Developing potential of female employees: The mediating role of engagement and citizenship behavior in servant leadership

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Abstract: Leadership is one of the important factors that ensured organizational achievement. Servant leadership offers a unique point of view on leadership which developed around the idea of service to subordinates. The implementation of servant leadership can lead to various positive outcomes, including increased engagement, organizational citizenship behavior, and improved performance. However, engagement and organizational citizenship behavior can serve as mediators to enhance organizational performance even further. The present study aimed to explore a prediction model of servant leadership using mediating variables such as employee engagement and organizational citizenship behavior, with employee performance as the outcome. The sampling method used was purposive sampling. This study used a structural equation model analysis approach to determine the predicted model of servant leadership. The research showed that the role of mediating variables indicated that employee engagement and organizational citizenship behavior had a positive effect in mediating the relationship between servant leadership and employee performance. The study indicated that applying servant leadership, with employee engagement, and organizational citizenship behavior as mediating variables would have an impact on better results of employee performance.

Keywords: servant leadership; employee engagement; organizational citizenship behavior; employee performance; women leader; female employee

1. Introduction

Amidst the COVID-19 pandemic, female leadership faces unique challenges, evident in the disproportionate impact on women in leadership roles (Krishnan, 2021). Burnout rates among women are notably higher, reflecting the added strain of caregiving responsibilities, particularly pronounced during periods of lockdowns and remote work arrangements (Khan et al., 2021; Tekkas Kerman et al., 2022). This burden is further compounded by the heavier representation of women in sectors most affected by the pandemic, such as healthcare, hospitality, and retail, which have experienced significant job losses and economic instability (Li et al., 2023; Pilukiene, 2023). In response to these challenges, organizations must prioritize strategic renewal, implementing supportive measures like flexible work arrangements and caregiver support initiatives that align with the principles of servant leadership (Oyewobi et al., 2022; Woodbridge et al., 2021). By fostering an environment conducive to female leadership empowerment and gender equity promotion, these policies not only mitigate the adverse effects of the pandemic but also enhance organizational resilience. Moreover, recognizing the importance of diversity in leadership teams, a cornerstone of servant leadership philosophy, is crucial for organizational decision-making and performance (Baker et al., 2021; Fulton, 2021; Mauchi et al., 2020). Thus, amidst the
challenges posed by the pandemic, the convergence of servant leadership principles with the imperatives of female leadership emerges as a pivotal area for organizational adaptation and success.

Research into female leadership and its impact on organizational outcomes is increasingly important as evidence suggests that the performance of female employees can rival that of their male counterparts. Studies have indicated that women possess higher levels of personal intelligence (Dhani and Sharma, 2017), collaboration readiness (Engelsberger et al., 2023), and work ethic (Ncube and Wasburn, 2006), contributing to their success in various workplace settings, leading to superior financial performance and innovation in organizations with more women in leadership roles. One significant aspect of female leadership is organizational citizenship behavior (OCB), where women excel in going beyond their job duties to benefit the overall well-being of the company (Robbins and Judge, 2018). By actively addressing organizational issues and offering valuable suggestions, female employees significantly contribute to organizational success (Allen and Jang, 2018; Mishra et al., 2020). Employee engagement is also crucial for organizational success, particularly among females, who are more likely to be motivated, creative, and committed to their work (Contreras et al., 2022). To foster engagement among female employees, organizations must cultivate a supportive work environment, provide growth opportunities, and recognize their contributions (Arshad et al., 2022). Overall, the need to nurture female employees and promote female leadership is evident, with research focusing on exploring the intersectionality of female leadership and servant leadership to enhance organizational effectiveness and foster gender equality in the workplace.

In recent literature reviews, Langhof and Güldenberg (2020) and Eva et al. (2019) explored the relationship between servant leadership and its impact on various organizational outcomes, resulting multiple output variables namely organizational citizenship behavior (OCB), employee engagement, and performance. Recognizing the critical interplay between servant leadership and these variables, we aim to elucidate their mediating roles in the relationship between leadership style and organizational effectiveness. Our comprehensive review highlights the significance of investigating how OCB and employee engagement function as mediating mechanisms in female-led organizations, despite limitations in accessing certain studies. By employing Boolean search techniques within Scopus databases, we identified a modest yet relevant pool of studies aligning with our research objectives, given the dearth of research specifically targeting female leaders. Consequently, we deliberately opted for a sample comprising exclusively female employees and leaders, enabling a nuanced examination of the interrelationships among servant leadership, organizational outcomes, and gender dynamics, thereby enriching the discourse on effective leadership practices in contemporary organizational settings.

Our study strategically explores the intersection of servant leadership and female leadership within the microfinance sector. This sector’s emphasis on financial inclusion and empowerment aligns closely with servant leadership principles. With women holding pivotal roles among both clients and leaders in microfinance institutions, we have a unique opportunity to examine female leadership dynamics. Operating in diverse and often underserved communities, the microfinance sector magnifies the potential impact of servant leadership principles on organizational
outcomes. By concentrating our research within this sector, we aim to uncover insights into how servant leadership practices influence employee performance and organizational effectiveness, especially within the context of women’s leadership roles. Additionally, our study seeks to address a gap in the existing literature, which predominantly focuses on women entrepreneurs in SMEs. By delving into the role of servant leadership within the microfinance sector, we aim to shed light on the unique challenges and opportunities faced by women leaders, offering actionable insights for enhancing leadership effectiveness and organizational performance. Ultimately, our research endeavors to contribute both theoretical knowledge and practical implications to the field of leadership studies.

