Does Servant Leadership Induce Organizational Commitment Through Job Satisfaction? Evidence from the Telecom Sector

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Abstract

This research aims at explaining if the job satisfaction mediates relationship between servant leadership dimensions and organizational commitment dimensions. A set of three separate questionnaires were developed. Furthermore, respondents were selected using judgmental sampling and 450 sets of instruments were distributed among people working for the telecom sector in three waves, each wave being apart from the other with a time lag of one month. However, not all the respondents filled the set of three instruments, consequently, 397 useable sets were used as the final sample. Upon collecting the data, data were analyzed by employing three separate structural equation models. Results indicate job satisfaction partially mediates servant leadership and organizational commitment dimensions with exception of only two cases; persuasive mapping and normative commitment where mediation is full in nature, and wisdom and continuance commitment where no mediation is found. After analyzing the results, it is recommended that telecom sector must understand the importance of leadership and its importance in enhancing organizational commitment among employees. It is further recommended that future researchers should conduct similar studies in other industries as well.

Keywords: Servant Leadership, Job Satisfaction and Organizational Commitment.

Introduction

Telecom sector is an important sector and plays a crucial role in the economic progression of any country. It not only provides an effective means of communication but also creates employment opportunities for a large number of people. However, like all the other sectors, the businesses in this sector were wary about the competitors. Nonetheless, telecom business was a capital intensive business and there were little to almost no threats of new entrants. Moreover, if there were any chances of the new entrants, the very fact that nature of business does not allow to operate the business in the absence of hefty infrastructure made it possible for the firms that were already operating in the market to develop and implement their strategies to counter such threats. Hence, it was a lucrative business sector and thereby has been a thriving sector all across the world till a decade or two ago. However, the introduction of social media and the platforms that provide the ability to call without any charges across the globe has adversely affected the profitability of the telecom sector. This has made the managers in the telecom sector worried about the competitive abilities of their organizations. So is the case of Pakistan's telecom sector. Pakistan, being the home of over 200 million people was once the home of a vibrant telecom sector. However, country's telecom sector has been facing serious issues since the past few years. It is mainly because of the power outages, increasing prices of electricity, and devaluation of rupee. Therefore, managers in the telecom sector are now concerned about the very ability of their firms to compete in the long run. Hence, they are looking for the ways of countering this threat.

This has led the managers in the telecom sector to think about the ways that can be helpful in reversing the damage that is being caused to them. Here it should be noted that the very idea that investments in infrastructure can help in solving the issue is useless as the telecom sector firms have already invested hefty sums of amounts in the infrastructure and yet it is not working for them. Therefore, there exists a need to look for something else. In this regard, few argued that the presence of strong leadership can be helpful for the organizations in coping up with the challenges that the organizations are facing.

Leading is an important function of management (Malikhah, 2021). This is because people believe that leaders have the ability to manage crisis (Gray, Spector, Wells, Bianchi, Ocana-Dominguez, Stringer, Sarmiento, & Butler, 2023). Therefore, leaders have traditionally been seen as the crisis managers (Riggio, & Newstead, 2023). Furthermore, under normal

circumstances, it is believed that leaders can help create a conducive working environment (Klebe, Felfe, & Klug, 2021). Hence, there had always been researchers who were interested in studying leadership and various leadership styles. Servant leadership is one such leadership style. Gašková (2020) argued that servant leadership style centers on fulfilling the needs of subordinates so that each follower should be elevated to the best possible self. Hence, it is a unique leadership style and thereby followers may feel to reciprocate the gesture. Therefore, it is no surprise that researchers have studied servant leadership together with job satisfaction (Hasanuddin, Mustainah, & Buntuang, 2021), organizational commitment (Winarno, & Hermana, 2021) and employee performance (Sarwar, Cavaliere, Ammar, & Afzal, 2021). However, there is a dearth of researches that explain the role that job satisfaction plays between servant leadership dimensions and organizational commitment dimensions particularly in telecom sector of Karachi. For this reason, present study seeks to answer: What is the role of job satisfaction in the relationship between servant leadership and

What is the role of job satisfaction in the relationship between servant leadership and organizational commitment in the telecom sector of Karachi?

