

**Impact of Servant Leadership on Employees' Performance: Mediating Role of Organizational Justice**

**Hafiz Ullah**

[hafizullahmahsood135@gmail.com](mailto:hafizullahmahsood135@gmail.com)

Gomal University, Dera Ismail Khan, KP, Pakistan

**Najma Tauheed**

[mrsmoquddas@gmail.com](mailto:mrsmoquddas@gmail.com)

The City School, Harley Campus, Rawalpindi, Pakistan

**Dr Muhammad Siddique**

[mpasiddique@gmail.com](mailto:mpasiddique@gmail.com)

Assistant Professor, Department of Public Administration, Gomal University, Dera Ismail Khan, KP, Pakistan

**Haji Irfan Haider**

[hirfanhaider@gmail.com](mailto:hirfanhaider@gmail.com)

Gomal University, Dera Ismail Khan, KP, Pakistan

**Misbah Khan**

[misbahkhan2001dec@gmail.com](mailto:misbahkhan2001dec@gmail.com)

Department of Social Sciences, University of Haripur, Pakistan

**Mahesh Kumar Oad**

[maheskumaroad79@gmail.com](mailto:maheskumaroad79@gmail.com)

SK Engineering Hyderabad, PA Department, University of Sindh, Pakistan

**Corresponding Author: \* Hafiz Ullah** [hafizullahmahsood135@gmail.com](mailto:hafizullahmahsood135@gmail.com)

**Received:** 16-11-2025

**Revised:** 29-11-2025

**Accepted:** 14-12-2025

**Published:** 27-12-2025

**ABSTRACT**

*The way of leadership is very instrumental in shaping how employees behave and the results of an organization. This paper will be analyzing the effect of servant leadership on the performance of the employees with the mediating effect of organizational justice in the commercial banking industry specifically in Southern Khyber Pakhtunkhwa in Pakistan. Quantitative and cross-sectional research design was used. The information was gathered using structured questionnaires on 348 employees. The proposed relationships were tested using correlation, regression, and mediation. The results indicate that servant leadership positively affects the performance of employees to a great extent. Organizational justice is also a major prediction of servant leadership. Moreover, organizational justice also mediates the connection between servant leadership and the performance of employees to some extent. The research concludes that the perceptions of fairness reinforce efficacy of servant leadership in improving the performance of employees. There are practical implications on the development of leadership and the just human resource policies.*

**Keywords:** Servant Leadership, Performance, Employee

## INTRODUCTION

### Background of the Study

Leadership is involved in the process of defining attitudes and performance of employees in organizations. Servant leadership has become one of the most discussed modern methods of leadership due to its ethical and orientation to employees. Servant leadership underlines that the purpose of leaders is to serve employees with the focus on their development, well-being and professional growth [1].

In contrast to the conventional leadership theories, which concentrate on power and commanding leadership, servant leadership advocates empathy, stewardship, listening, and empowerment [2]. Leaders that use this style provide employees with favorable working conditions where their feeling of being respected and being important is felt. These environments boost employee engagement and motivation that are paramount in determining performance outcomes [3].

Performance of employees is described as effectiveness and efficiency of accomplishing the tasks assigned to employees and their contribution to organizational goals [4]. The banking industry is one of the industries in which employee performance has a direct impact on customer satisfaction, stability of operations, and reputation of the institutions [5]. Financial institutions, therefore, need to find leadership variables that help to improve employee performance.

Organizational justice encompasses the level of perceived fairness in the employees of the organization in terms of reward allocation, the decision-making process and the way they are treated by others in the organization [6]. The perception of justice has a great impact on the motivation and commitment of employees. Employees are able to exhibit positive work behavior and increased performance when they perceive fairness [7]. On the other hand, the sense of injustice can lead to dissatisfaction and low productivity [8].

Servant leadership promotes equity by ensuring that the decisions made are transparent, the reward systems are fair and there is respect in the relationship [9]. The social exchange theory indicates that employees return positive and fair treatment with positive actions such as better performance [10]. Thus, the organization justice can be utilized as a mechanism that elucidates how servant leadership can be transformed into an increased employee performance.

