

Transformational-Servant Leadership and Perceived Operational and Financial Performance: The Mediating Role of Organizational Citizenship Behavior in Islamic Microfinance Institutions

Niki Puspita Sari¹, Helmi Muhammad², Erna Resmianti³, Indra Kurniawan⁴,
Mohd Khairy Kamarudin⁵

^{1,2,3}Universitas Islam Raden Rahmat, Malang, Indonesia

⁴Institut Teknologi dan Bisnis PGRI Dewantara, Jombang, Indonesia

⁵University of Technology Malaysia, Malaysia

✉ Corresponding Author:

Author Name: Niki Puspita Sari

E-mail: nikipuspita@uniramalang.ac.id

Submitted: April 17th 2026 | Reviewed: May 21st 2026 | Revised: September 25th 2026 | Accepted: October 7th 2026

Abstract: This study examines the effect of transformational-servant leadership (TSL) on perceived operational and financial performance (POFP) and investigates the mediating role of organizational citizenship behavior (OCB) in an Islamic microfinance institution. This explanatory quantitative study collected data from 298 middle-top managers of BMT UGT Nusantara. The population consisted of 298 managers representing 298 office units across Indonesia. Using census sampling, 298 questionnaires were distributed, all of which were returned and deemed valid, resulting in a 100% response rate. The unit of analysis was the individual middle-top manager as a key informant representing each organizational unit. Data were analyzed using Partial Least Squares Structural

Equation Modeling (PLS-SEM). The results indicate that TSL positively and significantly influences OCB and POFP, while OCB does not significantly influence POFP. Furthermore, OCB does not mediate the relationship between TSL and POFP. The structural model explains 57.8% of the variance in OCB and 53.2% of the variance in POFP, indicating adequate explanatory power. This study contributes to Islamic human resource management literature by emphasizing the contextual role of OCB and highlighting the importance of sustainable leadership practices, fair workload management, and employee recognition in Islamic microfinance institutions.

Keywords: Transformational Servant Leadership; Organizational Citizenship Behavior; Perceived Operational and Financial Performance

Abstrak: Penelitian ini mengkaji Transformational Servant Leadership (TSL) dan Perceived Operational and Financial Performance (POFP) pada sebuah lembaga keuangan mikro syariah. Penelitian ini juga meneliti Organizational Citizenship Behavior (OCB) sebagai variabel mediator. Ini merupakan penelitian kuantitatif eksplanatori yang melibatkan 298 manajer tingkat menengah hingga atas di BMT UGT Nusantara. Populasi penelitian mencakup 298 manajer yang bekerja di 298 kantor yang tersebar di seluruh Indonesia. Sebanyak 298 kuesioner disebarluaskan menggunakan metode sensus, dengan tingkat pengembalian mencapai

100%. Unit analisis dalam penelitian ini adalah individu manajer tingkat menengah hingga atas. Data dianalisis menggunakan metode PLS-SEM. Hasil penelitian menunjukkan adanya pengaruh positif dan signifikan dari TSL terhadap OCB dan POFP. Hasil juga menunjukkan bahwa OCB tidak berpengaruh terhadap POFP, sehingga OCB tidak memediasi hubungan antara TSL dan POFP. Model struktural menjelaskan 57,8% variabilitas OCB dan 53,2% variabilitas POFP, yang mengindikasikan bahwa model tersebut memberikan penjelasan yang memadai mengenai varians tersebut. Penelitian ini memberikan kontribusi pada literatur manajemen sumber daya manusia syariah terkait peran OCB, serta menekankan pentingnya praktik kepemimpinan berkelanjutan, manajemen beban kerja yang adil, dan pemberian penghargaan kepada karyawan dalam konteks keuangan mikro syariah.

Kata kunci: *Transformational Servant Leadership, Organizational Citizenship Behavior, Kinerja Operasional dan Keuangan yang dirasakan*

Citation:

Sari, N. P., Muhammad, H., Resmiatini, E., Kurniawan, I., Kamarudin, M. K. (2026). Transformational-Servant Leadership and Perceived Operational and Financial Performance: The Mediating Role of Organizational Citizenship Behavior in Islamic Microfinance Institutions. *Iqtishoduna*, 22 (2), 140-161. <https://doi.org//10.18860/iq.v22i2.41962>

INTRODUCTION

Islamic microfinance institutions (IMFIs), like other financial institutions, face challenges in the effective management of human resources, leadership practices, and employee work behaviors. Increasingly, the challenges of organizational sustainability for IMFIs have been concerned with managing human resources, leadership practices, and employee work behaviors. The nature of the services offered by IMFIs necessitates adequate financial and human resources. Human resources need to be built to create the right relationship and trust with members, as well as to provide quality services and improve the operational effectiveness of the organization (Hijazi et al., 2024). The staffing of IMFIs' Human Resources represents a blend of high-context and low-context cultural preferences (Hilton et al., 2023; Motadi, 2024). The quality of employee work behaviors coupled with leadership practices has been documented to improve organizational effectiveness within the financial services sector (Haque et al., 2026).

