**The Effect of Servant Leadership Style on Bank Performance: Evidences from Berhan Bank of Ethiopia**

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# Abstract

Servant leadership plays a critical role in the banking sector, but banks continue to face leadership problems that hinder their competitiveness in terms of human resources. Issues such as job insecurity, inadequate pay, and excessive job demands can erode an employee's commitment and efficiency in achieving good bank performance. Despite this recognition, there are relatively few research studies on the variables that could affect servant leadership and its impact on bank performance. To address this gap, a study was conducted in the Hawassa City Administration of Ethiopia, taking Berhan Bank as a case study. The study aimed to analyze the effect of servant leadership practices on bank performance. A total of 120 questionnaires were distributed to employees from selected branches of Berhan Bank in Hawassa town. Quantitative approach, with descriptive and explanatory research designs was employed. The findings of the study revealed that the dimensions of servant leadership such as altruistic healing, emotional healing, wisdom, persuasive mapping, and organizational stewardship were found to have a significant impact on the organizational performance of the bank. Based on these findings, it is recommended that Berhan Bank adopt appropriate servant leadership practices which involve exhibiting servant leader behavior and creating a positive working environment. This will help satisfy employees and ultimately improve their performance.

**Keywords:** Servant leadership, altruistic healing, emotional healing, wisdom, persuasive mapping, and organizational stewardship

# Introduction

A body of research on servant leadership offers brevity explanations of what, why, and how servant leaders interact with their people. For example, Greenleaf (1977) defined servant leadership as putting the needs of the servant first. He emphasized that servant leaders naturally feel compelled to put others before themselves. This intellectual curiosity drives him or her to cultivate a stronger desire to lead.

According to Carter and Baghurst (2014), servant leadership is a leadership paradigm that addresses ethical issues. Servant leadership is a burgeoning topic of study that connects morals, ethics, and leadership (Lanctot & Irving, 2010; Parris & Peachey, 2013). Due to its focus on the servant leadership role of the leader, which prioritizes the needs of the followers, it has received academic interest in the field of organizational studies in recent decades. Carter and Baghurst (2014) noted that servant leadership is a leadership paradigm that addresses ethical issues. With its focus on the leader's role as a servant, putting the needs of others first to subsequently foster positive organizational outcomes, it has attracted research interest in the field of organizational studies in this dynamic business world (Lapointe & vandern-berghe, 2018; Liu, 2019). With this emphasis on helping others, the focus of leadership studies is radically shifted from just leading to balancing the contradiction of leading and serving simultaneously.

Some research conceptually distinguishes servant leadership from others because it focuses primarily on followers' psychological needs as a goal (van Dierendonck, Stam, Boersma, De Windt, & Alkema , 2014).While there may be a general overlap between servant leadership and transformational leadership because they both focus on the needs of followers, there are qualitative differences in why that orientation is exemplified; and its position relative to other was competing priorities within the organization. The motivation of transformational leaders to focus on the needs of followers appears to be to help them better achieve organizational goals (i.e. the means to an end), while the motivation of Servant leadership focuses on the multidimensional development of followers.

Regarding other organizational priorities, Stone, Russell and Patterson (2004) implies that organizational goals are merely the long-term byproduct of a deliberate focus on the needs of followers. Overall, servant leaders are conceptually more likely than transformational leaders to set the following priorities in their leadership orientation: followers first, the organization second, and finally themselves (Sendjaya, 2015). Being genuine and sincere in one's interactions with others is important, and it is recognized by servant leadership (Antonakis, Avolio & Sivasubramaniam 2003). But for servant leaders, the tendency to act with a profound clarity of self-awareness and self-regulation may result from a spiritual and/or altruistic purpose to serve others, both of which are lacking in the authentic leadership framework. In other words, servant leaders are genuine not because they want to be, but because they are moved to serve and improve the lives of others by a greater calling or an inner conviction. As a result, the purpose of this study is to examine the impact of servant leadership on bank performance using data from Ethiopia's Berhan Bank.

# Theoretical Background and Hypotheses Development

Much of the literature on servant leadership is devoted to understanding the specific characteristics that represent and demonstrate the true nature of servant leadership, by objectively measuring these characteristics through models. These characteristics include but are not limited to empathy, the ability to conceptualize, and commitment to the development of others (Van Dierendonck & Nuijten, 2011). Some of these models emphasize certain behaviors while others focus more on the servant leader's motives and identity, as opposed to actions (Van Dierendonck & Nuijten, 2011).