Hence, it can be said that this is a unique research that will explain how managers can use the concepts of servant leadership and job satisfaction for increasing commitment among employees. Therefore, this research can be an instrumental research study for solving the issues of the business world.

Literature Review

Theoretical Background

Leader Member Exchange theory stresses the need of having social exchange relations between the leaders and the subordinates as these relations assists in gaining creative cooperation of subordinates. Basically, social exchange is a give and take process that lays the foundation of a unique bond (Duchon & Plowman, 2005). Hence, effective leaders often use the concepts of social exchange relations for gaining creative cooperation of subordinates. Since, this study revolves around the same ideals; therefore, this research is arguably built on theoretical foundations of Leader Member Exchange Theory.

Servant Leadership

There is a general tendency among the people that they usually protect their interests. So is the case with the leaders. However, servant leaders are a bit different than that of others as they are

more concerned about the interest of the followers than that of themselves. Hence, there is a tendency among servant leaders to sacrifice self-interest for the interest of subordinates (Greenleaf, 1977). They are usually more concerned about the well-being of their followers (Russell & Patterson, 2004). Hence, they put every effort in order to create such opportunities for their followers that can help them grow (Luthans & Avolio, 2003). Perhaps this has earned this leadership style the name servant leadership.

Now, if we further talk about servant leadership, in all it has five dimensions. Its dimensions include altruistic calling, emotional healing, wisdom, persuasive mapping and organizational stewardship (Barbuto & Wheeler, 2006). Altruistic calling can be defined in terms of the aspirations for a positive change in others (Barbuto & Wheeler, 2006). Hence, servant leaders have very strong aspirations to bring in positive change in others (Prakasch & Ghayas, 2019). On the other hand, emotional healing is about tolerance, recognition and humbleness (Fry, 2003), whereas, wisdom is primarily concerned about accuracy and practicality and integrating knowledge and utility (Barbuto & Wheeler, 2006). Furthermore, persuasive mapping is about the capacity of a leader to inspire others (Barbuto & Wheeler, 2006), whereas, organizational stewardship is about the degree of involvement a leader has in the affairs of his/her followers and that of organization.

Job Satisfaction

Job satisfaction is a significant work outcome. This is primarily because people spend more time on their jobs in comparison to any other place; hence, it is of utmost importance that people are satisfied with their jobs. This certainly leads to enhanced levels of life satisfaction (Bialowolski, & Weziak-Bialowolska, 2021). Furthermore, enhanced levels of job satisfaction result in higher organizational commitment. Therefore, it has always remained topic of discussion of researchers (Ghayas, Hussain, Khan & Hussain, 2023). Hence, it cannot be ignored in today's business environment. This is especially the case in the telecom sector because the very idea that the investment of hefty amounts in the infrastructure development of the organizations have already failed in the telecom sector as these organizations are already investment intensive in nature and it is virtually impossible even to think about starting the operations in the telecom sector without investing billions of dollars.

Organizational Commitment

Managers all over the world have constantly been in search of work outcomes especially those that can be beneficial for the organization in the long run. This led the managers to look at the behavioral aspects as well. One such behavioral aspect is the organizational commitment. It is an important work outcome and is three dimensional in nature, these are affective, normative and continuance commitment (Allen & Meyer, 1990). Here, affective commitment is positive emotional attachment that people develop towards their organization (Allen & Meyer, 1990), whereas, normative commitment symbolizes perceived responsibility towards the organization (Allen & Meyer, 1990). Finally, continuance commitment is the degree of consideration that an individual give to the cost of parting ways with the organization and can thus be described as the segment of the organizational commitment where employees are concerned about their present and future needs (Allen & Meyer, 1990). Therefore, it can be argued that inculcating the organizational commitment among the employees may help the firms especially in the telecom sector to find ways of remain competitive. This is certainly a great discovery, not only for the telecom sector but for the entire business world as well.