In Indonesia, Baitul Maal wat Tamwil (BMT) is unique in that it merges social and business activities and has a dual purpose of community empowerment and organizational sustainability (Ascarya & Masrifah, 2023). The successful integration of social and business activities creates challenges in creating a broad range of products and services, as well as achieving effective and efficient governance and organizational conduct. Studies on the management of Islamic microfinance in Indonesia have also documented the critical role of managers who occupy strategic positions in understanding the institution's mission, making decisions, and managing organizational activities (Anwar et al., 2023; Haerudin et al., 2023). The strategic role of BMTs in providing value-based financial services in Indonesia is confronted with challenges of managing the quality of governance and organizational conduct.

Due to increasing complexity in operations and wider service networks, BMT units require leaders who, in addition to ensuring the attainment of organizational targets, build integrity and compliance, as well as engage employees in work-related activities (Mohsin et al., 2021; Sarwar et al., 2023). Managing financial resources is

the core business of microfinance institutions. However, microfinance institutions are capital-intensive and, therefore, highly dependent on the trust of members. Trust is a valuable form of social capital, and the ability of the employees of microfinance institutions to relate and interact with stakeholders shapes that trust. Research on Sharia microfinance institutions shows that the main challenges facing the institutions are governance and the ability to manage staff (Mutamimah et al., 2022; Rahajeng, 2022). Therefore, leadership in this context means being able to not only design and achieve performance targets but also mold employees' attitudes and behaviors at work (Serang et al., 2024).

Leadership challenges in BMTs include helping employees achieve organizational targets while also supporting their development. Transformational leadership emphasizes constructing a compelling vision and motivating followers to embrace change (Hoch et al., 2018; Nguyen et al., 2023). Servant leadership emphasizes connecting with followers, facilitating their development, and empowering them to realize their potential (Canavesi & Minelli, 2022; Rashid & Ilkhanizadeh, 2022). Although the two approaches differ in emphasis, both support follower development and empowerment (Muhammad & Sari, 2021). Integrating transformational and servant leadership therefore involves more than simply combining positive leadership traits; it combines change-oriented leadership with relationship building, service, and follower development. Evidence also indicates that servant leadership can influence branch financial performance through people-focused mechanisms (Hartnell et al., 2020).

However, leadership influences performance only when employees embrace and enact the values promoted by their leaders. Leaders can create a vision, provide support, and guide employees toward shared goals, but the impact of leadership is limited when employees are unwilling to contribute beyond minimum role requirements. Organizational citizenship behavior (OCB) provides one mechanism through which leadership can be translated into concrete employee actions (Alhashedi et al., 2021; Qalati et al., 2022). Employees who engage in OCB are more likely to support the organization, interact constructively with clients, and contribute to a positive work environment (Elche et al., 2020; Utami et al., 2021). Such behaviors may, in turn, contribute to organizational effectiveness and performance (Notanubun, 2021).

Although previous research has examined relationships among leadership, employee behavior, and organizational performance, several gaps remain. Transformational leadership may improve organizational performance by fostering a change-oriented culture (Nguyen et al., 2023), yet the mechanisms linking leadership, employee behavior, and organizational outcomes remain incompletely understood. Research also shows that OCB can contribute to organizational effectiveness and has been identified as an important area for further investigation (Podsakoff et al., 2014). In addition, servant leadership can foster OCB through the quality of leader-follower relationships (Chiniara & Bentein, 2018). However, much of this research examines a single leadership orientation rather than integrating change-oriented and service-oriented leadership, particularly in BMTs, where leaders must pursue organizational goals while simultaneously shaping employee behavior to support organizational effectiveness and sustainability.

Understanding how leadership styles influence employee behavior and the performance of Islamic microfinance institutions is therefore important. This study

examines the effect of Transformational-Servant Leadership on the perceived operational and financial performance of BMT UGT Nusantara and tests OCB as a mediating variable in that relationship. By doing so, the study clarifies a behavioral mechanism through which change- and service-oriented leadership may influence organizational performance and offers practical insights for strengthening employee engagement and empowerment in Sharia microfinance institutions.

LITERATURE REVIEW

Organizational Performance

Alrowwad et al. (2020) define organizational performance as an organization's ability to optimally use its available resources to achieve its strategic goals. Being a multidimensional construct, the performance of an organization encompasses various outputs, including operational effectiveness and efficiency, financial results, and organizational sustainability (Son et al., 2020). However, depending on the nature and availability of performance data, there are varied ways to assess organizational performance. Objective performance, for example, uses empirical data such as financial statements and reports, while subjective performance uses judgments and evaluations.