Although the topic of servant leadership is gaining momentum, there is scanty empirical data on whether organizational justice can mediate this relationship in Pakistan banking industry. This paper will endeavor to address this gap.

### Problem Statement

Even though the literature on servant leadership confirms that servant leadership significantly affects the performance of employees, the mechanism by which servant leadership achieves such an impact is not well investigated. Specifically, it is not clear whether the positive impact of servant leadership on performance is direct or not, or the relationship is mediated by the perceptions of fairness in employees.

Leadership styles in the banking industry have a strong influence on the perception and performance of the employees due to the importance of ethics and fairness in the banking industry. Nevertheless, the impact of organizational justice in mediating the relationship between servant leadership and employee performance has not been studied properly in the Southern Khyber Pakhtunkhwa region.

Consequently, the researched question of the study is whether organizational justice mediates servant leadership and employee performance.

### **Objectives of the Study**

1. To examine association among servant leadership, organizational justice and employees' performance (Correlation Analysis).
2. To examine cause-&-effect relationship between servant leadership, organizational justice and employees' performance (Regression Analysis).
3. To examine the mediating role of organizational justice in relationship between servant leadership and employees' performance (Mediation Analysis).
4. To examine mean group differences in employees' responses toward the research variables under considerations (Test of Significance).

### **Significance of the Study**

The current study has added to the body of literature in leadership and organizational behavior by explaining the process by which servant leadership can improve the performance of employees. It offers practical information to the banking institutions through focusing on the leadership practices built on fairness. The results can guide managers to develop justice-based and performance-driven leadership development programs and human resource policies.

## **LITERATURE REVIEW**

### **Servant Leadership**

Servant leadership is a leadership philosophy whereby the leader places employees before him or her instead of ruling over the employees [1]. It dwells on empathy, humility, empowerment and ethical behavior [2]. Servant leaders engage in relationships based on trust, promote employee involvement, and promote the presence of psychological safety at the workplace [3].

There has been empirical evidence that servant leadership has a positive impact on job satisfaction, organizational commitment, and performance outcomes [4,5]. Servant leaders promote intrinsic motivation and accountability by empowering their employees and facilitating their growth.

### **Organizational Justice**

Organizational justice is the level of fairness of the workplace outcomes and processes as observed by the employees [6]. It is based on three dimensions, which are distributive justice (fair rewards), procedural justice (fair processes), and interactional justice (respectful treatment) [7].

Employees who experience greater degrees of fairness are more committed and perform better when they perceive high amounts of fairness [8]. The perceptions of justice build trust in the leadership and employee engagement [10].

### **Employees' Performance**

Employee performance indicates the level of efficiency of the individuals in doing their job duties and also making contributions towards organizational objectives [4]. When employees perform well, it enhances productivity, customer satisfaction as well as organizational competitiveness [5].

The style of leadership has a great impact on the performance of employees. Empowering and moral leadership practices enhance motivation and hard work among employees [3].

### **Theoretical Framework**

The research will be premised on the Social Exchange Theory that argues that relationships at the workplace are founded on mutual exchange [10]. Employees return the favors of leaders with better performances.

The organization justice theory also elaborates the perspective of fairness on employee attitudes and behaviors [6]. The concept of justice perceptions is also promoted by servant leadership and this has an effect of promoting employee performance.

## **METHODOLOGY**

### **Research Design**

The research design offers a systematic way of how a study is to be carried out in terms of data collection up to interpretation. It contains methods of procedures and statistical techniques to test hypotheses offered and to reach the research objectives. In the current study, the research design is quantitative since the researcher seeks to study the connections between servant leadership, organizational justice and the performance of employees in a measurable data. The method of application was a cross-sectional design because the data was gathered at one time among the employees within the commercial banks. The design suits the analysis of the association, cause-and-effect relationships and mediation effects in a specific organizational context.

### **Research Approach**

The research method defines the data collection and analysis. In the present research, primary data was collected through a survey method to obtain information about the respondents. The field of social science research well knows the survey method of evaluating perceptions, attitudes and behavioral tendencies. Questionnaires were administered to staff of commercial banks in the Southern Region of the Khyber Pakhtunkhwa. The responses obtained were coded and statistically tested to determine the hypothesized relationship among variables.

