

A Study on Determining the Employee Performance in Servant Leadership Style in the Banking Sector

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Abstract: Servant leadership is a well-established idea; the word was first used in 1970 by Robert K. Greenleaf in his article "The Servant as Leader," which was published in Harvard Business Review. "The servant leader is first and foremost a servant," Greenleaf said. Greenleaf felt that institutions, rather than merely people, could be servant leaders as well as servants. Servant leadership culture is becoming more popular among top-ranking corporations throughout the globe, as they recognize the pragmatic effect it has on both leaders and followers. The rise of servant leaders has flipped the power hierarchy in the banking sector on its head. Serving their followers, the servant leader has evolved into a leader who is accountable for guiding the firm. The impact of servant leadership and its impact on organizational effectiveness, there has been little research into the relationship between servant leadership and employee performance. There has also been little research into how to determine employee performance through moderating. Employee performance is influenced by factors such as the workplace environment, leadership, career development programs, and incentive systems, as well as training skills and new talents to meet the current and future needs of the firm. Employee engagement, as well as employee performance, is a significant component in determining employee performance. It is possible to evaluate employee performance in terms of the organization's current and future needs and requirements.

1 INTRODUCTION

Human resources may be considered to be the resourcefulness of several sorts of individuals as well as other people who are accessible to the company. These most precious people in the organization with multi-faceted talent and skills are directed in a proper way to achieve the goals of the organization. These most precious people in the organization with multi-faceted talent and skills are directed in a proper way to achieve the goals of the organization. The success and growth of any business organization largely depends on the key person who holds the steering wheel of the form organization in a right direction. There emerges the form 'Leadership 'in Banks is vast sector in which the entire economy is depended country's growth is in the hands of banking sector this growth is having a direct link with the employees in the organization the relationship between leader and follower is that of nation of Servant this analysis is studied in the present study. Servant leadership is the kind of leadership that most closely resembles participatory leadership. While history frequently

lists few instances of management theories other than autocratic, or authoritarian, leadership until the 1950s or 1960s, servant leadership is really a centuries-old method that dates back to the ancient Greeks. As early as 500 BC, the Chinese philosopher Lao-Tzu spoke about servant leadership in the classic work "Tao Te Ching."

The servant leadership style is one that is aspired to. Serve as a servant leader by demonstrating the following five characteristics: love; empowerment; trust; humility; and vision. Any organization's ability to monitor employee performance has become a standard practice. Servant leadership is one component that might have an impact on an employee's overall success. Employees are the most valuable assets that any firm may have. Why? Because the employee had a significant and active part in the organization's progress toward success; otherwise, the organization's progress would have been impossible to achieve.

2 SERVANT LEADERSHIP IMPACT ON EMPLOYEE PERFORMANCE

Servant leadership is relatively a new concept. The servant leadership is aspired to lead. There are five dimensions in servant leadership such as love, empowerment, trust, humility and vision. Employee performance becomes a measurement for any organization. One factor that can influence the employee performance is servant leadership. Employees are the major assets of the every organization. Why because the employee was play a major and active role of the organization towards success otherwise it should not possible to get success of the organization. Employee performance is a key factor that contributes directly to the performance of the company. Companies today, with increased competition in the business arena, are keen to boost employee performance in order to enhance their profitability, market reach and brand recognition. Employee performance is associated with working environment, leadership, career development programmer, and reward system, training skills, new skills of present & future requirements of the organizations. As well as employee engagement is major factor of determine employee performance. Employee performance can be measured by present and future need and requirements of the organization.

2.1 The Differences Between Traditional and Servant Leadership

The differences between these leadership styles originate from those priorities we covered in our previous example figure 1.



Figure.1. Traditional and Servant Leadership.

Like traditional leaders, servant leaders will create a vision and values for the organization. They will set goals and objectives for team members to achieve. Servant leaders, however, share power with team

members to enable them to achieve the vision, live the values, and hit the goals.

Unlike traditional leaders, servant leaders use their power to:

- **Empower** more and micromanage less;
- **Coach** more and direct less;
- **Involve** more and exclude less;
- **Ask** questions more and assume less; and
- **Listen** more and talk less.