In this study, performance is construed as operational and financial performance based on managers' perceptions. All indicators used in the study were salient in the questionnaires completed by middle to top managers of BMT UGT Nusantara. Therefore, the focus of this study is on managers' assessments of their office performance. Perceived operational performance focuses on managers' assessments of their office's performance regarding the overall effectiveness, productivity, efficiency, and responsiveness of their services. Conversely, perceived financial performance encompasses managers' assessments on the office's financial performance, including profitability and growth. As with other researchers, operational and financial performance are essential to determine the overall success of an organization (Son et al., 2020).

Transformational-Servant Leadership

There are different theoretical foundations to both of these types of leadership, but they both focus on developing their followers. Transformational leadership involves a leader who guides, inspires, and motivates their followers to set and achieve individual and organizational goals. To do this, the leader must also be able to facilitate their followers in coming up with strategies and ways of approaching work. This is done through positive rewarding actions (Hoch et al., 2018; Nguyen et al., 2023). In servant leadership, the leader is focused on the needs, development, and empowerment of their followers through virtues like empathy and humility (Eva et al., 2019). Buil et al. (2019) posit that the transformational leadership approach to leading can improve organizational performance and also increase the achievement of personal values, which improves employee performance. These two styles focus on different aspects of leadership. Although servant leadership combines a focus on developing people who affect the change, and change, it is heavily focused on the development of people. Servant leadership is built on humility and empathy. Transformational leadership is focused on developing and changing organizational

structure and philosophy, and serving people through the leadership process (Tripathi et al., 2020; Zia et al., 2022).

Because of these distinctions and relationships, transformational-servant leadership (TSL) in this study is not just the integration of a few traits from the two leadership styles. Rather, TSL is seen as a leadership orientation that integrates a leader's change drive and commitment to serving and developing their followers. This shows that the effectiveness of a leader is also dependent on their ability to build trusting relationships, empower, and lead by example (Gregory Stone et al., 2004). It is also worth noting that a leader who guides, motivates and shows care for their followers' interests can also enable their followers to have a positive work mindset and reinforce positive behaviours (Krishnan & Arora, 2008).

TSL in the context of value-based institutions like BMT is essential to attain excellence in meeting the goals of the organisation. Leaders at BMT should endeavour to achieve the operational and financial objectives of the organisation and create a safe environment for caring relationships, which builds a sense of commitment and positive work behaviours that foster the organisational values. This integrative approach is particularly relevant. Leaders are expected not only to achieve operational and financial targets but also to maintain social relationships, build commitment, and shape employee behavior in ways that are consistent with institutional values. Accordingly, TSL is conceptualized through the dimensions of influence, vision, trust, respect or credibility, risk sharing, integrity, and modeling (Muhammad & Sari, 2021). These dimensions reflect two complementary mechanisms: the capacity to initiate and shape change and the capacity to nurture followers' development and contributions. TSL should therefore be viewed as an integrative approach that reconciles change and service rather than as a construct that replaces transformational or servant leadership.

Organizational Citizenship Behavior

Organizational Citizenship Behavior (OCB) refers to voluntary work-related behavior that contributes to organizational effectiveness but is not formally required or directly rewarded by the organization (Humphrey, 2012; Organ, 1988). Some OCB components overlap conceptually with in-role and extra-role behavior; however, such overlap does not undermine the central idea of discretionary behavior that benefits the organization. Continued research on OCB has also generated increasingly differentiated dimensions of the construct.

Podsakoff et al. (2000) identify seven dimensions of OCB. Helping behavior involves voluntarily assisting coworkers with task-related or personal difficulties. Sportsmanship refers to accepting less-than-ideal organizational conditions without excessive complaint. Organizational loyalty involves promoting and protecting the organization. Organizational compliance concerns adherence to organizational rules and procedures. Individual initiative refers to voluntary behavior that exceeds formal expectations, such as exceptional attendance or punctuality. Civic virtue reflects responsible participation in organizational improvement and governance. Finally, self-development involves voluntary efforts to continuously improve knowledge, skills, and capabilities. Evidence indicates that OCB can enhance organizational effectiveness and performance (Ocampo et al., 2018; Podsakoff et al., 2000) and can

strengthen interpersonal relationships and organizational functioning (Elche et al., 2020; Notanubun, 2021; Podsakoff et al., 2014).