2. Review of literature

2.1. Servant leadership

The words “servant” and “leader” have opposite meanings. When different contexts of meaning are combined into a situation it can result in a paradoxical condition, therefore, the basic idea of servant as leader is very logical and intuitive. The industrial revolution created conditions where employees were nothing more than a means to an end, and it wasn’t until the past few decades that this perspective began to change. Better standards in leadership applications began to take over when a new perspective put forward by Robert Greenleaf, Stephen Covey, Peter Senge, Max DePree, Margaret Wheatley, Ken Blanchard, and other experts began to introduce a better way of leading an organization. Robert Greenleaf’s work on servant leadership was the starting point for a new standard of leadership that profoundly affected people.

Servant leadership occupies a distinct and unique position among leadership theories. Research on management, conducted by Greenleaf (1970) and Spears (2002), has provided a clearer understanding of the principles and practices of servant leadership. Further research that has been conducted on servant leadership suggests that there are positive and related attributes and behaviors associated with servant leadership (Hale and Fields, 2007; Liden et al., 2008), which include positive behaviors and philanthropic associated behaviors. Greenleaf in his work introduced the term servant leadership in 1970, asserting that servant leadership is “servanthood in the first place”, “the naturally arising feeling that one wants to serve, as well as be useful and then consciously get others to step forward to lead” (Greenleaf, 1970). Serving the needs of their followers, organization, or community (van Dierendonck, 2011) is the main focus of a servant leader.

Traditional leadership will likely use power as a coercive factor in achieving organizational goals (Lemmergaard and Muhr, 2013). In contrast, servant leadership prioritizes giving back, taking care of, and solving problems experienced by subordinates. A positive impact on the organization and the external environment is expected to be shown by the followers. Leadership patterns that align with followers will encourage leaders to be more productive and increase the support needed by leaders. As new literature reviews on servant leadership emerge with positive results, this type of leadership takes shape as morally-based leadership begins to be considered.

While the existing literature on servant leadership offers valuable insights, there are several areas that warrant critical examination, especially in the context of female
employees and female leaders. Firstly, while the concept of servant leadership may intuitively resonate, its practical implementation and effectiveness in various organizational contexts, particularly those with gender disparities, require more examination. Questions arise regarding its applicability in hierarchical structures that may perpetuate gender biases and its potential challenges in environments where power dynamics disproportionately affect female employees and leaders. Secondly, while early proponents like Greenleaf emphasized the altruistic nature of servant leadership, there is a pressing need to evaluate its potential limitations and unintended consequences within the context of gender dynamics. This includes considering how servant leadership may inadvertently reinforce traditional gender roles or fail to address systemic barriers faced by female employees in accessing leadership opportunities. Additionally, while servant leadership is often contrasted with traditional leadership styles that may exhibit more masculine traits, a more nuanced understanding of its compatibility with different organizational cultures and leadership paradigms, particularly those conducive to female leadership, is necessary. This involves exploring how servant leadership can empower female leaders to challenge existing norms, foster inclusivity, and promote the advancement of women in leadership positions.

The selection of servant leadership as a theoretical framework for this study is based on its alignment with the specific characteristics of our sample, which consists of female employees led by female leaders. Based on servant leadership’s criteria which is nurturing and serving to others (Afridi et al., 2023; Dalain, 2023), it presents the compatibility of servant leadership with the traditionally expected nurturing and supportive roles associated with women (Faraz et al., 2023). Therefore, we feel that this type of leadership represents the ideal framework for examining the potential of female employees and their leadership capabilities. We incorporate the item for questionnaire from Liden et al. (2008). We believe that the items displayed is relevant and aligned with our research objectives. Liden et al. (2008) propose indicator for measuring servant leadership based on criteria of emotional healing, creating value for the community, conceptual skills, empowering, helping subordinates grow and succeed, putting subordinates first, behaving ethically, relationships, and servanthood. With thorough examination and thoughtful consideration, we have modified these measures to ensure their suitability for our particular research context and goals.

2.2. Employee engagement

Engagement in the workplace was conceptually first proposed by Kahn (1990) as a process of forming organizational members by focusing themselves physically, cognitively, and emotionally to understand their role in their jobs. Hackman and Oldham (1980) put forward a more traditional concept, which states that employees are motivated to work on the basis of the rewards and benefits provided. However, this concept has many shortcomings, where Kahn (1992) explains that a worker has high complexity, so the concept of providing rewards is a small part of the motivation or encouragement for employees to work. When an employee can perform at his or her best, most of the performance is a voluntary. Rewards are not the primary motivation for an employee to put forth their best effort. Kahn also added three psychological
conditions that encourage engagement in employees: meaningfulness, safety, and availability.

Engagement is one of the driving factors that come from the desire of the employee, this can be seen from the extent to which a person is willing to maximize his efforts in a job, willing to work hard, stay involved with all activities in the organization, always focus on his work, try always to be one step ahead in his work, and devote most of his energy in every action (Schaufeli and Bakker, 2004). Employee engagement is also defined as employees’ commitment and involvement in the organization and its values. Engaged employees know their responsibilities and motivate others to achieve organizational goals together. Employees’ positive behavior toward the work environment and its values is an emotional bond that these employees have toward their work. Engaged employees tend to perform their tasks very well (Anitha, 2014).

