to carry out voluntary behavior that supports the organization. Transformational leaders often act as good examples and demonstrate positive behavior. This can motivate employees to imitate such behavior, including OCB. So transformational leadership provides emotional support and recognition to employees. This can make employees feel valued by the insurance brokerage company, which can motivate them to carry out OCB. The leadership style applied by insurance brokerage companies is able to promote employee personal and professional development. Employees who feel that leadership cares about their development

are more likely to participate in OCB. Transformational leaders at insurance broker companies encourage employees to think creatively and innovatively. Employees who feel supported in expressing their ideas tend to be more motivated to carry out OCB that contributes to insurance broker company innovation. Transformational leadership can help form emotional bonds between employees and leaders, as well as the organization. Employees who feel emotionally connected tend to be more motivated to carry out OCB. Apart from that, Transformational leadership also helps create a positive and collaborative work environment. This environment can encourage employees to engage in voluntary behavior that supports their colleagues and the organization. This research is in line with research conducted by Hendijani Fard et al. (2020); Khaola and Rambe (2021); Praditya et al. (2021); Tania et al. (2021); Lee et al. (2018), which explains the positive relationship between transformational leadership and individual-level follower performance across various types of criteria, including contextual performance (OCB).

The third result shows that fair and adequate compensation can create feelings of appreciation and recognition for the efforts of employees of insurance broker companies, besides that salaries that are commensurate with employee responsibilities and contributions can increase positive feelings towards work. Good compensation can be a financial motivator for employees to achieve higher goals and performance. Performance bonuses or incentives based on achievements can encourage insurance brokerage company employees to give their best. Adequate compensation can also help reduce financial stress and worry, which in turn can allow insurance brokerage company employees to be more focused and dedicated to their work. Appropriate compensation can be considered as a form of appreciation and appreciation from the insurance brokerage company for employee contributions. This can increase the feelings of appreciation and importance of insurance broker company employees, which in turn can increase work engagement of insurance broker company employees. Competitive compensation in the insurance brokerage industry can help organizations retain the best employees and prevent them from looking for opportunities elsewhere. This research is in line with research conducted by Ashraf (2020); Fauchil et al. (2020); Robianto et al. (2020) which states that compensation has a positive effect on employee work engagement.

The fourth result proves that Transformational leadership is a strong leadership style in influencing employee engagement at insurance broker companies. Transformational leaders tend to use a strong vision and goals to inspire and motivate insurance brokerage company employees. Insurance brokerage company employees who are inspired by a challenging and emotionally moving vision tend to feel more engaged in their work. Transformational leaders of insurance brokerage companies provide emotional support and recognition to employees. This is seen to create a positive work climate where insurance brokerage company employees feel valued and recognized, which in turn can increase the sense of engagement. Transformational leaders of insurance brokerage companies often build relationships based on trust and compliance, not just authority. This can encourage insurance brokerage company employees to feel responsibility for their work and feel involvement in achieving organizational goals. The transformational leadership style encourages employees to think creatively, innovatively, and develop new solutions. This can provide a challenge that encourages employees to feel involved and have a greater impact in their work. The transformational leadership style can also help form emotional bonds between employees and insurance broker companies. Employees who feel emotionally connected to the organization tend to be more motivated to contribute more. In addition, Transformational leaders often support employees' personal and professional development. An emphasis on growth and learning can increase a sense of engagement because employees feel that their work provides opportunities for growth. A transformational leadership

style can create a positive, inclusive and collaborative work environment. This environment can increase positive interactions between employees and contribute to work engagement. This research is in line with research conducted by Tanjung et al., (2020); Khaola & Rambe, (2021); Aboramadan & Dahleez, (2020), which confirms that transformational leadership has a positive relationship with work engagement.

The results of the fifth research on the influence of Organizational Citizenship Behavior (OCB) on work engagement are an interesting aspect in research on the relationship between the behavior of insurance broker company employees and their level of involvement in work. Insurance brokerage company employees who are actively involved in OCB tend to feel more connected to their organization. This can bring a sense of ownership and feeling like an important part of the organization, which can increase their involvement in the work. OCB, which involves voluntary and cooperative behavior, can create a positive and collaborative work climate. A positive work environment can improve insurance broker company employees' feelings about their work and help increase work engagement. Employees who participate in OCB can also often receive recognition and appreciation from coworkers and leaders. This recognition can increase feelings of being valued and important for insurance brokerage company employees, which in turn can increase their motivation and engagement in their work. OCB often involves voluntary behavior and extra effort to support the organization and coworkers. Performing these behaviors may provide a sense of accomplishment and intrinsic satisfaction that can increase work engagement. Behavior Employees of insurance brokerage companies often involve themselves in helping coworkers and participating in teams. Increasing the quality of work relationships and positive interactions with coworkers can increase job satisfaction and work engagement. Insurance brokerage company employees who engage in OCB feel more like they have a meaningful role in the organization, rather than just performing routine tasks. This can increase their feelings of involvement in the work. This research is in line with research conducted by Chan et al. (2020); Yalabik et al. (2017); Håvold et al. (2021); Bayona et al., (2020); Manalo (2020); Yu et al. (2020) which states that Organizational Citizen Behavior has a positive effect on employee work engagement.