A traditional organizational structure would typically look like the traditional leadership pyramid illustrated below. If you asked a servant leader to draw their org structure, however, it would look quite different, the reverse of a traditional structure.

2.2 Banking Structure in India

The Indian banking system is divided into two categories: "non-scheduled banks" and "scheduled banks." Not included in the second schedule of the Banking Regulation Act, 1965, non-scheduled banks are those that do not meet the requirements set out in that schedule and so do not fall under the jurisdiction of the Act's second schedule. As defined by the Second Schedule of Banking Regulation Act, 1965, schedule banks are those that meet the following criteria: a bank must (1) have paid up capital and reserves of not less than Rs. 5 lakh and (2) satisfy the Reserve Bank of India (RBI) that its affairs are not conducted in a manner detrimental to the interest of its depositors.

2.2.1 The following Are Some of the Most Significant Steps in the Development of Modern Banking in India

1) Agency Houses: When English merchants first arrived in India, they had difficulties in acquiring operating money because of the linguistic barrier. Therefore, they founded Agency Houses, which integrated trade with banking services to serve their customers. In 1770, the Bank of Hindustan, which was created by a single agency house, became India's first bank.

2) Presidency Banks: The East India Company, the ruling power in India, took the initiative in creating Presidency Banks by providing 20% of its share capital in order to fulfil its own need for finances. Banks such as the Bank of Bengal, the Bombay Savings & Loan Association, and the Bank of Madras were formed in 1806; 1840; and 1943, respectively.

Table 1: Employee’s Response towards Servant Leadership.

Demographic Description		Total sample n=750	Most Unlikely	Unlikely	Neutral	Likely	Very much likely	Chi Sq
Gender	Male	253(33.73)	0(0)	3(1.19)	23(9.09)	171(67.59)	56(22.13)	8.383, df1 >0.05
	Female	497(66.27)	3(0.6)	21(4.23)	31(6.24)	338(68.01)	104(20.93)	
Age	25 - 35 Yrs	548(73.07)	3(0.55)	13(2.37)	41(7.48)	381(69.53)	110(20.07)	37.280, df12, <0.05
	35 - 45 Yrs	149(19.87)	0(0)	4(2.68)	6(4.03)	99(66.44)	40(26.85)	
	45 - 55 Yrs	32(4.27)	0(0)	3(9.38)	5(15.63)	21(65.63)	3(9.38)	
	> 55 Yrs	21(2.8)	0(0)	4(19.05)	2(9.52)	8(38.1)	7(33.33)	
Marital Status	Married	688(91.73)	2(0.29)	21(3.05)	48(6.98)	466(67.73)	151(21.95)	5.123, df4, >0.05
	Unmarried	62(8.27)	1(1.61)	3(4.84)	6(9.68)	43(69.35)	9(14.52)	
Education	SSC/Diploma	101(13.47)	0(0)	4(3.96)	9(8.91)	67(66.34)	21(20.79)	3.096, df8, >0.05
	Degree	373(49.73)	2(0.54)	9(2.41)	28(7.51)	256(68.63)	78(20.91)	
	Postgraduate	276(36.8)	1(0.36)	11(3.99)	17(6.16)	186(67.39)	61(22.1)	
Cadre	Junior Level	424(56.53)	2(0.47)	13(3.07)	34(8.02)	285(67.22)	90(21.23)	2.140, df8, >0.05
	Middle Level	259(34.53)	1(0.39)	9(3.47)	16(6.18)	175(67.57)	58(22.39)	
	senior Level	67(8.93)	0(0)	2(2.99)	4(5.97)	49(73.13)	12(17.91)	
salary	15-30,000	167(22.27)	0(0)	11(6.59)	5(2.99)	116(69.46)	35(20.96)	23.761, df12, <0.05
	30-40,000	115(15.33)	0(0)	1(0.87)	11(9.57)	77(66.96)	26(22.61)	
	40-50,000	365(48.67)	3(0.82)	12(3.29)	30(8.22)	237(64.93)	83(22.74)	
	above 50,000	103(13.73)	0(0)	0(0)	8(7.77)	79(76.7)	16(15.53)	
Experience	0- 2 years	397(52.93)	1(0.25)	11(2.77)	34(8.56)	276(69.52)	75(18.89)	15.718, df12, >0.05
	2-5 years	206(27.47)	0(0)	9(4.37)	16(7.77)	129(62.62)	52(25.24)	
	5-10 years	145(19.33)	2(1.38)	4(2.76)	4(2.76)	103(71.03)	32(22.07)	
	above 10 years	2(0.27)	0(0)	0(0)	0(0)	1(50)	1(50)	
Organization	SBI	375(50)	1(0.27)	10(2.67)	32(8.53)	252(67.2)	80(21.33)	2.901, df4, >0.05
	ICICI	375(50)	2(0.53)	14(3.73)	22(5.87)	257(68.53)	80(21.33)	