Despite the importance of these models, none take into account the ways in which contextual circumstances might operate as strong tailwinds or tailwinds to unleash the benefits of servant leadership for organizational performance: Servant leaders are those who hold positions of power. Given the significance of context in leadership, scholars studying servant leadership may find this vacuum in the literature unexpected. While it is true that some personal traits can help a leader succeed, tremendous success is typically determined by how well these traits are applied in a particular situation (Farrington & [Lillah ,](https://www.emerald.com/insight/search?q=Riyaadh%20Lillah) 2019).

In order to give hope and a caring environment through a strong relationship, servant leaders must empower, inspire, and guide their team members as they gain independence and skills (Van Dierendonck & Nuijten, 2011). This is implied by the leadership traits, philosophies, and practices of servant leaders. The philosophy behind servant leadership is that leaders lead by serving and empowering employees (Greenleaf, 1970). Servant leadership is based on the idea that managers should empower and serve their staff members (Greenleaf, 1970). She said that managers ought to consider the interests of numerous stakeholders and advance the welfare of their workforce as well as the communities in which they operate. Furthermore, according to Carter and Baghurst (2014), p. 454: "Servant leadership creates a unique organizational culture in which leaders and followers achieve organizational goals without the need for power or authority" and is concerned with "ethics, customer experience, and employee engagement."

Not surprisingly, the concept of servant leadership is receiving increased attention in academic and corporate circles. Because of the recent increase in corporate ethical scandals (Hoch, Bommer, Dulebohn & Wu, 2016)*.*Servant leaders can manage multiple; paradoxical types of decisions and influence employees while engaging other stakeholders, including government and social venture beneficiaries (Bacq, Hartog, & Hoogendoorn, 2016). Further, servant leadership can be considered as a source of sustained competitive advantage for social entrepreneurship because a servant leadership style inspires a stewardship culture among employees, incites their engagement, and increases the involvement of the community, government, and other stakeholders whose support for economic value creation is needed to enhance social impact (Bacq & Eddleston, 2018).

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Servant leadership theory posits that the behavior of true servant leaders stems from their truly altruistic motives and not from a desire for power (Greenleaf, 1970). Indeed, the source of motivation lies in the servant leader's principles, values, and beliefs, not in his or her selfish needs or material desires (Farling, Stone, Winston & Farling, 1999). According to Greenleaf, servant leadership begins with a natural feeling that one wants to serve. Therefore, a servant leader is first and foremost a servant - not a leader. Conscious choice then leads to leadership ambition because it is seen as a way of serving that has a greater impact on the well-being of others (Greenleaf, 1970). For this reason, servant leaders see themselves as managers of subordinates and are willing to accept responsibility for the well-being of those they care for. Such management involves empowering followers and creating trust (Russel, 2002). Indeed, servant leadership is positively correlated with trust due to increased communication and supportive behaviors through which information is shared and followers are empowered (Van Dierendonck & Nuijten, 2011). A byproduct of servant leadership is leading others to become what they are capable of becoming, which often manifests in the leader's followers also engaging in acts of self-sacrifice (Sendjaya & Sarros, 2002). Indeed, servant leadership catalyzes personal and organizational transformations that manifest through external behaviors (Russell & Stone, 2002). These extroverted behaviors include, but are not limited to, people being led to become “healthier, wiser, freer, more autonomous, [and] more likely to be servants.” more” (Greenleaf, 1970). The result of all this is higher organizational performance, which has been observed in both the public and private sectors (Chappel, 2000).

## 2.1 The Effect of Servant Leadership and Organizational Performance

Servant leadership and organizational performance are not mutually exclusive; rather, these two concepts can reinforce each other when approached correctly. It should be noted that Laub's (1999; 2004) definition of the term servant leadership described in the previous section mentions that the needs of followers are placed above the needs of the leader; However, it does not state or imply that the needs of followers should override the vision, direction, or goals of the organization.