Final results in this research. In this research, Organizational Citizen Behavior acts as a mechanism that explains in part why better compensation can increase employee work engagement. Organizational Citizen Behavior also explains that increasing compensation can influence employees to participate in voluntary behavior that goes beyond job demands, such as helping coworkers, contributing to team initiatives, or sharing knowledge. These OCB actions can then lead to feelings of ownership of the organization, emotional bonds, and higher involvement in work. Better compensation can create feelings of appreciation and recognition for the efforts of insurance brokerage company employees. This may encourage insurance brokerage firm employees to feel valued and recognized by the organization, which in turn may encourage them to be more likely to participate in positive and voluntary organizational citizenship behaviors, such as helping coworkers, contributing to organizational initiatives, or sharing knowledge. Insurance brokerage firm employees who are actively involved in OCB tend to feel more connected to the insurance brokerage firm and their coworkers. This voluntary behavior can provide a sense of ownership and emotional attachment to the organization, which in turn can increase their level of engagement and enthusiasm for work. OCB serves as a bridge that explains how better compensation affects work engagement. Better compensation can influence OCB, and OCB influences work engagement. Part of the positive effect of compensation on work engagement can be explained through the role of OCB.

A transformational leadership style in insurance brokerage companies can inspire and motivate employees to carry out positive and voluntary organizational citizenship behavior. Leaders who practice

transformational leadership tend to create a work climate where insurance brokerage company employees feel valued and recognized, which can encourage insurance brokerage company employees to participate in OCB and tend to feel more connected to the organization and their coworkers. This voluntary behavior can provide a sense of ownership and emotional attachment to the organization, which in turn can increase the level of insurance brokerage company employees' engagement and their enthusiasm for their work. OCB functions as a bridge that explains how transformational leadership affects work engagement. Transformational leadership style influences OCB of insurance broker company employees, and OCB influences work engagement of insurance broker company employees. Therefore, part of the positive effect of transformational leadership on work engagement can be explained through the role of OCB.

Closing

Conclusion

Our study found that Compensation, transformational leadership has a positive effect on Organizational Citizen Behavior in insurance broker companies, while Compensation, transformational leadership has a positive effect on Work Engagement in insurance broker companies. Organizational Citizen Behavior also influences work engagement in insurance broker companies. Apart from that, this research also shows the results of the mediating influence of Organizational Citizen Behavior on the positive relationship between compensation and transformational leadership on work engagement in insurance broker companies. The findings of this research provide useful information for organizational development practitioners and researchers in understanding the relationship between compensation, transformational leadership, organizational citizen behavior and work engagement.

Limitation

The limitations in this research lie in several things, where the researcher realizes that there are many obstacles and difficulties in the data collection process. The number of respondents was one of the obstacles in collecting data because researchers needed 360 respondents who were employees of insurance broker companies in Jakarta and used a non-probability purposive sampling technique. The process of collecting data using a questionnaire also contains weaknesses. Not all respondents can be guaranteed to answer honestly and seriously to the questions asked. Researchers are unable to control the quality of answers, which makes it impossible to guide respondents to answer honestly according to actual conditions and understand the substance of the questions with correct understanding. Time and situation limitations. Data processing and report writing techniques are not optimal.

Suggestion

With all the existing limitations, it is hoped that the results of this research will be able to provide knowledge and insight, especially for the researchers themselves and generally for the general public and academics. Therefore, it is highly recommended that this research be continued by adding or replacing research variables other than this research so that it can enrich and provide more comprehensive results. Apart from that, further researchers can develop it in industries or organizations and have a wider coverage area.

Managerial Implications

This research was conducted to determine the extent of the influence of Compensation, transformational leadership, Organizational Citizen Behavior on work engagement in insurance broker companies. This research provides implications for insurance broker companies to consider compensation, transformational leadership, Organizational Citizen Behavior in order to be able to increase work engagement so that insurance broker company goals can be achieved effectively and well as expected. Apart from that, there is a need to examine in more detail the relationship between Organizational Citizen Behavior and Work Engagement in insurance broker companies in Indonesia. Meanwhile, brokerage companies need to look again at the impact of compensation on Organizational Citizen Behavior in their companies considering that there is no relationship between compensation and Organizational Citizen Behavior in this research.