Servant Leadership, Job Satisfaction and Organizational Commitment

Nearly all managers in the world want their employees to remain committed with the organization. The question arises if it is possible? And if that is the case, how is it possible? In this regard, one can argue that it can be made possible by understanding the fact that one-way relations are destined to end. Hence, the very expectation that the employees will exhibit commitment while the managers don't care about them is useless and is like building a castle in the air. Therefore, it is not difficult to understand that if we want our employees to exhibit commitment, we first need to do something that may make them feel that we care about them. Here, servant leadership plays an important role as there is a tendency among servant leaders to sacrifice his or her own interests for safeguarding the interest of subordinates (Greenleaf, 1977); and they are usually more concerned about the well-being of their followers (Russell & Patterson, 2004). This makes the followers feel that their leaders are genuinely concerned about them. Consequently, it is no surprise that Hasanuddin, Mustainah, and Buntuang (2021) have found relationship between all servant leadership dimensions and the job satisfaction. Moreover, Schneider and George (2011) had found the job satisfaction is related to both servant leadership

and organizational commitment. This provides the critical idea that job satisfaction may act as a mediator between the two variables. However, their study considered both servant leadership and organizational commitment one dimensional, whereas, Barbuto and Wheeler (2006) and Allen and Meyer (1990) had previously asserted that neither the servant leadership nor the organizational commitment is one dimensional respectively. This makes it logically correct to test mediating role of job satisfaction between dimensions of both the variables. In this regard, since affective commitment is first dimension of organizational commitment, therefore, following hypothesis is proposed:

H1: Job Satisfaction mediates relationship between servant leadership dimensions and affective commitment.

Similarly, the very fact that normative commitment is also part of organizational commitment (Allen & Meyer, 1990) makes a strong case that it can also have similar relationship with the other variables. Furthermore, Ghaderi, Tabatabaei, Khoshkam, & Abadi (2023) had also found job satisfaction to be related with the normative commitment. Hence, it is quite logical to think that if a leader serves the subordinates, the subordinates feel satisfied and think about reciprocating the gesture and thereby show commitment towards the organization. This also strengthened the case that:

H2: Job Satisfaction mediates relationship between servant leadership dimensions and normative commitment.

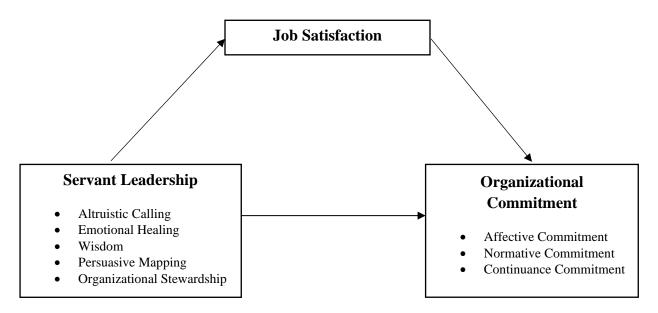
Likewise, although continuance commitment is a bit different than the other two dimensions, however, it is still part of organizational commitment (Allen & Meyer, 1990). Hence, it can also have similar relationship with the others variables. Therefore, it is logically correct to believe that it will have almost same relationship with servant leadership and job satisfaction as that of other two types of commitment. However, if one argues that it may not have similar relationship with these variables, even then there is no harm in at least testing these relationships. Therefore, following hypothesis is proposed:

H3: Job Satisfaction mediates relationship between servant leadership dimensions and normative commitment.

Below is the conceptual framework of the study:

Figure 1

Conceptual Model



The framework suggests that dimensions of organizational commitment serves as independent variables, dimensions of organizational commitment serves as dependent variables, whereas, job satisfaction serves as the mediator.

Research Methodology

To conduct this study, there was a need to collect data pertaining to three major variables. Therefore, three separate instruments consisting of twenty-three items, five items and twenty-four items were adapted from Barbuto and Wheeler (2006), Bagozzi (1980) and Allen and Meyer (1990) for measuring servant leadership, job satisfaction and organizational commitment respectively. Furthermore, respondents were selected using judgmental sampling and 450 sets of instruments were distributed among people working for the telecom sector in three waves, each wave being apart from the other with a time lag of one month. However, not all the respondents filled the set of three instruments, consequently, 397 useable sets were used as the final sample. Moreover, since there were three dependent variables, therefore, three independent structural equation models were needed and were thus used to test hypotheses.