Rather, a focus on organizational performance is a prerequisite for servant leadership because vision, direction, and goals provide an indispensable context for the precise execution of servant leadership. Indeed, “the service aspect of leadership begins only when the vision, direction, and goals are clear. In other words, servant leadership does not ignore the vision, direction, or goals of an organization that promote the development of the individuals being led, nor does it accept poor organizational performance. As a matter of fact, when someone is capable of more, servant leaders will occasionally decline to consider their efforts or accomplishments sufficient (Greenleaf, 1970). By paying attention to the organization's vision, direction, and goals as well as the trust that is built among followers as they exercise servant leadership, servant leadership improves organizational performance (Greenleaf, 1970; Yang, Liu, & Gu, 2017).

Servant leadership improves organizational effectiveness by paying special attention to the vision, direction, and goals of the organization while also keeping its followers' needs in mind. As it happens, servant leaders find inspiration in the attainment of the organization's vision, direction, and goals as well as the particular strategies used to reach them (Page & Wong, 2000).This type of motivation frequently takes the form of ongoing, one-on-one conversations in which the objectives, vision, and course of the business are carefully examined in connection to the passions and ambitions of each follower. As a result, issues are located and fixed promptly.

This conceptual research on servant leaders improving organizational performance owing to the focus on the organization's vision, direction, and goals is supported by empirical data. For instance, Hu and Liden (2011) studied senior management and staff level personnel in the banking industry and discovered that demonstrating high levels of servant leadership enabled objective and process clarity, which in turn resulted in greater organizational performance. Barriers to collaboration and communication as well as opportunities for social loafing because of unclear direction are removed and replaced with information sharing and rising confidence levels in team members through a greater awareness and understanding of one's own personal goals, the goals of one's teammates, how those goals fit into larger organizational goals, and the processes needed and deployed to accomplish said goals.

According to the study's findings (Hu & Liden, 2011), one particular way servant leaders put this into reality involves purposefully connecting staff skill sets with organizational needs in order to achieve the organization's vision, direction, and goals. Servant leaders are well-equipped to delegate tasks to team members in a way that is consistent with the needs of the organization because they place a high value on each person's growth and development (Greenleaf, 1977). As a result, they have a thorough understanding of each person's skills, interests, dispositions, and passions (Hu & Liden, 2011). As a result, team members' work becomes more meaningful, which fosters higher levels of creativity and productivity (Cohen-Meitar, Carmeli, & Waldman, 2009).

According to the philosophy of servant leadership, true servant leaders act out of genuine altruism rather than a desire for power (Greenleaf, 1970). In fact, rather than egotistical demands or material desires, a servant leader's principles, values, and beliefs serve as the source of inspiration (Farling, Stone, Winston & Farling, 1999). According to Greenleaf, servant leadership starts with the instinctive desire to help others; as a result, the servant leader is first and foremost a servant. Later, a conscious choice brings one to aspire to lead because it is viewed as a vehicle to serve with greater impact on the wellbeing of others (Greenleaf, 1970). Because of this, servant leaders consider themselves stewards of their followers, and willingly accept responsibility and accountability for the well-being of those under their care (Sendjaya & Sarros, 2002). Such stewardship entails empowerment of followers and garners trust (Russel, 2002). Indeed, servant leadership is positively correlated with trust because of heightened communicative and supportive behaviors, whereby information is shared, and followers are empowered. Leading others to become who they are capable of becoming is a result of servant leadership, which frequently displays itself through the followers of the leader also engaging in self-sacrificing behaviors (Sendjaya & Sarros, 2002). As demonstrated by external behaviors, servant leadership does indeed catalyze both personal and organizational transformations (Russell & Stone, 2002). The people being led grow "healthier, wiser, freer, more autonomous, [and] more likely themselves to become servants" (Greenleaf, 1970), among other things. Higher organizational performance is the end outcome of all of this, and it has been shown in both the public and commercial sectors (Chappel, 2000). Thus, it was hypothesized that:

***H1: Servant leadership style positively and strongly affects bank performance.***

According to the theory of servant leadership, leaders who have a high level of altruistic healing would put the needs of others before their own and try to fulfill those needs as a result. A spirit of generosity consistent with a philanthropic goal in life has been highlighted as another important element of this characteristic (Barbuto & Wheeler, 2006). This measure of altruistic healing (AH) assesses the extent to which a leader aspires to improve the lives of others. Based on this proposition the following hypothesis was formulated.