Based on the theoretical arguments and empirical evidence discussed above, the following conceptual framework and hypotheses are proposed:

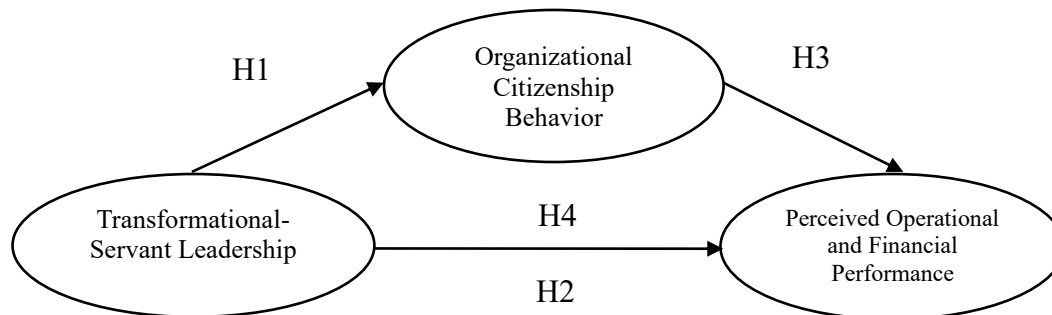


Figure 1. Conceptual Model

RESEARCH METHOD

This study uses an explanatory quantitative approach (Blatter & Haverland, 2012) to analyze the relations between transformational-servant leadership, organizational citizenship behavior, and perceived operational and financial performance. The individual middle-top manager is the unit of analysis, and the branch offices are the organizational setting, in which the respondents execute their managerial activities. The branch offices, however, are not the research respondents. The population consists of 298 middle-to-top managers distributed in 298 BMT UGT Nusantara offices in Indonesia. A census sampling technique was adopted, meaning all population members within the study limits were research respondents (Hair et al., 2019). Each office was invited to provide only one research respondent, in order to avoid repeated observations in the same organizational unit. Consequently, a total of 298 middle-top managers, representing a 100% response rate, were analyzed. The middle-top managers had served in their current positions for a period of 4 to 7 years. Online channels owned by the organization were utilized to send out the data collection instruments. Furthermore, potential common method bias was assessed using the Full Collinearity Variance Inflation Factor (VIF) approach (Kock, 2015).

A five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree) was used to measure the study variables (Hair et al., 2019). The measurement instruments were adapted from previously published studies and aligned with the Islamic microfinance context (see Appendix 1). Content validity was assessed by academics in human resource management and finance and by practitioners from the BMT UGT Nusantara Head Office. The instrument was pilot-tested for language clarity and readability with 50 respondents, who reviewed each item for comprehensibility. The pilot-test results were used to refine item wording before the full survey was distributed. Details of the variables, dimensions, indicators, and items are presented in Appendix 2. Data were analyzed using SmartPLS 4.0 and the PLS-SEM approach. Sample-size adequacy was assessed through power analysis; at a 5% significance level and 80% statistical power, the final sample of 298 middle- to top-level managers was considered sufficient for model estimation.

The sample size was evaluated for adequacy using power analysis. Data were analyzed with SmartPLS version 4.0. The research model incorporates higher-order multidimensional constructs of TSL, OCB, and POFP (Hair et al., 2019). Using a 5% significance level, 80% statistical power, and a maximum of one predictor variable in the structural model, the sample size required was less than the available respondents. Thus, the sample of 298 middle-to-top managers was adequate to make estimates. The PLS-SEM analysis was performed in two phases: assessment of the measurement model and assessment of the structural model. In the first phase, a number of procedures were performed to assess convergent validity using outer-loadings, Average Variance Extracted (AVE), Cronbach's Alpha, and Composite Reliability. To assess construct reliability, a number of approaches were performed, i.e., reliability of a composite via average variance extracted and loadings. Discriminant validity was assessed using the Fornell-Larcker criterion (Fornell & Larcker, 1981), and the Heterotrait-Monotrait Ratio of Associated (HTMT) index (Sarstedt et al., 2019). This study used a Reflexive-Reflexive model of a higher-order construct.

RESULT AND DISCUSSION

Results

As depicted in Table 1 respondent descriptive data are presented by position, gender, age, education, and work experience. Respondent description provides a context of the middle- to upper-level managers participating in this study.

Table 1. Characteristics of Respondents

Characteristics	Category	Frequency	Percentage (%)
Position	Middle-top Manager	298	100.0
Gender	Male	298	100.0
Age	< 30 years	30	10.1
	30–40 years	104	34.9
	> 40 years	164	55.0
Educational	Pesantren education /Senior High School	119	39.9
	Diploma	89	29.9
	Bachelor Degree	60	20.1
	Master Degree	30	10.1
Tenure	4–7 years	298	100.0

Source: Authors' Own Work (2026)

From the data presented in Table 1, all respondents are middle-to-top managers and as such, understand the various practices and behaviors associated with leadership and management. Therefore, it is reasonable to make conclusions on the practices and behaviors associated with the employees they manage, and the work units' operational and financial conditions. The next step was to assess the measurement model to evaluate the validity and reliability of the research constructs. To evaluate the measurement model, tests of convergent validity and construct reliability were performed. The outer loadings, AVEs, Cronbach's Alpha, and Composite Reliability for each of the constructs are shown in Appendix 2. Based on the test results, it was found that the research constructs satisfactorily met the

criteria for measurement to evaluate PLS-SEM reflective models. Discriminant validity was examined to confirm that the constructs in the research model were distinct at the conceptual and empirical level. The Fornell-Larcker criterion was used (Fornell & Larcker, 1981), and the Average Variance Extracted (AVE) was compared to the inter-construct correlations. It was found that the constructs meet the criteria for discriminant validity, as shown in Table 2.