References

- Abdullahi, A. Z., Anarfo, E. B., & Anyigba, H. (2020). The impact of leadership style on organizational citizenship behavior: does leaders' emotional intelligence play a moderating role? *Journal of Management Development*, 39(9–10), 963–987. <https://doi.org/10.1108/JMD-01-2020-0012>.
- Aboramadan, M., & Dahleez, K. A. (2020). Leadership styles and employees' work outcomes in nonprofit organizations: the role of work engagement. *Journal of Management Development*, 39(7–8), 869–893. <https://doi.org/10.1108/JMD-12-2019-0499>.
- Achmad Rozi, Bagaskoro, Joko Nugroho, Evalina, Jamalus, Denok Sunarsi, Vip Paramarta, M. (2021). Effect of Transformational, Transactional Leadership and Job Satisfaction: Evidence from Information Technology Industries. *Information Technology In Industry*, 9(1), 987–996. <https://doi.org/10.17762/itii.v9i1.232>.
- Ampofo, E. T. (2020). Mediation effects of job satisfaction and work engagement on the relationship between organisational embeddedness and affective commitment among frontline employees of star-rated hotels in Accra. *Journal of Hospitality and Tourism Management*, 44(April), 253–262. <https://doi.org/10.1016/j.jhtm.2020.06.002>.
- Anwar, A. (2021). Pengaruh Organizational Citizenship Behavior (OCB) terhadap Kepuasan Kerja dan Kinerja Karyawan. *Juripol (Jurnal Institusi Politeknik Ganesha Medan)*, 4(1), 35–46. <https://doi.org/10.33395/juripol.v4i1.10963>.
- Aprilda, R. S., Syah, T. Y. R., & Purwandari, D. A. (2019). Servant leadership, Organization Commitment and Job Satisfaction on Organizational Citizenship Behaviour. *Journal of Multidisciplinary Academic*, 03(04), 57–64.
- Ashraf, M. A. (2020). Demographic factors, compensation, job satisfaction and organizational commitment in private university: an analysis using SEM. *Journal of Global Responsibility* ©EmeraldPublishingLimited, 1–30. <https://doi.org/10.1108/JGR-01-2020-0010>.
- Bayona, J. A., Caballer, A., & Peiró, J. M. (2020). The relationship between knowledge characteristics' fit and job satisfaction and job performance: The mediating role of work engagement. *Sustainability (Switzerland)*, 12(6). <https://doi.org/10.3390/su12062336>.
- Book, L., Gatling, A., & Kim, J. (2019). The effects of leadership satisfaction on employee engagement, loyalty, and retention in the hospitality industry. *Journal of Human Resources in Hospitality and Tourism*, 18(3), 368–393. <https://doi.org/10.1080/15332845.2019.1599787>.
- Buana Muslim, B. L. B., & Moin, A. (2021). Ownership Structure, Debt Policy, and Financial Constraints.