We selected employee engagement as a mediating variable in this study due to its significance and relevance in the context of leadership and employee performance. Research conducted by Eva et al. (2019) highlighted that employee engagement is the third most commonly measured outcome in studies on servant leadership, underscoring its importance. While turnover intention and creativity are also frequently discussed outcomes, we determined that turnover intention may not be sufficiently relevant to our research focus given the relatively low turnover rate observed within the organization. On the other hand, creativity also not suit with our research respondent characteristics, since the respondent is an employee in a micro funding institution where creativity might not be a primary focus. Therefore, we believe that employee engagement is the most suitable outcome measure for our study. We included survey items from Anitha (2014), and we are confident that these items are reliable and valid for evaluating employee engagement in our study. The indicators sourced from Anitha (2014) that we have included are work environment, leadership, team and co-worker, training and career development, compensation, organizational policies, and workplace wellbeing.

2.3. Organizational citizenship behavior

More than a decade and a half have passed since Bateman and Organ (1983) and Smith et al. (1983) came up with the term organizational citizenship behavior (OCB). Organ (1988) defines OCB as virtuous individual behavior related to the organization that does not require special acknowledgment from the reward system in the organization, even making the organization run effectively through this virtuous behavior. The virtuous behavior referred to is a personal choice taken by individuals without having to do it or even being forced by the organization as part of their employment contract so that this behavior is more voluntary and there is no punishment for negligence due to this behavior.

Organizational citizenship behavior (OCB) is a policy that arises from within an employee toward his work by maximizing his physical and psychological abilities to help the organization’s development without expecting more compensation (Robbins and Judge, 2018). The work done by employees tends to be voluntary, where employees have the self-awareness to help their organization by working more, even
outside of their obligations, by not expecting returns from their organization. Organizations that successfully form employee habits like this are successful in fostering their employees. Research results link OCB conditions as an impact of employee job satisfaction where employees who are more satisfied with their jobs are more likely to apply OCB (Lambert, 2010; Singh and Singh, 2018; Torlak et al., 2021; Weikamp and Göritz, 2016). OCB practices arise because of a sense of trust in employees supported by good relationships between employees and a positive personality allows employees to continue the OCB behavior. Another understanding of OCB is associated with employee behavior by identifying employee characteristics, namely employees being able to do special tasks, cooperate and help each other. OCB characteristics that can be directly seen in individuals such as helping solve coworker problems, adjusting work schedules to help coworkers, showing sincerity in helping coworkers, sharing resources with coworkers. Other OCB characteristics that lead to organizational performance are helping present the company’s image through self-behavior, expressing ideas for the good of the organization, being present in every organizational activity, and always developing their potential to help organization.

We are leveraging the organizational citizenship behavior theory to delve deeper into its connection with servant leadership. Building on previous research by Eva et al. (2019) which conducted a comprehensive review of multiple studies exploring the relationship between servant leadership, we discovered substantial evidence supporting that OCB is consistently measured as an outcome in investigations on servant leadership. We incorporate these findings and utilize them as the foundation for our study, aiming to further examine and understand the intricate link between servant leadership and OCB. Through this research, we aim to shed light on the potential of female employees and their leadership capabilities within the framework of servant leadership. We incorporated items questions from Organ (2005), which we believed is sufficiently reliable and valid for assessing organizational citizenship behavior in our study. The chosen indicators are also considered the most relevant to the context of our study and the characteristics of our respondents including altruism, conscientiousness, courtesy, sportsmanship, and civic virtue.

2.4. Employee performance

Employee performance is often associated with human resource management practices over the past few years (Huselid, 1995). Effective organizations have employees who are engaged or attached to their work that can contribute to organizational goals (Gruman and Saks, 2011). Employee performance management that can be managed properly by the organization is an important practice in increasing the organization’s competitive advantage to retain competent employees (Dessler, 1999).

Organizations realize that in a competitive and changing environment, the excellence and uniqueness of an organization can be a differentiator between one organization and another (Singh et al., 2021). Therefore, the important role of human resources, especially employee performance, is a strategic advantage that must be properly addressed (Wright and Snell, 1998). The existing performance-related literature categorizes employee performance into two parts, namely in-role and extra-
role (Brief and Motowidlo, 1986; Morrison, 1994; Williams and Anderson, 1991). In-role performance refers to the actions of employees to complete assigned tasks following their job description. Extra-role performance refers to actions taken outside of the job description that are mandatory duties and are the initiative or personal discretion of the employee (George and Brief, 1992).

The definition of performance (work performance) is a combination of quality and quantity achieved by employees in carrying out their functions in accordance with the responsibilities given to them. Al Mehrzi and Singh (2016) say performance is the overall result of an individual’s work within a certain time by looking at the tasks completed, meeting the standards successfully, the goals achieved, and fulfilling the criteria set by the organization. Yang et al. (2016) further explained that performance is employee activities that are being done and not being done. Anitha (2014) states that employee performance is a work plan that is structured and applied in such a way as to achieve final results in the work environment.

We recognize the importance of performance theory in our study as it provides valuable insights into the impact of servant leadership on employee performance within female-led teams. By employing this theory, we aim to gain a deeper understanding of how servant leadership, particularly in the context of female leaders, can positively influence and improve employee performance. We incorporated the items questions from Diamantidis and Chatzoglou (2018), which we believed is a comprehensive and reliable measure of employee performance that aligns with our research objectives. The indicators used to measure employee performance include proactivity, adaptability, intrinsic motivation, skill flexibility, commitment, and skill level.