H2: ***Altruistic healing of the manager significantly affects organizational performance of Berhan Bank.***

It has been acknowledged that servant leaders are capable of entrusting the dedication and talent in fostering the spiritual recovery of their subordinates from adversity or trauma (Emotional healing (EH)). Leaders that perform well in this area exhibit qualities like empathy and excellent listening abilities. Both of these qualities contribute to the healing process by fostering an atmosphere in which staff members feel comfortable discussing both personal and work-related issues. The hypothesis was proposed as:

***H3: Managers emotional healing significantly affects organizational performance of Berhan Bank.***

On organizational performance, the wisdom of servant leaders has a positive impact. This implies that a leader's knowledge of their immediate environment and their capacity to foresee outcomes within the context of the workplace have a positive and significant impact on organizational success. This intuitive aspect mostly rests on the servant leaders' knowledge of organizational dynamics and their capacity to draw appropriate conclusions from the environmental cues they observe. Up on this premise, the hypothesis was formulated as:

***H4: Managers wisdom significantly affects organizational performance of Berhan Bank.***

The result of servant leadership is that those in charge are better able to persuade others to support their organization's goals and can articulate the justifications for doing so. This component includes the ability of the leader to persuade people through the use of sound persuasive mapping (PM) and conceptual frameworks. Up on this conviction, the following hypothesis was proposed

***H5: Persuasive mapping (PM significantly affects organizational performance of Berhan Bank***

The last topic is organizational stewardship (OS), which talks about how connected an organization is to improving society. This component, which is based on ethics and value orientation, can be seen in how much a leader prepares a team to participate in community outreach, programs, and growth (Melchar & Bosco, 2010). This concept acknowledges the significance of creating an internal workplace with a sense of community in order to participate in societal groups outside the organization, despite its focus on the work done in society.

***H6: Organizational stewardship (OS) significantly affects organizational performance.***

Emotional Healing (EI)

Altruistic Healing (AH)

Wisdom (W)

Persuasive Mapping (PM)

Organizational Stewardship (OS)

Organizational Performance(OP)

**Figure 1: Conceptual Model**

# Research Methodology

## 3.1 Research Design, Sampling Technique and Data Collection

The primary purpose of this study was to explore the effect of servant leadership style on banks’ performance. With regard to research design, to explore the variables pertinent to research, exploratory research design was used. Whereas to examine the effect of Altruistic Healing (AH), Emotional Healing (EI), Wisdom (W), Persuasive Mapping (PM) and Organizational Stewardship (OS) on organization performance, explanatory research was used. The study employed quantitative research approach. Quantitative research was used to use mathematical models to test the hypothesized relationships.

The target population for this study was the employees of Berhan Bank, Hawas Branches. The respondents for this study was selected from on clerical (professional) and non-managerial employees. The Bank has more than 120 employees at Hawassa branches in the capital of Sidama regional state. Since the population of the study was small and homogeneous, comprehensive sampling technique was used. Hence, the total of 120 sample size was selected to address the research objectives.

The measurement scales were adapted from established scales developed from previous studies and new scales were also developed by the researcher. The scale questions were principally prepared to address the major constructs of the research model. Most of the questions used five scales to provide a series of statements to which the participant indicates the level of agreement or disagreement. The final questionnaire consisted of Altruistic Healing (AH), Emotional Healing (EI), Wisdom (W), Persuasive Mapping (PM) and Organizational Stewardship (OS) on organization performance sub-dimensions.

The performance variable were measured by ROA, efficiency ratio, net interest margin, and return on equity (McCune, 2007) cited in by Cole, (2009). Return on total assets (ROA) is known to measure the effectiveness of banks performance and one of the most frequently used for financial ratios by financial analysts. ROA measure the ability of bank Management to generate income after all financial and non-financial costs and expenses for owners. Changes in ROA are usually the cause of the most important changes in banks ‘performance and need a more detailed analysis (Cole, 2009). At last the hypothesized relationships were tested using multiple regression analysis.