### **Population and Sampling**

The study population contained the employees of different commercial banks in the Southern Region of the Pakistani territory, Khyber Pakhtunkhwa. The overall number of employees was 3,244 who work under various designations. In order to ascertain the right sample size, a general formula of sampling was used which showed that the calculated sample was 356 respondents. The number of questionnaires sent was 356 and the number of questionnaires returned and considered as valid to be analyzed was 348. The researcher used non-probability convenience sampling method because of the convenience and practical considerations. In spite of the fact that this method does not allow generalization, it is appropriate in the perception of an organization.

**Table 1**

<b>Formula</b>	<b>E</b>	<b>N = 3244</b>	<b>Sample = 356</b>
$n = N/1 + Ne^2$	0.05	$n = 3244 / (1 + 3244 (0.0025))$ , $n = 356.09$	Sample = 356

**DATA COLLECTION AND ANALYSIS**

Structured questionnaires in which items evaluated servant leadership, organizational justice and performance of employees were utilized in gathering primary data. Confidentiality was guaranteed to the respondents to make them give correct and truthful answers. Coding and entering into statistical software was done to analyze the responses after collection of data. Demographic characteristics were summarized using descriptive statistics. The analysis done was Pearson correlation analysis to investigate the variables associations. The effect of independent variables on the dependent variable was measured by multiple regression analysis. The mediation analysis was used to establish whether organizational justice serves as an intervening variable in the relationship between servant leadership and the performance of employees.

**Measurement of Variables**

The measurement scales used in the study were those that had been tested before and were thus reliable and consistent. A standardized servant leadership scale was used in the measurement of servant leadership. Organizational justice was measured using items that represented distributive, procedural and interactional justice. A performance evaluation scale that measured task effectiveness and general contribution was used to measure the performance of the employees. Everything was rated on a five-point Likert scale that ranged between 1 (Strongly Disagree) and 5 (Strongly Agree).

**Validity and Reliability**

The reliability and validity of research findings are needed to render research credible. The type of content validity was preserved through the use of measurement instruments that had been previously valid in previous empirical studies. To measure the internal consistency, the alpha coefficient of Cronbach was used to measure reliability. The resulting reliability coefficients went above the acceptable levels, which means that the scales utilized in the research were stable and reliable.

**Ethical Considerations**

The research was conducted with ethical standards being followed to the letter. It was a voluntary participation and the respondents were notified about the aim of the study. Data were handled confidentially and anonymously and only used in academic reasons. None of the respondents was coerced or harmed.

**Mediation Analysis Procedure**

The mediation analysis was used to establish whether the organizational justice mediates the relationship between the servant leadership and the performance of the employees. The process entailed the direct effect of servant leadership on organizational justice, the combined effect of servant leadership and organizational justice on employee performance and a comparison of the direct and indirect effects. The decrease in the regression coefficient of servant leadership with the introduction of organizational justice was a sign of partial mediation.

**RESULTS**

The statistical results that were obtained to test the proposed hypotheses are presented in this part. This was done using descriptive statistics, correlation analysis, regression analysis, and mediation analysis to determine the relationship between servant leadership, organizational justice and the employee's performance.

**Descriptive Statistics**

**Table 2**

	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>SD</b>
Servant Leadership	348	2.47	6.36	4.4931	.73871
Organizational Justice	348	1.25	6.44	3.8255	1.14273
Employees' Performance	348	1.25	4.54	3.2039	.54037
Valid N (listwise)	348				

The descriptive statistics reveal that the mean result of servant leadership is 4.4931 and standard deviation is 0.73871 and the result is that, on average, respondents are noting a high level of servant leadership in their organization. The mean of organizational justice is 3.8255 and standard deviation is 1.14273, which means that there is a moderate degree of fairness perceptions among the employees. The performance of the employees has a mean of 3.2039 and a standard deviation of 0.54037 which indicates moderate performance in the sampled banks.