2.5. Hypotheses development

2.5.1. Servant leadership and organizational citizenship behavior

Servant leadership stands as a distinctive leadership paradigm, portraying a leader who prioritizes serving the needs of their subordinates. Servant leadership differs significantly from traditional leadership methods, which typically entail giving orders and instructions. This type of leadership prioritizes the leader’s dedication to serving others first and foremost (van der Hoven et al., 2021). This unique leadership concept is rooted in the idea that leaders should actively serve their subordinates, fostering a sense of support and encouragement within the organizational hierarchy. One of the notable outcomes associated with servant leadership is the stimulation of Organizational Citizenship Behavior (OCB) among employees (Elche et al., 2020). OCB refers to discretionary actions and behaviors that extend beyond the formal job requirements and contribute to the overall welfare of the organization (Organ et al., 2005). When employees are inspired by leaders who exemplify servant leadership qualities, they are more likely to go above and beyond their prescribed duties, exceeding organizational expectations.

Ghalavi and Nastiezaie (2020) highlight that employees demonstrate OCB when they sense a responsibility to go above and beyond the established organizational duties. Servant leaders are vital in nurturing this sense of obligation, steering subordinates on integrating themselves into the organization. This resonates with
research findings showing a favorable correlation between servant leadership and OCB. For instance, research conducted by Elche et al. (2020), McCallaghan et al. (2020), and van der Hoven et al. (2021) consistently underscores the positive impact of servant leadership on strengthening organizational citizenship behavior. These studies contribute to the growing body of evidence supporting the idea that a servant leadership approach can serve as a catalyst for nurturing a workplace culture where employees willingly engage in behaviors that contribute positively to the organization’s well-being.

Drawing on these established theories, our study seeks to explore and further substantiate the relationship between servant leadership and OCB. By incorporating these foundational theories into our research framework, we aim to provide a nuanced understanding of how servant leadership practices influence the development and manifestation of OCB among employees. Therefore, we propose the first hypothesis:

- **H1:** Servant leadership has a positive effect on organizational citizenship behavior.

### 2.5.2. Servant leadership and employee engagement

Servant leadership, characterized by a focus on serving the needs of their followers, has attracted attention for its impact on employee behavior within organizations. This type of leadership emphasizes a selfless approach and actively seeks to prioritize the needs of subordinates. Empowering leadership is also influential in organizational psychology and complements servant leadership principles (Naqshbandi et al., 2018). Research shows that employees who experience empowering leadership are more engaged and motivated, showing willingness to go beyond job responsibilities for the benefit of the organization. This suggests that when leaders empower their subordinates, they contribute to creating a workforce that is not only involved but also motivated to proactively contribute to organizational objectives.

The attachment formed between leaders and employees, crucial for fostering an empowered and engaged workforce, is intricately linked to the leader’s behavior in serving their subordinates. Chen and Peng (2021), Mertel and Brill (2015), and Slack et al. (2020) collectively highlight the significance of leader behavior in providing the necessary support for employees to develop a sense of attachment. The willingness of leaders to serve their subordinates contributes to the formation of a strong bond, reinforcing employees’ commitment to organizational goals.

The second hypothesis is based on these theoretical principles, suggesting that the level of servant leadership behavior has a positive effect on employee engagement, which then influences their motivation to go above and beyond their job duties. This hypothesis is in line with previous research and aims to enhance our comprehension of the complex connection between servant leadership and employee engagement within the organizational setting.

- **H2:** Servant leadership has a positive effect on employee engagement

### 2.5.3. Employee engagement and organizational citizenship behavior

Employee engagement goes beyond simply fulfilling assigned tasks; it embodies a deep emotional investment and active involvement in organizational endeavors. This level of dedication is especially beneficial for organizations that prioritize strong connections with their employees, as it indicates a willingness to devote substantial
time and effort to the advancement of the organization’s goals. Understanding employee engagement in this light emphasizes the potential for engaged individuals to exceed expectations and make significant positive contributions to overall organizational performance.

Studies by Eissa et al. (2020), and Sun and Yoon (2022) highlight the strong correlation between employee engagement, organizational citizenship behavior, and their impact on overall organizational well-being. It has been found that engaged employees not only fulfill their job responsibilities but also actively contribute to additional tasks that benefit the organization as a whole. This heightened level of involvement is particularly evident when employees feel emotionally connected to their work, leading them to demonstrate OCB in an effort to strengthen their commitment towards the organization.

The third hypothesis posits that employee engagement has a positive effect on organizational citizenship behavior. This hypothesis aligns with established theories and empirical evidence, contributing to the growing body of knowledge on the relationship between employee engagement and proactive organizational citizenship behavior. By investigating this relationship within the context of the study, we aim to provide valuable insights that can inform organizational practices and deepen our understanding of how intricate dynamics shape employee behavior in the workplace.

- **H3:** Employee engagement has a positive effect on organizational citizenship behavior.

2.5.4. Employee engagement and employee performance

The connection between employees and an organization has a significant impact on their behaviors and outcomes at work. This bond is crucial for effectively using employees’ time and energy to fulfill their job responsibilities, contributing greatly to achieving organizational objectives. Positive employee engagement not only improves the work environment but also has a beneficial effect on employee performance.