Table 2. Fornell-Larcker Criterion

	AVE	OCB	POFP	TSL
OCB	0.796	0.892		
OP	0.918	0.557	0.958	
TSL	0.899	0.760	0.730	0.948

Source: Authors' Own Work (2026)

The heterotrait-monotrait ratio (HTMT) approach was also undertaken to assess discriminant validity and corroborate the Fornell-Larcker test results. HTMT assesses the degree of distinction between constructs and comparator correlations between different constructs versus correlations within the same construct. HTMT ratios less than or equal to the thresholds of 0.85 and 0.90 indicate that the constructs in the model are adequately distinct (Henseler et al., 2015). According to the HTMT analysis, the inter-constructs values are less than the threshold of 0.90, and thus indicate that the constructs in the model possess adequate discriminant validity, as shown in Table 2.

Table 3. Heterotrait-Monotrait Ratio (HTMT) Criteria

	OCB	POFP	TSL
OCB			
POFP	0.583		
TSL	0.777	0.769	

Source: Authors' Own Work (2026)

To assess the measurement model for higher-order constructs, we examined the constituent dimensions and ensuring that they represent the higher-order construct adequately (Sarstedt et al., 2019). Assessing reflective-reflective constructs, particularly at the lower and higher order, involved evaluating path coefficients, t-statistics, and p-values from bootstrapping, as presented in Table 4.

Table 4. Assessment of Higher-Order Reflective Constructs

Lower-order Construct	Higher-order Construct	Outer Loading	T-Stat	P-Value	95% Confidence Interval	Decision
Influence	TSL	0.965	27.421	<0.001	0.965	Supported
Vision	TSL	0.928	23.759	<0.001	0.928	Supported
Trust	TSL	0.949	23.257	<0.001	0.949	Supported
Respect/Credibility	TSL	0.965	29.973	<0.001	0.965	Supported
Risk Sharing	TSL	0.915	18.504	<0.001	0.915	Supported
Integrity	TSL	0.975	67.469	<0.001	0.975	Supported
Modeling	TSL	0.939	34.278	<0.001	0.939	Supported

Lower-order Construct	Higher-order Construct	Outer Loading	T-Stat	P-Value	95% Confidence Interval	Decision
Helping Behavior	OCB	0.748	20.191	<0.001	0.748	Supported
Sportsmanship	OCB	0.904	30.955	<0.001	0.904	Supported
Organizational Loyalty	OCB	0.920	43.350	<0.001	0.920	Supported
Organizational Compliance	OCB	0.869	26.854	<0.001	0.869	Supported
Individual Initiative	OCB	0.931	58.898	<0.001	0.931	Supported
Civic Virtue	OCB	0.929	57.203	<0.001	0.929	Supported
Self-development	OCB	0.931	50.702	<0.001	0.931	Supported
Perceived Operational Performance	POFP	0.962	102.317	<0.001	0.962	Supported
Perceived Financial Performance	POFP	0.953	122.104	<0.001	0.953	Supported

Source: Authors' Own Work (2026)

Concerning Transformational-Servant Leadership (TSL), the dimensions that constitute it were found to adequately represent the higher order TSL. The same case was evident for dimensions of Organizational Citizenship Behavior (OCB) and Perceived Operational and Financial Performance (POFP). In evaluation of potential common method bias (CMB) using the Full Collinearity VIF approach (Kock, 2015) prior to assessing the structural model, the results presented in Table 5, show that all the constructs had Full Collinearity VIF less than the threshold of 3.3. Consequently, this study showed no evidence of CMB that would impact the results of the model being evaluated.

Table 5. Common Method Bias

Construct	Full Collinearity VIF
Organizational Citizenship Behavior (OCB)	2.475
Perceived Operational and Financial Performance (POFP)	2.508
Transformational-Servant Leadership (TSL)	2.897

Source: Authors' Own Work (2026)

The structural model was then evaluated to assess relationships among the latent variables. The evaluation considered R^2 , Q^2 , f^2 , and collinearity using inner VIF, as reported in Table 6.