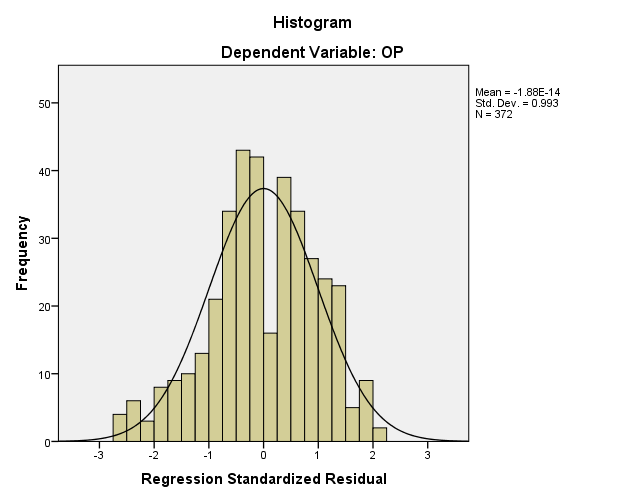
# Results and Discussions

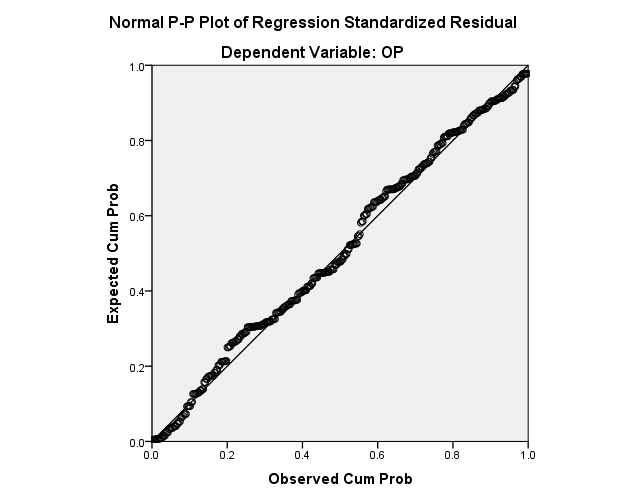
## 4.1 Background Information of the Respondents

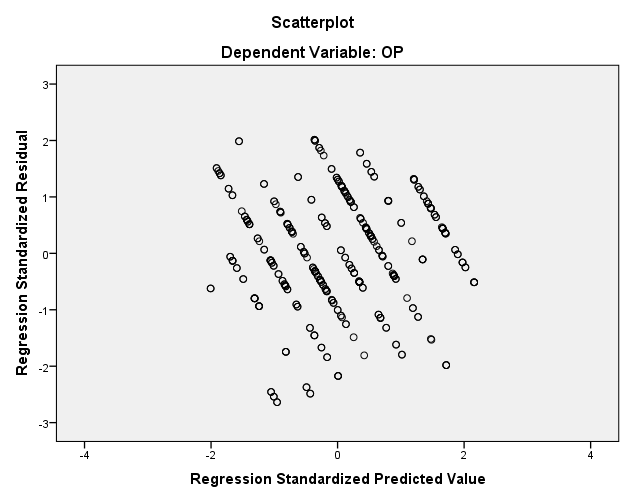
The survey conducted on bank employees revealed that the majority of participants were males, accounting for 58.3% of the sample, while females comprised 41.7%. In terms of experience, a significant proportion of employees, specifically 69 individuals (57.5%), had been working at Berhan Bank for a period of 1-3 years. Additionally, 17 employees (14.2%) reported having 4-7 years of experience, 10 employees (8.3%) had 7-10 years of experience, and 16 employees (13.3%) had been with the bank for more than 10 years. These findings align with prior research conducted on servant leadership, such as studies conducted by Bono and Judge (2003) and Nemanich and Keller (2007). The prevalence of similar results across multiple studies underscores the persistence and relevance of servant leadership in the banking sector.

## 4.2 Measurement Model Evaluation

The assumptions of multivariate analysis were thoroughly assessed to ensure the validity of the findings. First, the presence of multicollinearity was examined using Pearson's bivariate correlation. It was observed that the correlation coefficients had magnitudes lower than 0.80, indicating a lack of significant multicollinearity. To test the normality of residuals, both a histogram and a normal probability plot were employed. The histogram displayed a symmetrical and approximately bell-shaped distribution, while the probability plot indicated that the data closely followed a normal distribution.