The research conducted by Lechermeier et al. (2020), Obuobisa-Darko (2020), and Sugianingrat et al. (2019) underscores the significant influence of favorable employee engagement on overall effectiveness. When employees are emotionally committed and involved in their tasks, they are more inclined to demonstrate behaviors and conduct that support the success of the organization. This strong connection underscores the value of nurturing employee engagement as a strategic method for improving both individual and collective performance within an organizational context. The fourth research hypothesis, H4, suggests that engaged employees positively impact their performance. This aligns with current theories and empirical evidence, supporting the idea that engaged employees tend to perform better in their positions, ultimately improving organizational results.

- **H4:** Employee engagement has a positive effect on employee performance.

2.5.5. Organizational citizenship behavior and employee performance

Organizational Citizenship Behavior (OCB) reflects virtuous employee behavior within an organization, going beyond official job responsibilities. Employees demonstrating OCB engage in actions that exceed their assigned duties, frequently aiding colleagues in overcoming work-related obstacles. The display of OCB is linked to favorable results for both individual employee performance and the overall
organizational objectives.

Scholarly works by Choi (2020), Lavelle et al. (2021), and Walumbwa et al. (2020) underscore the significance of OCB in fostering a positive workplace environment and contributing to organizational success. These studies elucidate how employees demonstrating OCB enhance their own performance while concurrently advancing the collective goals of the organization. By voluntarily engaging in activities that promote teamwork, collaboration, problem-solving, as well as going above and beyond task requirements, these employees contribute to not only their personal growth but also significantly impact the overall effectiveness and efficiency of the organizational system through their dedication towards achieving common objectives. The fifth research hypothesis, H5, suggests that Organizational Citizenship Behavior positively influences employee performance. This is based on recognized theories and concrete evidence, underlining the beneficial impact of OCB on both individual and organizational results.

- **H5**: Organizational citizenship behavior has a positive effect on employee performance.

In Figure 1, we proposed a theoretical model for our research based on our understanding of each variable and their relationships. In the previously explained theory, we demonstrated that all variables are interconnected. Our unique contribution lies in referencing previous research by Eva (2019), which indicates variability in the outcome variables of servant leadership including organizational citizenship behavior, employee engagement, and performance. We posit that emphasizing organizational citizenship behavior and employee engagement can act as strengths and catalysts for improving performance.

![Organizational Citizenship Behavior](image)

**Figure 1.** Research hypothesis model.

### 3. Methodology

The data collection process was carefully executed to uphold the quality and credibility of our sample. An electronic survey, facilitated through Google Forms, was thoughtfully constructed by the researcher to cover each variable under investigation.
To ensure accessibility and inclusivity, questionnaire items were translated into Bahasa, aligning with respondents’ language preferences. Furthermore, to address specific research objectives and target gender-specific gaps in leadership research, a non-probability purposive sampling method was employed. This deliberate approach entailed the intentional selection of female employees, particularly those under the leadership of female leader, within the microfinance sector. Additionally, to enhance the precision and reliability of our sample, a screening question was integrated into the survey, prompting respondents to specify the gender of their leaders within the company. This step was instrumental in verifying participant alignment with our targeted demographic. After a specific period, we obtained 310 fully filled questionnaires from eligible respondents, establishing the foundation for our research data analysis. We also conduct pretesting on the questionnaire to verify its reliability and validity prior to commencing the primary data collection. Through this process, we aim to ensure that our measurements of latent variables maintain a high level of reliability and validity. The analysis conducted using the SPSS software revealed that all components of the questionnaire were found to be valid and reliable. This determination was supported by high Cronbach’s alpha coefficients as well as acceptable factor loadings.

Partial Least Squares based Structural Equation Modeling (PLS-SEM) was selected for our study due to its particular features, particularly in managing smaller research sample sizes (Hair et al., 2019). This selection aligns perfectly with the limitations posed by our limited resources and time constraints, as validated by the acquisition of 310 completed questionnaire responses. PLS-SEM’s suitability for complex and exploratory research makes it well-suited for our focus on investigating the mediating role of organizational citizenship behavior and employee engagement in enhancing servant leadership to enhance employee performance. The seamless coherence highlights the efficacy of PLS-SEM in fulfilling predictive and explanatory functions, unraveling intricate connections within our research framework. Moreover, the utilization of PLS-SEM allows us to simultaneously analyze multiple variables and examine complex yet relatively straightforward models within our research. This comprehensive approach ensures a thorough understanding of the leadership dynamics, organizational interactions, and employee experiences within the microfinance sector, providing valuable insights for both theory development and practical applications in this specific context (Dash and Paul, 2021).

The result of questionnaire responses tested if there was any bias or invalid items, and it did not demonstrate unusual results. Questionnaire items are further analyzed with PLS-SEM. In this research, the latent variable utilizes a Likert scale to obtain data, with a response format ranging from 1, representing “strongly disagree,” to 5, representing “completely agree” (Harpe, 2015). As previously mentioned, we propose a model for this research by testing the mediating effects of the latent variables of employee engagement and organizational citizenship behavior. The antecedent variable is servant leadership, and the outcome variable is employee performance. Using PLS-SEM, we fit the hypothesized model presented in Figure 1 into the PLS-SEM software. The results of the hypothesized model are presented in Figure 2.
4. Results

4.1. Convergent validity test

Table 1 summarizes the measurement model test results with the first order method on the full structural model using LVS (Latent Variable Score) data. All indicators (dimensions) have loading factors greater than 0.50, meaning all indicators are valid as measuring instruments. Then the acquisition of AVE values for all variables is greater than 0.5, indicating that each variable can explain more than 50% of the variance of the indicators. So, it can be concluded that the model has good convergent validity.