- Sriwijaya International Journal of Dynamic Economics and Business, 5(1), 63–90. <https://doi.org/10.29259/sijdeb.v1i1.63-90>.
- Chan, E. S. S., Ho, S. K., Ip, F. F. L., & Wong, M. W. Y. (2020). Self-Efficacy, Work Engagement, and Job Satisfaction Among Teaching Assistants in Hong Kong's Inclusive Education. *SAGE Open*, 10(3). <https://doi.org/10.1177/2158244020941008>.
- Chawla, D., Dokadia, A., & Rai, S. (2017). Multigenerational Differences in Career Preferences, Reward Preferences and Work Engagement among Indian Employees. *Global Business Review*, 18(1), 181–197. <https://doi.org/10.1177/0972150916666964>.
- Choi, H. J. (2021). Effect of chief executive officer's sustainable leadership styles on organization members' psychological well-being and organizational citizenship behavior. *Sustainability (Switzerland)*, 13(24). <https://doi.org/10.3390/su132413676>.
- Decuyper, A., & Schaufeli, W. (2020). Leadership and work engagement: Exploring explanatory mechanisms. *German Journal of Human Resource Management*, 34(1), 69–95. <https://doi.org/10.1177/2397002219892197>.
- Dessler, G. (2016). *Fundamentals of human resource management*. Pearson.
- Dubey, P., Pathak, A. K., & Sahu, K. K. (2020). Correlates of workplace spirituality on job satisfaction, leadership, organisational citizenship behaviour and organisational growth: A literature-based study from organisational perspective. *International Journal of Scientific and Technology Research*, 9(4), 1493–1502. <https://doi.org/10.6084/m9.figshare.12141888>
- Fauchil, F. W., Didit, D. D., & Nikmah, N. R. S. (2020). The Role of Remuneration Contribution and Social Support in Organizational Life to Build Work Engagement. *Journal of Islamic Economics Perspectives*, 1(2), 20–32. <https://doi.org/10.35719/jiep.v1i2.24>.
- Ferozi, S., & Chang, Y. (2021). "Transformational Leadership And Its Impact On Employee Performance: Focus On Public Employees In Afghanistan." *Transylvanian Review of Administrative Sciences*, 63 E(63), 49–68. <https://doi.org/10.24193/tras.63E.3>.
- Hair, Joseph E, J. et al. (2014). *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*. SAGE Publications, Inc. California. USA.
- Hair, J. F., Black, W. C., Babin, B. J., Anderson, R. E., Black, W. C., & Anderson, R. E. (2018). *Multivariate Data Analysis*. <https://doi.org/10.1002/9781119409137.ch4> Håvold, O. K. S.
- Håvold, J. I., & Glavee-Geo, R. (2021). Trust in leaders, work satisfaction and work engagement in public hospitals. *International Journal of Public Leadership*, 17(2), 145–159. <https://doi.org/10.1108/IJPL-07-2020-0061>.
- Hendijani Fard, M., Asadi Damavandi, A., Mahdilouytazehkandi, A., & Asharin, M. (2020). Leadership and followers' organizational citizenship behaviour from the Islamic perspective (OCBIP). *Journal of Islamic Marketing*, 12(6), 1124–1144. <https://doi.org/10.1108/JIMA-02-2019-0036>.
- Khaola, P., & Rambe, P. (2021). The effects of transformational leadership on organisational citizenship behaviour: the role of organisational justice and affective commitment. *Management Research Review*, 44(3), 381–398. <https://doi.org/10.1108/MRR-07-2019-0323>.
- Kishen, Syah, T. Y. R., Anindita, R., & Kishen, Syah, T. Y. R., and Anindita, R. (2020). The Transformational Leadership effect on Job Satisfaction and Job Performance. *Journal of Multidisciplinary Academic*, 4(1), 47–51.
- Lee, Y. H., Woo, B., & Kim, Y. (2018). Transformational leadership and organizational citizenship behavior: Mediating role of affective commitment. *International Journal of Sports Science and Coaching*, 13(3),

- 373–382. <https://doi.org/10.1177/1747954117725286>.
- Manalo, R. A. (2020). The Mediating Role of Job Satisfaction on the Effect of Motivation to Organizational Commitment and Work Engagement of Private Secondary High School Teachers in Metro-Manila. *Review of Integrative Business and Economics Research*, 9(1), 133–159.
- Manoppo, V. P. (2020). Transformational leadership as a factor that decreases turnover intention: a mediation of work stress and organizational citizenship behavior. *TQM Journal*, 32(6), 1395–1412. <https://doi.org/10.1108/TQM-05-2020-0097>.
- Martin, J. (2020). Library Leadership Your Way. *Serials Librarian*, 78(1–4), 9–16. <https://doi.org/10.1080/0361526X.2020.1707022>.
- Mathis, R. L., & Jackson, J. H. (2019). Human Resource Management. In J. W. Calhoun (Ed.), *The Business Planning Tool Kit* (13th Editi). South-Western Cengage Learning. <https://doi.org/10.1201/9780367813932-14>.
- Milkovich, G. T., Newman, J. M., & Gerhart, B. (2013). *Compensation* (Tenth Edit). The McGraw-Hill Companies.
- Mostafa, A. M. S., & Abed El-Motalib, E. A. (2020). Ethical Leadership, Work Meaningfulness, and Work Engagement in the Public Sector. *Review of Public Personnel Administration*, 40(1), 112–131. <https://doi.org/10.1177/0734371X18790628>.
- Praditya, I. M. D., Sriathi, A., & Ardana, I. K. (2021). The Role of Organizational Commitments Mediating the Transformational Leadership on Employee 's Organizational Citizenship Behavior (OCB) of Resort Hotelin Bali , Indonesia During Covid-19 Pandemic. 4, 202–208.
- Rita, M., Randa Payangan, O., Rante, Y., Tuhumena, R., & Erari, A. (2018). Moderating effect of organizational citizenship behavior on the effect of organizational commitment, transformational leadership and work motivation on employee performance. *International Journal of Law and Management*, 60(4), 953–964. <https://doi.org/10.1108/IJLMA-03-2017-0026>.
- Robbins, S. P., & Judge, T. A. (2019). *Essential of Organization Behavior*. In H. Lamarre (Ed.), Pearson Education Limited (Fourteenth, Vol. 53, Issue 9). Pearson Education Limited. <https://lcn.loc.gov/2016022886>.
- Robianto, F., Masdupi, E., & Syahrizal. (2020). The Effect of Career Development, Compensation, Work Environment and Job Satisfaction on Work Engagement. *Advances in Economics, Business and Management Research*, Atlantis Press., 124(4), 737–748. <https://doi.org/10.2991/aebmr.k.200305.140>.
- Rosario Núñez, A., Marquez, E., Zayas, M., & López, E. (2020). Relationship between organizational citizenship and commitment in Puerto Rico banks. *International Journal of Sociology and Social Policy*, 40(7–8), 643–658. <https://doi.org/10.1108/IJSSP-02-2020-0028>.
- Santiago, Jaime, & Jaime. (2021). Impact of Authentic Leadership on Work Engagement and Organizational Citizenship Behavior: The Meditating Role of Motivation for Work. *International Journal of Economics and Business Administration*, IX(Issue 3), 3–31. <https://doi.org/10.35808/ijeba/716>.
- Siddiqui, D. A., & Sahar, N. (2019). The Impact of Training & Development and Communication on Employee Engagement – A Study of Banking Sector. *Business Management and Strategy*, 10(1), 23. <https://doi.org/10.5296/bms.v10i1.14592>.
- Singh, S. K., & Singh, A. P. (2019). Interplay of organizational justice, psychological empowerment, organizational citizenship behavior, and job satisfaction in the context of circular economy.