Table 2: Regression Model Summaries for the Servant Leadership on Employee performance.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	ANOVA Results			
					df1	df2	F-Value	Sig.
1	.398 ^a	.159	.157	.77780	1	547	103.186	0.000
a. Predictors: (Constant), Employee Performance								

Table 3: Predictor effects and Beta Estimates.

Model	Variable	Unstandardized Coefficients		Standardized Coefficients	t-Value	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.070	.267		11.478	.000
	Servant Leadership Style	.452	.045	.398	10.158	.000
a. Dependent Variable: Employee Performance						

3) Joint Stock Banks: In 1884, the concept of limited liability was introduced into banking, allowing banks to be founded as joint stock companies. In due time, this aided in the formation of financial institutions.

4) Imperial Bank of India: In order to compete with international banks, the three Presidency Banks were merged in 1921, resulting in the establishment of a formidable Imperial Bank of India with a network of branches across the country.

5) The establishment of the Reserve Bank of India: Despite the fact that the banking industry was booming, there were a slew of bank failures owing to a lack of oversight and the inability to provide timely help. As a result, the general public developed a negative attitude toward financial institutions.

6) Nationalization of the RBI and the Banking Regulation Act: In 1949, these two significant milestones were taken forward. The Reserve Bank of India (RBI) was granted extensive regulatory and control powers immediately after independence, and by putting those authorities to good use, the RBI was successful in establishing confidence in Indian banking.

7) Banks were nationalized in 1969 and 1980, respectively. A further substantial stride forward was made in 1969 with the nationalization of 14 large Indian commercial banks. The next year, six additional banks were nationalized. The nationalization of banks resulted in a significant shift in the policies, attitudes, processes, functions, and geographic reach of financial institutions.

3 REVIEW OF LITERATURE

Afsar, Lee, Luu et al., Tuan, (2020) was focused and analyzed on servant leaders whose primary objective is to ensure that all people under their stewardship have the best possible opportunity to grow, thrive, prosper, and reach their full potential, as well as the efficient and effective approaches used by servant leaders to accomplish their origination goals.

Arain and colleagues, Frémeaux and Pavageau, Giambatista and colleagues (2020) According to defined, Servant leaders are expected to think carefully on and examine their own value systems in order to discover areas where they may develop as leaders in order to guide their followers along a successful path while working in the proper manner. In addition, He described the essential characteristics of leadership demonstrated by the Prophet, including

courage, integrity, practical wisdom, moral authority, humility, leading by example, sharing and enduring hardship, doing things at the right time in the right way, innovation, and trustworthiness, among other characteristics.

Smith, Montagno, &Kuzmenko (2004) The authors say that "servant leadership emphasizes a leader's care for the well-being of his or her followers, which is shown via attentive, non-judgmental listening and a readiness to learn from others. Servant leadership is distinguished by its ability to foster a "spiritual generative culture," while transformational leadership results in an "empowered dynamic culture."

Wuryani et al. (2021) The author provided a critical evaluation of evaluating employee performance using a decision-supported system, with one of the factors addressed being motivation as a predictor of employee success. Conclusion: According to the authors, situational leadership-supported decision support systems do not considerably enhance employee performance and only marginally improve employee performance.