Additionally, to ascertain the presence of univariate normality, the distribution of each observed variable was examined for skewness and kurtosis. The absolute values of Z-scores were calculated and found to be greater than 1.96, 2.58, and 3.29, which were considered significant at p < 0.05, p < 0.01, and p < 0.001, respectively. These findings aligned with previous recommendations by Hu and Bentler (1999), Hoyle (1995), Byrne (2010), and Field (2013). Linearity, an important assumption, was assessed using scatterplots to ensure a linear relationship between variables. Autocorrelation, which examines the independence of residual values, was also examined. The Durbin-Watson test was applied, and the results fell within the acceptable range of 1.5 to 2.5 for the variables, indicating no significant autocorrelation issues. By thoroughly evaluating these assumptions, it was ensured that the data used in the multivariate analysis were valid and reliable for drawing meaningful conclusions.



## 4.3 Regression Results and Hypothesis Testing

Once it was confirmed that the collected data adhered to the key assumptions of standard linear regression models, a multiple linear regression analysis was performed to determine the cause-effect relationship between the independent variables and the dependent variables. This analysis allowed for a comprehensive examination of how the independent variables affected the outcome of interest. By employing multiple linear regression, we aimed to uncover the underlying factors influencing the dependent variables and establish a robust understanding of the relationships at play. This analysis provided valuable insights into the interplay between the variables and shed light on the nature and magnitude of their effects.

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Table 1: Model Summary | | | | | | | | | | |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | | Durbin-Watson |
| R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .888a | .788 | .786 | .17291 | .788 | 272.858 | 5 | 366 | .000 | 1.407 |
| a. Predictors: (Constant), OS, W, AH, EI, PM | | | | | | | | | | |
| b. Dependent Variable: OP | | | | | | | | | | |

The Model Summary analysis revealed a correlation coefficient (R-value) of 0.888, indicating a positive and strong relationship between the variables examined in this study. This finding suggests that the variables under investigation are closely connected and influence one another significantly. Furthermore, the R-squared value indicated that the independent variables, namely OS, W, AH, EI, and PM, accounted for 78.8% (0.788) of the variability observed in the dependent variable, OP. Thus, this research has successfully explained a substantial portion of the variations in the outcome variable. The high R-squared value emphasizes the predictive ability of the model, suggesting that it effectively captures the interrelationships among the variables. Additionally, the ANOVA test conducted to assess the goodness of fit affirmed the model's overall reliability and suitability for this particular research. Taken together, these results indicate that the model exhibits a reasonably good predictive ability and fits the data well.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Table 2: ANOVA** | | | | | | |
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 40.789 | 5 | 8.158 | 272.858 | .000b |
| Residual | 10.942 | 366 | .030 |  |  |
| Total | 51.731 | 371 |  |  |  |
| a. Dependent Variable: OP | | | | | | |
| b. Predictors: (Constant), OS, W, AH, EI, PM | | | | | | |

The ANOVA analysis helps us determine if the model's overall result provides a significantly good degree of prediction for the outcome variable. The ANOVA table indicates that the combination of variables used in the model significantly predicts the dependent variable. Furthermore, the sum of squares is calculated to be 10.942, while the residual value is 366, and the mean square is 0.030. According to Field (2009), a good model is expected to demonstrate improvement in prediction, with a large sum of squares and a small difference between the model and the observed data or mean square residual. Typically, a good model would have a large F-ratio, exceeding at least one, as the mean square regression would be larger than the mean square residual. This information is essential for assessing the quality and reliability of the model's predictive capabilities.

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Table 3: Coefficients** | | | | | | | | | | | |
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Correlations | | | Collinearity Statistics | |
| B | Std. Error | Beta | Zero-order | Partial | Part | Tolerance | VIF |
| 1 | (Constant) | -.143 | .108 |  | -1.321 | .187 |  |  |  |  |  |
| AH | .402 | .027 | .385 | 14.743 | .000 | .640 | .610 | .354 | .848 | 1.179 |
| W | .203 | .019 | .282 | 10.483 | .000 | .588 | .481 | .252 | .799 | 1.251 |
| EI | .177 | .017 | .278 | 10.612 | .000 | .518 | .485 | .255 | .840 | 1.190 |
| PM | .133 | .017 | .245 | 7.969 | .000 | .590 | .385 | .192 | .612 | 1.635 |
| OS | .123 | .023 | .160 | 5.320 | .000 | .548 | .268 | .128 | .641 | 1.561 |
| a. Dependent Variable: OP | | | | | | | | | | | |

Based on the results of the hypothesis test, it was found that Altruistic Healing (AH) had a significant and positive impact on Berhan Bank's organizational performance (p < .001, β = .385). These findings are consistent with the previous research conducted by Ravinder, Sharma, and Mona Kawatra (2017). According to their study, servant leaders who display behaviors such as empathy, compassion, altruistic calling, and healing not only contribute to the mental and emotional well-being of their workforce, but also foster a sense of unity, teamwork, and enduring relationships among their followers through attentiveness to their needs. The researchers further asserted that by emphasizing the worth and contributions of each employee, the promotion of altruistic ideals can enhance the overall business culture. These findings highlight the importance of incorporating altruistic healing practices within organizations, as they have the potential to positively impact organizational performance and foster a healthy work environment.