Table 6. Inner Model

Endogenous Construct	Exogenous Construct	Construct → VIF	R^2	Adjusted R^2	Q^2 Predict	f^2	Effect Size
OCB	—	2.371	0.578	0.577	0.453	—	—
POFP	—	2.371	0.532	0.529	0.482	—	—
—	TSL → OCB	1.000	—	—	—	1.371	Large
—	TSL → POFP	2.371	—	—	—	0.474	Medium

Endogenous Construct	Exogenous Construct	Construct → Endogenous Construct	VIF	R ²	Adjusted R ²	Q ² Predict	f ²	Effect Size
—	OCB → POFP		2.371	—	—	—	0.000	

Source: Authors' Own Work (2026)

Table 6 shows that Organizational Citizenship Behavior (OCB) has an R² of 0.578, an adjusted R² of 0.577, and a Q² Predict of 0.453. Perceived Operational and Financial Performance (POFP) has an R² of 0.532, an adjusted R² of 0.529, and a Q² Predict of 0.482. These values indicate meaningful explanatory power and predictive relevance. The effect-size analysis shows a large effect of TSL on OCB (f² = 1.371), a medium effect of TSL on POFP (f² = 0.474), and essentially no direct effect of OCB on POFP (f² = 0.000). Inner VIF values below 3 further indicate that collinearity is not a concern in the structural model. The structural model and PLS-SEM estimates are presented in Figure 2. The figure shows the direction of relationships among the latent constructs and the estimated path coefficients used to evaluate the hypotheses.

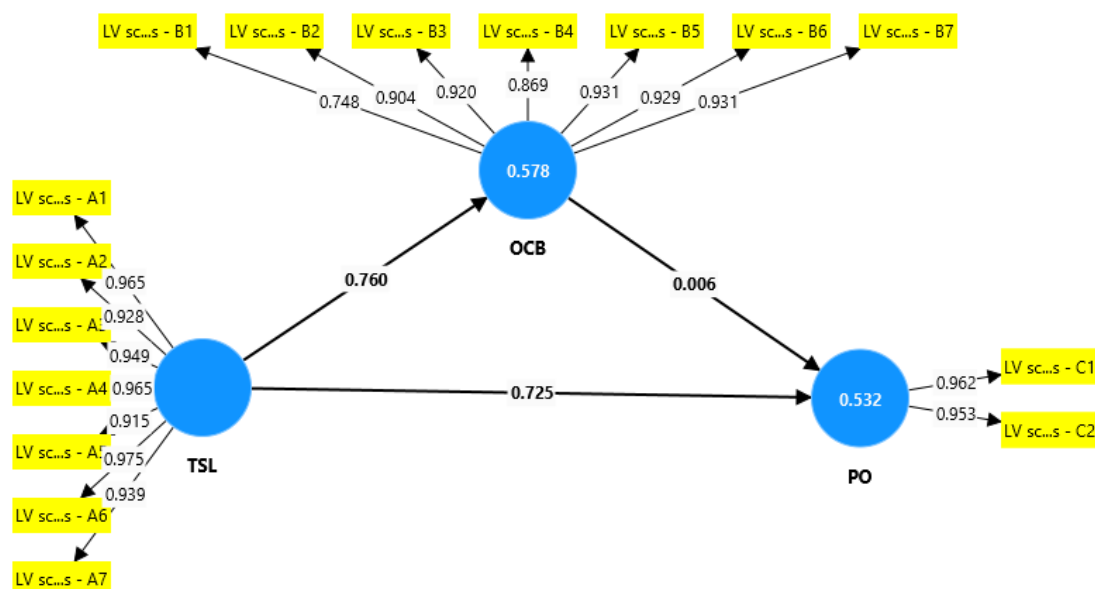


Figure 2. Structural Model Results

Hypothesis testing evaluated the significance of the structural relationships among the constructs. Bootstrapping with 5,000 subsamples was used to estimate path coefficients (β), standard errors, t-statistics, p-values, and bootstrap confidence intervals for direct and indirect relationships, as reported in Table 7.

Table 7. Hypothesis Testing

Hypothesis	Path	β	STDEV	T-Stat	p-value	Decision
H1	TSL → OCB	0.760	0.053	14.283	0.000	Supported
H2	TSL → POFP	0.725	0.077	9.442	0.000	Supported
H3	OCB → POFP	0.006	0.076	0.076	0.939	Not Supported
H4	TSL → OCB → POFP	0.004	0.061	0.072	0.942	Not Supported

Source: Authors' Own Work (2026)

Table 7 shows that Transformational-Servant Leadership (TSL) has a positive and significant effect on Organizational Citizenship Behavior (OCB) ($\beta = 0.760$; $t = 14.283$; $p < 0.001$) and on Perceived Operational and Financial Performance (POFP) ($\beta = 0.725$; $t = 9.442$; $p < 0.001$). The effect of OCB on POFP is not significant ($\beta = 0.006$; $t = 0.076$; $p = 0.939$); therefore, H3 is not supported. OCB also does not mediate the relationship between TSL and POFP ($\beta = 0.004$; $t = 0.072$; $p = 0.942$), so H4 is not supported.