Table 1. Convergent validity test result.

<table>
<thead>
<tr>
<th>Construct</th>
<th>Indicator</th>
<th>Factor loading</th>
<th>Statistic</th>
<th>AVE</th>
<th>Result</th>
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<td></td>
<td>SL2</td>
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<td></td>
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<td></td>
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<td>SL5</td>
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Table 1. (Continued).

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<tr>
<td></td>
<td>OCB4</td>
<td>0.924</td>
<td>85.058</td>
<td>0.879</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>OCB5</td>
<td>0.803</td>
<td>20.148</td>
<td>0.844</td>
<td>Valid</td>
</tr>
<tr>
<td>Employee performance</td>
<td>EP1</td>
<td>0.914</td>
<td>69.575</td>
<td>0.804</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>EP2</td>
<td>0.928</td>
<td>82.819</td>
<td></td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>EP3</td>
<td>0.815</td>
<td>28.745</td>
<td></td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>EP4</td>
<td>0.910</td>
<td>71.223</td>
<td></td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>EP5</td>
<td>0.901</td>
<td>53.051</td>
<td></td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>EP6</td>
<td>0.906</td>
<td>65.935</td>
<td></td>
<td>Valid</td>
</tr>
</tbody>
</table>

4.2. Fornell-Larcker criterion

Table 2 demonstrates the root AVE value of the employee performance variable of 0.896 is higher than the highest correlation value of 0.870 between employee performance and organizational citizenship behavior. Then the root AVE value of the employee engagement variable of 0.904 is higher than the highest correlation value of 0.862 between employee engagement and organizational citizenship behavior. The root AVE value of the organizational citizenship behavior variable of 0.879 is higher than the highest correlation value of 0.870 between organizational citizenship behavior and employee performance. The root AVE value of the servant leadership variable of 0.766 is lower than the highest correlation value of 0.817 between servant leadership and employee engagement. These results show that almost all variables have an AVE root value higher than the highest correlation. It can be concluded that each construct has good discriminant validity.

Table 2. Fornell-Larcker criterion test result.

<table>
<thead>
<tr>
<th>Construct</th>
<th>Employee performance</th>
<th>Employee engagement</th>
<th>Organizational citizenship behavior</th>
<th>Servant leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee performance</td>
<td>0.896</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Employee engagement</td>
<td>0.803</td>
<td>0.904</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Organizational citizenship behavior</td>
<td>0.870</td>
<td>0.862</td>
<td>0.879</td>
<td>-</td>
</tr>
<tr>
<td>Servant leadership</td>
<td>0.778</td>
<td>0.817</td>
<td>0.799</td>
<td>0.766</td>
</tr>
</tbody>
</table>
4.3. Reliability test

Table 3 shows that each construct has a composite reliability (CR) value greater than 0.7 and the acquisition of a Cronbach’s Alpha value above 0.6, so it is reliable. This shows that each indicator has consistency in measuring its construct. Each construct is reliable if it has a composite reliability greater than 0.70.

Table 3. Composite reliability test result.

<table>
<thead>
<tr>
<th>Construct</th>
<th>Cronbach’s Alpha</th>
<th>Composite reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Servant leadership</td>
<td>0.911</td>
<td>0.927</td>
</tr>
<tr>
<td>Employee engagement</td>
<td>0.963</td>
<td>0.969</td>
</tr>
<tr>
<td>Organizational citizenship behavior</td>
<td>0.926</td>
<td>0.944</td>
</tr>
<tr>
<td>Employee performance</td>
<td>0.951</td>
<td>0.961</td>
</tr>
</tbody>
</table>

4.4. Full model visualization

Based on the test results with the PLS algorithm and bootstrapping method, the final full structural model results can be visualized as shown below in Figure 3.

4.5. Hypothesis test result

Table 4 shows the hypothesis result from our research as follows.

Table 4. Hypothesis result.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Variable</th>
<th>Path</th>
<th>T Statistics</th>
<th>P Values</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Servant leadership → Organizational citizenship behavior</td>
<td>0.285</td>
<td>5.283</td>
<td>0.000</td>
<td>H1 supported</td>
</tr>
<tr>
<td>2</td>
<td>Servant leadership → Employee engagement</td>
<td>0.817</td>
<td>41.302</td>
<td>0.000</td>
<td>H2 supported</td>
</tr>
<tr>
<td>3</td>
<td>Employee engagement → Organizational citizenship behavior</td>
<td>0.629</td>
<td>11.809</td>
<td>0.000</td>
<td>H3 supported</td>
</tr>
<tr>
<td>4</td>
<td>Employee engagement → Employee performance</td>
<td>0.203</td>
<td>1.992</td>
<td>0.023</td>
<td>H4 supported</td>
</tr>
<tr>
<td>5</td>
<td>Organizational citizenship behavior → Employee performance</td>
<td>0.695</td>
<td>9.167</td>
<td>0.000</td>
<td>H5 supported</td>
</tr>
</tbody>
</table>
4.6. Discussion

Our findings regarding organizational citizenship behavior and employee engagement as mediating variables show a positive influence on employee performance, where servant leadership as an antecedent variable is able to provide direct and indirect effects as shown in the Table 5.