The research findings demonstrate that servant leadership extends beyond internal communications and culture and can also be a powerful tool for increasing brand loyalty through customer service and representative interactions. The results of the study affirm the importance of servant leadership, which prioritizes integrity, keeping promises, and making decisions in the best interest of others. These findings are consistent with the writings of Rosa Díaz Isabel Martín Ruiz David and Cepeda Carrión Gabriel (2021). The wisdom of servant leadership promotes positive attitudes and behaviors among staff members, inspiring them to go above and beyond the call of duty due to their genuine dedication to the company and their colleagues. Furthermore, the study validates that emotional intelligence plays a significant role in servant leadership, with a notable impact on organizational performance (p < .005, β = .278). This finding is supported by the empirical works of Supramaniam and Singaravelloo (2021) and Jha and Bhattacharya (2021), who have highlighted the strong influence of emotional intelligence in servant leadership on organizational performance. These scholars argue that leaders with higher emotional intelligence create better work climates, leading to increased employee engagement and ultimately resulting in improved organizational performance. In conclusion, the results of the hypothesis test, as shown in Table 3, provide valuable insights into the relationship between servant leadership, emotional intelligence, and organizational performance. These findings underscore the significance of nurturing a servant leadership approach bolstered by emotional intelligence to drive positive outcomes in both internal organizational dynamics and external customer interactions.

Lastly, the results of the hypothesis test, as presented in Table 3, indicated a significant effect of persuasive mapping of servant leadership on organizational performance (p < .05, β = .245). Although the impact of persuasive mapping of servant leadership on organizational performance has not been extensively studied, this finding is corroborated by research conducted in Pakistan. These studies have highlighted that persuasive mapping is one of the five factors of servant leadership that exhibits a significant positive relationship with organizational effectiveness. Furthermore, the concept of Organizational Stewardship, a central element of Servant Leadership, is worth mentioning. Organizational Stewardship entails a commitment to serving the needs of others and establishing a framework of enduring values that empower every individual within an organization to act as both a leader and a steward, regardless of their position within the organizational hierarchy.

In line with the works of Canavesi and Minelli (2022), the findings of this study affirm that organizational stewardship significantly influences organizational performance (p < .05, β = .160). In summary, the data provided strong support for all hypothesized relationships. The significant impact of persuasive mapping of servant leadership on organizational performance aligns with previous research in Pakistan. Moreover, the significant influence of organizational stewardship on organizational performance emphasizes the importance of fostering a culture of servant leadership, driven by the principles of persuasive mapping and stewardship, to enhance overall organizational effectiveness.

# Conclusions and implications

This research aimed to explore the impact of servant leadership in private banks. The findings revealed that servant leadership qualities such as empathy, compassion, altruistic calling, and healing have a strong positive influence on fostering unity, teamwork, and building long-lasting relationships among followers. These factors, in turn, have a significant effect on the overall performance of the bank. Moreover, the study also identified that the wisdom exhibited by servant leaders has a notable impact on organizational performance. Building upon the works of previous scholars, the emotional intelligence of servant leaders creates a supportive work climate and enhances employees' job engagement. Additionally, this study shed light on the significance of persuasive mapping as an antecedent to organizational performance within the context of servant leadership. Specifically, it found that persuasive mapping had a substantial impact on Berhan Bank's organizational performance. Lastly, the study found that organizational stewardship had a positive and significant effect on the bank's performance.

It has been recommended that while wishing to achieve the organizational performance in a better way, servant leaders need to have the empathy, wisdom and compassion in-depth feeling towards their co-works. Additionally, it needs to acquitted with better emotional intelligence and able to persuade the co-workers to achieve the highest organizational performance.

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