Discussion

Transformational-Servant Leadership and Organizational Citizenship Behavior

The results indicate that Transformational Servant Leadership (TSL) has a positive effect on Organizational Citizenship Behavior (OCB). Therefore, in the event that the BMT UGT Nusantara Leaders demonstrate TSL values, there is a possibility of increasing the OCB behavior of their employees. This study's results correspond to previous studies that mentioned there is a positive impact of transformational servant leadership on OCB (Humphrey, 2012; Kumari et al., 2022). This is also in line with social exchange theory, which indicates that leaders who focus on employees and help employees to solve their problems; as a consequence, employees are willing to reciprocate the help given by the leader. Transformational Servant Leadership is also an effective leadership style that can influence OCB behavior.

In the case of BMT UGT Nusantara, the social exchange relationship between leaders and employees functions as a driver of Organizational Citizenship Behavior (OCB). If employees see that their leaders support and care for them as well as serve as good examples for them, they will respond positively and give good performance beyond their formal duties. However, considering OCB within the framework of value-based companies like BMT requires some analysis of the company's culture. Many employees of BMT UGT Nusantara with the educational background of Islamic boarding schools may have high moral commitment, a sense of collectivism, and dedication, which may contribute to OCB positively as well.

TSL practices are practiced by leaders who serve as good examples and build trust, as well as engage employees in various organizational activities. Conditions such as these have an effect in stimulating positive behavioral responses from employees, such as assisting others, building amicable relations with others, as well as going beyond their formal duties. Moreover, employing an organizational character built on Islamic values and Indonesian *pesantren* (Islamic boarding school) culture further strengthens this dynamic, as employee work behavior is shaped by, among others, a sense of service and social responsibility (Elche et al., 2020; Humphrey, 2012; Krishnan & Arora, 2008).

Transformational-Servant Leadership and Perceived Operational and Financial Performance

The findings of this study revealed that Transformational Servant Leadership (TSL) influences Positive Perceived Operational and Financial Performance (POFP). This implies that the application of TSL by the leaders of BMT UGT Nusantara has a positive influence on the perceived operational and financial performance. The findings of this study add to the existing knowledge by confirming the fact that

positive transformational servant leadership focuses on and brings about a positive improvement in employee performance (Buil et al., 2019; Nguyen et al., 2023; Stollberger et al., 2019). Several other empirical studies have described the use of positive transformational leadership by influencing the level of positivity and mindfulness of an individual, thus improving performance (MacKenzie et al., 2001; Rafferty & Griffin, 2004; Sihombing, 2020; Yukl, 1999).

In BMT UGT Nusantara, motivating employees to pursue the institution's vision and mission can support productivity and performance. Delegating responsibility for institutional units can also help employees develop capabilities and skills that contribute to operational and financial outcomes. In this study, organizational performance was evaluated through managers' perceptions of operational and financial results. Employee contributions may affect service delivery, financial growth, and the achievement of organizational goals. Evidence from the banking sector similarly shows that transformational leadership can strengthen employee motivation, productivity, and performance (Alnajjar & Baameq, 2021). Overall, operational and financial performance reflects the combined and coordinated efforts of organizational members toward shared business goals.

Organizational Citizenship Behavior and Perceived Operational and Financial Performance

Based on the results of the analysis in Table 7, H3 indicates that there is no significant relationship between Organizational Citizenship Behavior (OCB) and Perceived Operational and Financial Performance (POFP); therefore, H3 is not supported. Findings indicate that, in the context of the study, employees behave in an extra-role manner to assist colleagues and protect the interests of the organization by exhibiting initiative and work behavior beyond the scope of formal work, but it does not contribute in improving the operational and financial performance of the organization as perceived by the managers. These results differ from the theory of organizational citizenship behavior, which states that employees' voluntary behaviors of their own free will may impact and influence the effectiveness of the organization through interpersonal relationships, coordination, collaboration, and combination of organizational resources (Barokah et al., 2025; Khan et al., 2025; Organ, 1997; Podsakoff et al., 2014). Therefore, the results of this study indicate that the presence of Organizational Citizenship Behavior does not, by itself, improve the performance of the organization and positively impact its operational and financial results unless other mechanisms, such as performance management systems, organizational strategies, and the capacity of the organization to transform positive behaviors of its employees into operational and financial results, are present.

These results deviate from the previous studies that confirmed a positive association of OCB with organizational performance (Notanubun, 2021; Podsakoff et al., 2009). The absence of a meaningful impact of OCB can be viewed from a critical perspective within Human Resource Management literature and the "dark side" of OCB. A number of studies have documented that high levels of OCB can have negative consequences when voluntary behavior turns into "citizenship pressure," a condition in which employees feel obligated to contribute beyond their formal duties to the point of exhaustion. This can result in role overload, work stress, and conflict with the work-family balance (Bolino et al., 2013, 2015; Bolino & Turnley, 2005). The

explanation for this difference may be due to the specific context in which the study was conducted, BMT UGT Nusantara, an Islamic microfinance institution that emphasizes service, religiosity, and dedication as its core values. In such an institution, helping behaviors and voluntary contributions by employees may be integrated into its deep corporate culture. Therefore, it may not be possible to distinguish organizational performance based on the level of variation in OCB across different organizational units.