**Table 3**

<b>Correlations</b>				
		<b>Servant Leadership</b>	<b>Organizational Justice</b>	<b>Employees' Performance</b>
Servant Leadership	Pearson Correlation	1	.405**	.571**
	Sig. (2-tailed)		.000	.000
	N	348	348	348
Organizational Justice	Pearson Correlation	.405**	1	.464**
	Sig. (2-tailed)	.000		.002
	N	348	348	348
Employees' Performance	Pearson Correlation	.571**	.464**	1
	Sig. (2-tailed)	.000	.002	
	N	348	348	348

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Pearson correlation analysis was done in order to analyze the relationship between variables. The findings indicate that servant leadership significantly and positively correlates with the performance of the employees ( $r = .571, p < .001$ ). Servant leadership has also a substantial positive association with the organizational justice ( $r = .405, p = .001$ ). Moreover, organizational justice is positively related to the performance of employees ( $r = .464, p < .01$ ). These results not only help to achieve the first goal of the study but also prove that all variables have a significant correlation with one another.

**Regression Analysis**

**Table 4**

<b>Model Summary</b>				
<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of Estimate</b>
1	.576 <sup>a</sup>	.331	.328	.44313

**Table 5 Regression Analysis**

<b>ANOVA</b>						
<b>Model</b>		<b>SS</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
1	Regression	33.581	2	16.791	85.509	.000 <sup>b</sup>
	Residual	67.745	345	.196		
	Total	101.326	347			

**Table 6**

**Regression Analysis**

<b>Coefficients</b>						
<b>Model</b>		<b>Unstandardized Coefficients</b>		<b>Standardized Coefficients</b>	<b>t</b>	<b>Sig.</b>
		<b>B</b>	<b>Std. Error</b>	<b>Beta</b>		
1	(Constant)	1.366	.148		9.204	.000
	Servant Leadership	.442	.035	.604	12.536	.000
	Organizational Justice	.238	.033	.581	10.679	.024
a. Predictors: Servant Leadership & Organizational Justice						
b. Dependent Variable: Employees' Performance						

Regression analysis was done to investigate cause and effect. As suggested in the model summary, servant leadership and organizational justice jointly explain 33.1 percent of the variance in the performance of the employees ( $R^2 = .331$ ). The outcome of the ANOVA proves the statistical significance of the regression model ( $F = 85.509$ ,  $p < .001$ ). The regression coefficients indicate that servant leadership affects the performance of employees significantly, positively ( $\beta = .442$ ,  $p < .001$ ). The organizational justice is also significantly and positively related to the performance of the employees ( $\beta = .238$ ,  $p < .05$ ). These results confirm the fact that the two independent variables have a significant effect on the dependent variable.

**Model Summary Table 7**

<b>R</b>	<b>R Square</b>	<b>MSE</b>	<b>F</b>	<b>df1</b>	<b>df2</b>	<b>p</b>
.4054	.1644	1.0943	50.4596	1.0000	346.0000	.0000

The mediation analysis was conducted to establish the relationship between the servant leadership and the performance of the employees mediated by organizational justice. Servant leadership is an important predictor of organizational justice in the first step (1) ( $\beta = .4176$ ,  $p = .001$ ) which explains 16.44% of the variance in organizational justice. The second step indicates that both servant leadership ( $\beta = .4176$ ,  $p = .001$ ) and organizational justice ( $\beta = .2382$ ,  $p = .01$ ) have a significant influence on the performance of the employees,

with a contribution of 33.14%. Direct effect of servant leadership on the performance of the employees is also significant ( $= 0.4416$ ,  $p = 0.001$ ) when there is no organizational justice in the model.

The decrease in the coefficient between .4416 and .4176 when organizational justice was added depicts partial mediation. Thus, organizational justice mediates the connection between servant leadership and the performance of the employees partially.

## **DISCUSSION OF THE STUDY**

The research results show that servant leadership positively impacts the performance of employees working in the banking industry. Leaders who focus on the development of employees, empowerment and ethical conduct build conditions that lead to increased engagement and productivity. The existence of the strong positive correlation between servant leadership and the performance of employees demonstrates that employees react to the supportive leadership behaviors favorably.