Data Analysis

Results

Results of confirmatory factor analysis and alpha reliability are presented in the below table:

Table 1
SFL & Reliability

Variable	SFL	CR	Cronbach Alpha	AVE
Altruistic Calling		0.895	0.893	0.683
ACal1	0.845			
ACal2	0.778			
ACal3	0.901			
ACal4	0.774			
Emotional Healing		0.868	0.865	0.622
EH1	0.779			
EH2	0.745			
EH3	0.844			
EH4	0.784			
Wisdom		0.903	0.901	0.65
Wis1	0.795			
Wis2	0.804			
Wis3	0.814			
Wis4	0.767			
Wis 5	0.849			
Persuasive Mapping		0.906	0.905	0.659
PM1	0.875			
PM2	0.819			
PM3	0.798			
PM4	0.842			
PM5	0.717			
Organizational Stewardship		0.880	0.878	0.596
OS1	0.807			
OS2	0.867			
OS3	0.735			
OS4	0.723			
OS5	0.716			
Job Satisfaction		0.908	0.906	0.666
JS1	0.842			
JS2	0.756			

Vol 4 , Issue 2 April to June 2024

JS3	0.738			
JS4	0.832			
JS5	0.902			
Affective Commitment		0.938	0.935	0.656
AC1	0.851			
AC2	0.802			
AC3	0.742			
AC4	0.794			
AC5	0.764			
AC6	0.788			
AC7	0.904			
AC8	0.823			
Normative Commitment		0.935	0.932	0.644
NC1	0.799			
NC2	0.745			
NC3	0.764			
NC4	0.784			
NC5	0.829			
NC6	0.768			
NC7	0.808			
NC8	0.912			
Continuance Commitment		0.944	0.941	0.678
CC1	0.783			
CC2	0.795			
CC3	0.835			
CC4	0.905			
CC5	0.846			
CC6	0.761			
CC7	0.779			

The 0.7 or above values of SFL, Cronbach alpha and the composite reliability indicates that the factors are not only useable but are also reliable as well. Furthermore, since AVE>0.5 and CR>AVE, therefore, convergent validity is also established (Fornell & Larcker, 1981).

Extracted

Table 2

Discriminant Validity

Variable	ACal	EH	Wis	PM	os	JS	AC	NC	CC
ACal	0.826*								
EH	0.344	0.789*							
Wis	0.154	0.121	0.806*						
PM	0.221	0.049	0.132	0.812*					
OS	0.312	0.285	0.108	0.122	0.845*				
JS	0.445	0.345	0.255	0.284	0.122	0.868*			
AC	0.498	0.455	0.221	0.322	0.389	0.411	0.948*		
NC	0.544	0.611	0.384	0.278	0.454	0.423	0.124	0.933*	
CC	0.375	0.322	0.345	0.265	0.423	0.439	0.181	0.212	0.954*

Note: *Square Root of AVE as criteria

In table 2, one can clearly see that square root of AVE of each variable is more than its correlation; therefore, discriminant validity is established. Furthermore, three independent structural models were employed.

Table 3

Model Fit Indices

Mod el	Independent Variables	Mediator	Dependent Variable	CMI N/DF	p-value	CFI	RMSE A	Model Status
1	ACal							
	EH							
	Wis	JS	AC	1.991	0.000	0.915	0.074	Fit
	PM							
	OS							
2	ACal							
	EH							
	Wis	JS	NC	1.845	0.000	0.948	0.059	Fit
	PM							
	OS							
3	ACal							
	EH							
	Wis	JS	CC	1.919	0.000	0.928	0.067	Fit
	PM							
	OS							
4	CFA Model			1.984	0.000	0.911	0.063	Fit

Since CMIN/df < 2, CFI > 0.9 and RMSEA< 0.08; therefore, all models are statistically fit.