Atatsi et al. (2019) conducted a thorough examination of the literature on employee performance in various nations, with a special emphasis on Africa, which has a distinct cultural background. It demonstrates the existence of a favorable correlation between employee behaviours and performance, as well as variety across interdisciplinary domains with cultural and contextual value.

Sharma et al. (2016) The employee's performance in the workplace the interventions resulted in significant changes in banking sectors, and they were effectively used to drive financial inclusion by reaching out to people and connecting them with banking systems through the use of e-commerce technologies, which have been shown to significantly improve employee performance in the banking system.

4 OBJECTIVES OF THE STUDY

1. To study and understand the factors effecting Servant leadership.
2. To adjudicate the impact of Employee Empowerment on Employee Performance.
3. To analyses the mediating role of Employee Empowerment on Employee Performance over Servant Leadership Style.

Formulation of Hypotheses

1. H1₀: Servant Leadership will not have impact on Employee Empowerment.
2. H2₀: Servant leadership will not have impact on Employee Performance.

Statistical Analysis

H1₀: Servant Leadership will not have impact on Employee Empowerment.

Table No: 1 Employee's Response towards Servant Leadership

H2₀: Servant Leadership will not have significant effect on Employee Performance.

The hypothesis of relationship between servant leadership and employee performance were tested using simple linear regression. The regression results shown in revealed that the predictor variables contribute significantly and had moderate impact on the employee performance ($R^2= 0.398$). The corresponding ANOVA value ($F = 103.186, p=0.000$) for the regression models had indicated the validation with employee performance.

The coefficient summary shown in Table revealed that beta values of servant leadership style ($\beta=0.452, t=10.158, p=0.000$) was significant with employee performance. The results were implicit that predictor variable was related with dependent variable. Hence, null hypothesis was disproved and alternate hypothesis was accepted as their p-values were less than 0.05. Here the following simple linear regression model

$$\text{Employee Performance (Y)} = 3.070 + 0.452 (\text{Servant Leadership style}) X$$

The significant effect of servant leadership style on employee performance is measured through significance of regression coefficient of servant leadership style, when mean servant leadership style is regressed upon mean employee performance. This regression coefficient is found to be 0.852 and its standard error is found to be 0.037 respectively. T statistic corresponding this regression coefficient (0.852/0.037) was found to be significant at 5% alpha ($p < 0.05$). This regression coefficient is termed as "c" and its standard error is termed as SE(c). "C" is also termed as "TOTAL EFFECT"

5 FINDINGS OF THIS STUDY

1. The present study has established that policies, procedures, practices, conditions, HRD climate and organizational performance are the most influential factors in understanding the perceptions of banks

2. This study enables both HR employees and researchers to understand the tendency of high potential influencing factors of servant leadership models. This knowledge can be used to identify how to inculcate the emotional healing practices among their work force.
3. This study has underscores the importance of servant leadership models which is decisive in determining employee performance.
4. The regression results revealed that the predictor variables contribute significantly and had moderate impact on the employee performance ($R^2= 0.398$). The corresponding ANOVA value ($F = 103.186, p=0.000$) for the regression models had indicated the validation with employee performance.

6 CONCLUSIONS

The purpose of this research was to add to the expanding body of literature on analyzing the function of servant leadership style in measuring employee performance, which is now under investigation. This hypothesis has been tested in the field, and it has been shown that a moderating element in the link between servant leadership and employee performance. Great leadership has a favorable impact on the culture of a company; servant leadership takes this advantage to the next level by instilling in managers the belief that success is a shared and selfless experience. This sounds wonderful on paper, but seeing it in action typically leaves the most lasting impact, and doing so involves dedication and hard effort on the part of the individual. And since servant leaders are already preoccupied with the improvement and development of others, they are excellent role models for teaching others how to do the same. Employees require a workplace in which they feel safe not only in order to develop professionally, but also in order to put their faith in the services that their managers provide. Servants are leaders who put the needs of others first. This is an external mentality that encourages all workers to face outwards in order to serve one another, which helps the whole business. Typically, the "others" are the personnel under their supervision, but servant leadership should extend beyond direct subordinates or individuals inside the business to include the whole community in which they operate. Customers, stockholders, clients, and the larger local and global community might all be included in this category.

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