The high correlation between servant leadership and organization justice implies that those leaders who are emphatic, transparent, and fair enhance justice perceptions of the employees. These assertions the significance of ethical leadership practices in determining fairness in the workplace.

The outcomes of the mediation give a better understanding of the process that connects the servant leadership with the performance of the employees. Organizational justice is a psychological intermediary where servant leadership is converted into better performance. Workers feel encouraged to return the favor by improving their work performance when they feel that they are fairly rewarded, treated in a fair way, and interacted with.

The results are in line with the Social Exchange Theory, implying that employees will react to fair and conducive treatment by positive work behaviors. Justice-based leadership practices are very important in enhancing employee performance in the banking industry where trust, transparency and accountability are central to the industry.

The findings confirm that servant leadership does not only directly affect the performance, but also boosts the perceptions of justice, which positively impacts employee effectiveness as well. In this regard, fairness, transparency, and values of employees must be highlighted in the leadership development programs of the banking institutions.

## **CONCLUSION**

The first aim of the proposed research was to investigate the effects of the servant leadership on the performance of the employees with organizational justice as a mediator in the commercial banks of the Southern Region of Khyber Pakhtunkhwa. The results of the research offer empirical data according to which servant leadership greatly improves the performance of employees. Leaders that emphasize the welfare of employees, empowerment, ethics, and professional growth positively influence the performance in the banking industry.

The findings also show that organizational justice is largely predicted by servant leadership. The employees of servant leaders feel that there is greater equity in rewards allocation, decision-making process, and interpersonal treatment. Such perceptions of justice enhance the trust in leadership, and enhance good organizational climate.

Furthermore, the mediation analysis confirms that the organizational justice mediates the relationship between the servant leadership and the performance of employees to a certain degree. This implies that servant leadership enhances fairness perceptions hence better performance, both directly and indirectly. The decrease in the regression coefficient upon the addition of organization justice proves that fairness is a significant psychological process between leadership behavior and employee output.

By and large, the research comes up with a conclusion that servant leadership and organizational justice jointly lead to a conducive and equitable working environment that fosters effective performance by employees. Leadership practices based on fairness and service orientation are vital in the banking industry where ethical standards, accountability and customer service are vital elements of sustainable performance.

### **RECOMMENDATIONS**

Resting on the results of the research, the following recommendations are offered:

1. The banking institutions ought to encourage servant leadership by offering leadership development and training courses. Managers are to be trained so that they should focus on employee development, active listening and ethical decision-making.
2. Companies ought to enhance organizational justice by establishing equity in rewarding, promotion that is transparent and regular performance review processes.
3. The participation and open communication should be promoted by the management to improve the perceptions of procedural and interactional justice among the employees.
4. The human resource departments are expected to come up with policies that incorporate the principles of fairness in the recruitment, evaluation, and compensation systems.
5. The attitude to fairness among employees should be regularly evaluated by senior management to define the possible areas of dissatisfaction and resolve them.

### **Recommendations for Future Research**

Even though the study gives great insights, it also has some limitations which leave rooms on future research. The longitudinal research design can be applied in future research to investigate the changes in leadership behavior and perceptions of justice over time. Researchers can also increase the scope of the study and incorporate other sectors or geographical locations in an attempt to make the study more general. Secondly, further studies can be conducted to explore the other possible mediating or moderating factors including organizational trust, job satisfaction or employee engagement to gain more insight into the relationship between leadership and performance.

### **Contributions of the Study**

This research adds to the literature since it explains the process by which servant leadership improves the performance of employees. The study is theoretically supported by integrating leadership and fairness frameworks by associating it with an organizational justice to act as a mediating factor. It also provides empirical data in the banking industry of Southern Khyber Pakhtunkhwa, where scanty research has been done regarding the issue.

## **PRACTICAL IMPLICATIONS**

Its results have significant practical implications on the banking institutions. Servant leadership leaders and those who focus on equity can boost employee motivation, minimize workplace dissatisfaction, and improve the overall organizational performance. Leadership practices which are based on justice help in providing trust, commitment and productivity to employees. Thus, incorporation of servant leadership and organizational justice into organizational culture can enhance the performance and sustainability in the long run.