- Management Decision, 57(4), 937–952. <https://doi.org/10.1108/MD-09-2018-0966>.
- Sul-toni, A., Dieben, A., & Manurung, R. (2020). The Influences of Transformational Leadership, Intrinsic Motivation, and Psychological Well-Being towards the Employees Achievement on Work Performance at PT Krakatau Steel (Persero) Tbk. 5(2), 80–90.
- Tania, T., Haryadi, D., Mirza, W. W., & Khairusy, A. M. (2021). Improving employee performance with structural empowerment and transformational leadership through job satisfaction, organizational citizenship behavior and interpersonal trust (study at PT. BPRS Cilegon Mandiri). American Journal of Humanities and Social Sciences Research (AJHSSR), 5(11), 91–102.
- Tanjung, B. N., Rahman, Y., Budi-yanto, Badawi, Suryana, A. T., Sumar, W. T., Mufid, A., Purwanto, A., & Wardo. (2020). The influence of transformational leadership, job satisfaction and organizational citizenship behavior on the performance of Islamic school teachers. Systematic Reviews in Pharmacy, 11(7), 539–546. <https://doi.org/10.31838/srp.2020.7.78>.
- Trivedy, D. (2019). Our Classrooms: Perceptiveness and Its Implications for Transformational Leadership (first edit). Business Expert Press. www.businessexpertpress.com.
- Wekesa, J. N., & Nyaroo., S. (2013). Effect of Compensation on Performance of Public Secondary School Teachers in Eldoret Municipality Kenya. International Journal of Scientific and Research Publications, 3(6), 1–4.
- Wilson, M., Rwothumio, J., & Amwine, C. M. (2021). Compensation Management and Employee Wellbeing of Academic Staff in Ugandan Private Universities during COVID-19 Lockdown. Interdisciplinary Journal of Education Research, 3(1), 1–12. <https://doi.org/10.51986/ijer-2021.vol3.01.01>.
- Wood, J., Oh, J., Park, J., & Kim, W. (2020). The Relationship Between Work Engagement and Work–Life Balance in Organizations: A Review of the Empirical Research. Human Resource Development Review, 19(3), 240–262. <https://doi.org/10.1177/1534484320917560>.
- Yalabik, Z. Y., Rayton, B. A., & Rapti, A. (2017). Facets of job satisfaction and work engagement. Evidence-Based HRM, 5(3), 248–265. <https://doi.org/10.1108/EBHRM-08-2015-0036>.
- Yu, J., Ariza-Montes, A., Giorgi, G., Lee, A., & Han, H. (2020). Sustainable Relationship Development between Hotel Company and Its Employees: Linking Job Embeddedness, Job Satisfaction, Self-Efficacy, Job Performance, Work Engagement, and Turnover. Sustainability, 12(17), 7168. <https://doi.org/10.3390/su12177168>.