Table 5. Mediating test result.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Path</th>
<th>T Statistics</th>
<th>P Values</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td>Servant leadership $\rightarrow$ Organizational citizenship behavior</td>
<td>0.285</td>
<td>5.283</td>
<td>0.000</td>
</tr>
<tr>
<td>Indirect</td>
<td>SL $\rightarrow$ EE $\rightarrow$ OCB</td>
<td>0.514</td>
<td>10.607</td>
<td>0.000</td>
</tr>
<tr>
<td>Total</td>
<td>SL $\rightarrow$ OCB</td>
<td>0.799</td>
<td>36.011</td>
<td>0.000</td>
</tr>
<tr>
<td>Direct</td>
<td>Employee engagement $\rightarrow$ Employee performance</td>
<td>0.203</td>
<td>1.992</td>
<td>0.023</td>
</tr>
<tr>
<td>Indirect</td>
<td>EE $\rightarrow$ OCB $\rightarrow$ EP</td>
<td>0.437</td>
<td>7.875</td>
<td>0.000</td>
</tr>
<tr>
<td>Total</td>
<td>EE $\rightarrow$ EP</td>
<td>0.641</td>
<td>9.032</td>
<td>0.000</td>
</tr>
<tr>
<td>Direct</td>
<td>Servant leadership $\rightarrow$ Employee performance</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Indirect</td>
<td>SL $\rightarrow$ EE $\rightarrow$ EP</td>
<td>0.166</td>
<td>1.951</td>
<td>0.026</td>
</tr>
<tr>
<td>Total</td>
<td>SL $\rightarrow$ OCB $\rightarrow$ EP</td>
<td>0.198</td>
<td>4.277</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>SL $\rightarrow$ EE $\rightarrow$ OCB $\rightarrow$ EP</td>
<td>0.357</td>
<td>7.910</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>SL $\rightarrow$ EP</td>
<td>0.722</td>
<td>19.465</td>
<td>0.000</td>
</tr>
</tbody>
</table>

The data presented in Table 5 indicates that employee engagement significantly mediates the relationship between servant leadership and organizational citizenship behavior. This is evidenced by the path coefficient of 0.514 and a statistically significant $t$-value of 10.607 and $p$-value of 0.000. Furthermore, the total effect of servant leadership on organizational citizenship behavior (0.799) is greater than its direct effect (0.285), indicating that employee engagement positively contributes to increasing the impact of servant leadership on organizational citizenship behavior. Thus, as servant leadership increases, it positively impacts employee engagement, which in turn leads to an increase in organizational citizenship behavior. These findings are consistent with previous research that has demonstrated the positive impact of servant leadership on both employee engagement and organizational citizenship behavior (Liden et al., 2014; Walumbwa et al., 2020).

Meanwhile, another data indicates that organizational citizenship behavior significantly mediates the relationship between employee engagement and employee performance. This is evidenced by the path coefficient of 0.437 and a statistically significant $t$-value of 7.875 and $p$-value of 0.000. Furthermore, the total effect of employee engagement on employee performance (0.641) is greater than its direct effect (0.203), indicating that organizational citizenship behavior positively contributes to increasing the impact of employee engagement on employee performance. Thus, as employee engagement increases, it positively impacts organizational citizenship behavior, which in turn leads to an increase in employee performance. These findings are consistent with previous research that has demonstrated the positive impact of employee engagement on both organizational citizenship behavior and employee performance (Anitha, 2014; Gruman and Saks,
The final data in Table 5 indicates that both employee engagement and organizational citizenship behavior significantly mediate the relationship between servant leadership and employee performance. This is evidenced by the path coefficient of 0.357 and a statistically significant t-value of 7.910 and p-value of 0.000. Furthermore, the total effect of servant leadership on employee performance is 0.722 with a statistically significant t-value of 19.465 and p-value of 0.000. These findings suggest that as servant leadership increases, it positively impacts both employee engagement and organizational citizenship behavior, which in turn leads to an increase in employee performance. These results are consistent with previous research that has demonstrated the positive impact of servant leadership on employee engagement (Liden et al., 2014; van Dierendonck, 2011), organizational citizenship behavior (Liden et al., 2008; Walumbwa et al., 2010), and employee performance (Anitha, 2014; Sousa and Van Dierendonck, 2016). The results of this study provide further support for the importance of servant leadership in promoting positive employee outcomes and highlight the role of both employee engagement and organizational citizenship behavior as key mechanisms through which this relationship operates.

5. Conclusion

In conclusion, our study provides compelling empirical evidence confirming the positive impact of servant leadership on employee engagement and organizational citizenship behavior. By shedding light on the mediating roles of employee engagement and organizational citizenship behavior, our research significantly contributes to understanding the mechanisms through which servant leadership influences employee performance. These findings offer actionable insights for organizations and managers, highlighting the importance of investing in servant leadership practices to foster employee engagement, promote organizational citizenship behavior, and ultimately enhance employee performance. This study emphasizes the practical relevance of servant leadership in contemporary management contexts, emphasizing its potential to drive positive organizational outcomes.

6. Implications

6.1. Theoretical implications

The empirical findings of our study shed light on the intricate relationship between servant leadership, employee engagement, organizational citizenship behavior, and employee performance. Our analysis reveals significant mediating effects of employee engagement and organizational citizenship behavior, highlighting their role as key mechanisms in translating servant leadership into enhanced employee performance. These findings resonate with established theories in leadership and organizational behavior, such as transformational leadership and social exchange theory, which emphasize the importance of relational dynamics and employee attitudes in shaping organizational outcomes.