## **REFERENCES**

- World Health Organization. Iron deficiency anemia: assessment, prevention and control. Geneva: WHO; 2001.
- World Health Organization. Global anemia estimates, 2023 edition. Geneva: WHO; 2023.
- Daru J, Zamora J, Fernández-Félix BM, Vogel J, Oladapo OT, Morisaki N, et al. Risk of maternal mortality in women with severe anemia during pregnancy and postpartum: a multilevel analysis. *BMJ Glob Health*. 2018;3(2):e000688.
- Milman N. Iron in pregnancy: how do we secure an appropriate iron status in the mother and child? *Ann Hematol*. 2020;99(3):503–513.
- Rahman MM, Abe SK, Rahman MS, Kanda M, Narita S, Bilano V, et al. Maternal anemia and risk of adverse birth and health outcomes in low- and middle-income countries. *Am J Clin Nutr*. 2016;103(2):495–504.
- Peña-Rosas JP, De-Regil LM, Garcia-Casal MN, Dowswell T. Daily oral iron supplementation during pregnancy. *Cochrane Database Syst Rev*. 2019;7:CD004736.
- Pavord S, Myers B, Robinson S, Allard S, Strong J, Oppenheimer C. UK guidelines on the management of iron deficiency in pregnancy. *Br J Haematol*. 2020;188(6):819–830.
- Tandon R, Jain A, Malhotra P. Management of iron deficiency anemia in pregnancy in India. *Indian J Hematol Blood Transfus*. 2018;34(2):204–215.
- Breyman C. Iron deficiency anemia in pregnancy. *Hematology Am Soc Hematol Educ Program*. 2020;2020(1):415–422.
- Auerbach M, Macdougall IC. Safety of intravenous iron formulations. *Clin J Am Soc Nephrol*. 2020;15(1):1–3.
- Muñoz M, Gómez-Ramírez S, Bhandari S. The safety of available treatment options for iron-deficiency anemia. *Lancet Haematol*. 2020;7(7):e473–e482.
- Van Wyck DB, Martens MG, Seid MH, Baker JB, Mangione A. Intravenous ferric carboxymaltose compared with iron sucrose in women with iron deficiency anemia. *Transfusion*. 2019;59(1):192–199.

- Christoph P, Schuller C, Studer H, Irion O, De Tejada BM, Surbek D. Intravenous iron treatment in pregnancy: comparison of ferric carboxymaltose and iron sucrose. *Arch Gynecol Obstet.* 2018;298(2):283–290.
- Naqash A, Ara R, Bader GN. Effectiveness and safety of ferric carboxymaltose compared to iron sucrose in women with iron deficiency anemia. *BMC Womens Health.* 2018;18(1):6.
- Wani S, Noushad M, Ashiq S. Retrospective study to assess the effectiveness, tolerability and safety of ferric carboxymaltose in pregnant women. *Anemia.* 2019;2019:4640635.
- Gupte SA, Venkataraman G, Shah AS, Mudholkar AS, Jangam SM. Clinical effects and safety of ferric carboxymaltose in pregnancy: an Indian real-life experience. *J Obstet Gynaecol Res.* 2021;47(10):3464–3470.
- Froessler B, Collingwood J, Hodyl NA, Dekker G, Andersen C. Intravenous ferric carboxymaltose for anemia in pregnancy. *J Perinat Med.* 2018;46(1):1–7.
- Singh S, Dhama V, Chaudhary R, Singh P. Comparing the safety and efficacy of intravenous iron sucrose and ferric carboxymaltose in postpartum anemia. *Int J Reprod Contracept Obstet Gynecol.* 2017;5(5):1451–1456.
- Qassim A, Grivell RM, Henry A. Intravenous versus oral iron for treatment of iron deficiency anemia in pregnancy: a systematic review. *Obstet Med.* 2018;11(2):70–78.
- Bhandal N, Russell R. Intravenous versus oral iron therapy for postpartum anemia. *BJOG.* 2018;125(3):337–345.