Table 4
Results of Structural Models

Mode l	Independent Variables	Mediato r	Dependent Variable	Effect of IV on Mediato r	Direct Effect (c)	Indirec t Effect (ab)	Total Effect (c')	Degree of Mediation
1	ACal			0.089*	0.068*	0.031*	0.099*	Partial
	EH			0.031*	0.047*	0.024*	0.071*	Partial
	Wisdom	JS	AC	0.075*	0.057*	0.042*	0.099*	Partial
	PM			0.024*	0.117*	0.029*	0.146*	Partial
	OS			0.628*	0.188*	0.035*	0.223*	Partial
2	ACal			0.089*	0.115*	0.028*	0.143*	Partial
	EH			0.031*	0.109*	0.027*	0.136*	Partial
	Wisdom	JS	NC	0.075*	0.138*	0.032*	0.170*	Partial
	PM			0.024*	0.087	0.028*	0.115*	Full
	OS			0.629*	0.131*	0.022*	0.153*	Partial
3	ACal			0.089*	0.351*	0.047*	0.398*	Partial
	EH			0.031*	0.131*	0.037*	0.168*	Partial
	Wisdom	JS	CC	0.075*	0.142*	0.011	0.152*	None
	PM			0.024*	0.137*	0.037*	0.174*	Partial
	OS			0.628*	0.102*	0.033*	0.135*	Partial

Note: * represent significant relationship.

In table 4, since all direct, indirect and total effects are significant in model 1, therefore, it is suggested that job satisfaction partially mediates relationships between dimensions of servant leadership and affective commitment. Conversely, in results of model 2, it can be seen that the direct effect of the persuasive mapping is insignificant in the presence of mediator, hence, job satisfaction fully mediates persuasive mapping and the normative commitment, whereas, rest of mediations were partial in nature. Lastly, in the third model, it can be seen that indirect effect between wisdom and continuance commitment is insignificant, indicating that job satisfaction does not mediate relationship between wisdom and continuance commitment, whereas, rest of the mediations were partial in nature.

Discussions & Conclusions

Discussion

It is no secret that managers across the business world have always remained worried as to how they can induce commitment among the employees. In this regard, different people have given different opinions, one such opinion suggests that money is the key in this regard and employees can only be motivated by providing better compensation (Tumi, Hasan, & Khalid, 2022), however, others believe that there can be things other than compensation that may help motivate the employees. They argue that supervision or leadership is one of the important factors that can help motivate the employees (Shafi, Lei, Song, & Sarker, 2020). Now, if leadership is important in motivating the employees and may in turn induce the employees to remain committed towards the work, it is no rocket science to think that servant leadership style may serve the purpose better than any other leadership style. In this regard, it can be suggested that this study is one such research that seeks to explain how various dimensions of servant leaders affect the employee satisfaction which results in enhanced level of commitment. Hence, this study is arguably a pivotal study with respect to servant leadership and organizational commitment.

Conclusions

This research demonstrates that businesses are facing various challenges and spending money is not the solution of all these challenges. In fact, humility and politeness can do wonders and can be helpful in achieving what sending billions of rupees cannot do. Hence, it is concluded that when people feel that their leaders care about them, they become satisfied with their jobs which in turn results in higher organizational commitment. This is certainly important for the business organizations because business organizations always want to enhance the level of productivity of their employees and this commitment of employees towards the organization can serve as a tool to enhance the employee productivity. Hence, it is important for the firms to create such an environment where employees believe that their leaders and organization care about them. Furthermore, the results also demonstrate that servant leadership style has full potential to make the employees believe that their leader cares about them.

Recommendations

After analyzing the results, it is recommended that telecom sector must understand the importance of leadership and its importance in enhancing organizational commitment among employees. In this way, telecom sector can find the solutions of its problems which it has not been able to solve even after having spent billions of rupees on infrastructure development. Hence, it is no less than a dream came true for the telecom sector. Furthermore, this is certainly important for the other business organizations as well because business organizations always want to enhance the level of productivity of their employees and this commitment of employees

towards the organization can serve as a tool to enhance the employee productivity. Hence, the importance of servant leadership cannot be ignored as results of the study indicate that it not only enhances the job satisfaction but also enhances organizational commitment. Hence, managers in the telecom sector must try to concentrate on finding the ways of better serving the needs of their followers.

Future Research

Although, the study has been able to conclude such results that can be helpful for the telecom sector firms in the long run, however, this does not change that the study was limited to a single sector. Hence, since this study was mainly conducted in telecom sector of Karachi; therefore, it has limited generalizability outside the telecom sector of Karachi. This warrants a need of conducting similar studies in other industries and geographical locations. Moreover, the study has not discussed any leadership style other than the servant leadership; consequently, there is a need to conduct similar studies for other leadership styles as well. Furthermore, future researchers may also conduct similar studies for predicting other work outcomes such as employee engagement etc.

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