Furthermore, our study extends existing theoretical frameworks by demonstrating the nuanced pathways through which servant leadership influences
employee performance. By elucidating the mediating roles of employee engagement and organizational citizenship behavior, we contribute to a deeper understanding of how servant leadership practices manifest in organizational contexts. This theoretical advancement not only enriches scholarly discourse but also provides valuable insights for practitioners seeking to cultivate effective leadership strategies.

6.2. Practical implications

Our research offers practical insights for organizations and managers aiming to enhance employee outcomes through servant leadership. By prioritizing strategies that foster employee engagement and organizational citizenship behavior, organizations can create a positive work environment conducive to employee well-being and performance. Implementing servant leadership practices characterized by empathy, empowerment, and support effectively cultivates these aspects of workplace dynamics. The study provides empirical evidence supporting the positive impact of servant leadership on employee engagement, organizational citizenship behavior, and ultimately, employee performance. Moreover, it highlights the mediating role of employee engagement and organizational citizenship behavior in linking servant leadership to improved employee outcomes. These findings have practical implications for organizations seeking to enhance leadership effectiveness and employee performance.

Servant leadership is renowned for its effectiveness across diverse organizational contexts, with studies highlighting its alignment with key values such as empathy, nurturing, and collaboration (Zhang et al., 2019). While traditionally associated with women, it’s crucial to recognize these traits as valuable leadership qualities irrespective of gender. Particularly in environments with female leadership, servant leadership can play an empowering role by fostering inclusivity and supporting the growth and well-being of all team members (Lemoine and Blum, 2021; Liden et al., 2014). This leadership approach emphasizes the needs and development of employees, creating a supportive and inclusive work environment (Giolito et al., 2021). By prioritizing the input and involvement of all team members, including women, in decision-making processes, servant leadership promotes workplace equality and inclusivity (Canavesi and Minelli, 2022), thereby addressing unique challenges faced by female employees, such as barriers to advancement and growth opportunities. Through promoting and supporting women in leadership roles, organizations can cultivate a culture of servant leadership, benefiting both female employees and the organization as a whole.

6.3. Methodological implications

The research method employed in this study can serve as a foundation for future investigations. It is important to recognize the limitations of purposive sampling and consider incorporating diverse approaches in order to obtain a more comprehensive understanding. Additionally, acknowledging potential response bias prompts us to explore observational methods that may provide valuable insights. While established scales were utilized, making culturally sensitive adaptations could enhance the accuracy of our measurements. Furthermore, considering alternative statistical
methods alongside PLS-SEM may contribute to a more nuanced interpretation of the data. The cross-sectional design used highlights areas where further exploration through longitudinal research would be beneficial. By addressing these implications and taking steps towards greater transparency in our study, we can make meaningful contributions to advancing knowledge in this field.

6.4. Recommendations
The study’s findings highlight the potential for targeted recommendations aimed at stakeholders, especially female employees under female leadership. One approach involves establishing mentorship programs where experienced female leaders provide guidance and support to junior employees, fostering career growth and navigating obstacles. Additionally, promoting inclusive decision-making ensures that women’s voices are heard and valued, contributing to a culture of collaboration and empowerment. Offering professional development opportunities, such as leadership workshops and conferences, equips women with the skills and knowledge needed for advancement. Moreover, supportive work-life balance policies, like flexible hours and parental leave, demonstrate an organization’s commitment to women’s well-being and success. By investing in servant leadership training, creating mentorship opportunities, promoting inclusive decision-making, offering professional development, and implementing supportive policies, organizations can effectively break down barriers for women and create more equitable opportunities for growth and advancement.

6.5. Research limitation and direction for future
While this study provides valuable insights into the positive impact of servant leadership on employee engagement, organizational citizenship behavior, and performance, it is essential to acknowledge its limitations. Firstly, the research primarily focuses on female employees and leaders, limiting the generalizability of the findings to broader contexts. Future research should explore the applicability of servant leadership across diverse gender compositions.

Moreover, while this study sheds light on the mediating roles of employee engagement and organizational citizenship behavior in elucidating the impacts of servant leadership, it is imperative to conduct additional research on potential moderating factors that may influence these relationships. Gaining insights into how contextual variables shape and interact with servant leadership can enhance our understanding of its intricacies across various settings. Such investigations would expand our knowledge about the optimal circumstances and conditions under which servant leadership exerts its greatest effectiveness.

In addition, it is important for future research to explore the specific industry contexts and organizational sizes that may influence the effectiveness of servant leadership. Conducting similar studies in various industries and organizational settings would provide a more comprehensive understanding of how servant leadership can be applied across different contexts. Overall, this study contributes to our knowledge of servant leadership’s impact, but further investigation is needed to address these limitations. By addressing these gaps, future research can provide a more nuanced exploration of servant leadership in diverse organizational contexts and among
different demographic groups.

**Author contributions:** Conceptualization, MF; methodology, MF; software, MF; validation, SJR, MP and RR; formal analysis, MF; investigation, MF; data curation, MF; writing—original draft preparation, MF; writing—review and editing, MF; supervision, SJR, MP and RR. All authors have read and agreed to the published version of the manuscript.

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**References**