The Boundary Role of Organizational Citizenship Behavior in the Relationship Between Transformational-Servant Leadership and Perceived Operational and Financial Performance

Transformational Servant Leadership (TSL) is positively related to both Perceived Operational and Financial Performance (POFP) and Organizational Citizenship Behavior (OCB). However, OCB does not mediate the relationship between TSL and POFP [Table 7](#). Hence, H4 is not supported. Based on the results, it is found that TSL positively influences OCB (H1) and POFP (H2) directly. Contrary to social exchange theory, these results do not indicate that TSL leads to OCB, which employees implement at their own discretion to benefit the organization ([Blau, 2017](#); [Organ, 1997](#)). These results provide an extension to the previously published studies, which focused on OCB being a mediation variable between transformational leadership and employee performance ([Qalati et al., 2022](#); [Tian et al., 2020](#)) by asserting that this relationship varies and is contextual, depending on different elements of the organization, the culture, and the type of performance being assessed. In addition, these results indicate that the presence of OCB does not ensure a positive impact on performance, as extra-role behavior is of little effect if the organization is unable to transform such efforts into improved operational and financial performance.

Because of BMT UGT Nusantara's context, it is likely that Islamic values and a strong service culture have become organizational norms. Therefore, the presence of OCB is more likely to be viewed as a social and moral obligation of the job, rather than as a voluntary performance differentiator across various units of the organization. It is not sufficient for the organization to only motivate OCB; the organization needs to protect the emotional and psychological well-being of employees by ensuring the sustainability of such extra-role behaviors. From a TSL approach, it is the responsibility of the leaders to motivate and strengthen the will of the employees to make OCB voluntary, while preventing employees from being overly exhausted and exploited beyond formal role requirements. Therefore, this study enhances the literature on leadership, OCB, and performance, by demonstrating that, under the right cultural and HRM systems and frameworks, the relationship between leadership and performance may not always rely on OCB.

CONCLUSION

The study showed the role of TSL in improving the performance of Shariah microfinance organizations. It also confirmed that TSL strengthens the positive behaviors of employees and directly impacts organizational performance. The study, however, showed that OCB is not always the mechanism that closes the leadership and performance gap, and that not all extra-role performance is positive and

measurable. The study, therefore, adds to previous works by giving value to OCB in the context of value-based organizations. In voluntary behaviors, there are cultural and organizational factors, and a sense of service, which impact OCB and performance.

The study has some important considerations for Islamic microfinance managers, which is that there needs to be a focus on the development of Transformational-Servant Leadership (TSL). Managers, however, should take into account that while there are positive effects on performance with increased OCB, there is no guarantee of improvement in the organization's financial and operational performance. In a value-based organization, e.g., BMTs, OCB should be cultivated as voluntary positive behaviors of employees, rather than cultivating an obligation on the employees that could result in psychological stress, burnout, etc.

The study has several limitations. First, to evaluate organizational performance, the study used managers' perceived operational and financial performance. Future studies could use other types of performance data, for example, using financial and operational data, to strengthen the validity of the findings. Second, the study was conducted in one organization (BMT UGT Nusantara), and so the findings can not be generalized to organizations with different cultural and value variations. Future studies can extend the model to include contextual variables such as organizational identification, collectivist culture, psychological empowerment or employee well-being to explain the favorable conditions for OCB leading to a positive impact on performance and the unfavorable conditions for OCB leading to citizenship pressure and/or burnout.

REFERENCES

- Alhashedi, A. A. A., Bardai, B., Al-Dubai, M. M. M., & Alaghbari, M. A. (2021). Organizational citizenship behavior role in mediating the effect of transformational leadership on organizational performance in gold industry of Saudi Arabia. *Business: Theory and Practice*, 22(1), 39–54.
- Alrowwad, A., Abualoush, S. H., & Masa'deh, R. (2020). Innovation and intellectual capital as intermediary variables among transformational leadership, transactional leadership, and organizational performance. *Journal of Management Development*, 39(2), 196–222. <https://doi.org/10.1108/JMD-02-2019-0062>
- Anwar, M. K., Ridlwan, A. A., & Laili, W. N. R. (2023). The Role of Baitul Maal wat Tamwil in Empowering Msmes in Indonesia: A Study of Indonesian Islamic Microfinance Institutions. *International Journal of Professional Business Review*, 8(4), e0913. <https://doi.org/10.26668/businessreview/2023.v8i4.913>
- Ascarya, A., & Masrifah, A. R. (2023). Strategies implementing cash waqf system for Baitul Maal wat Tamwil to improve its commercial and social activities. *International Journal of Islamic and Middle Eastern Finance and Management*, 16(1), 130–153. <https://doi.org/10.1108/IMEFM-10-2020-0504>
- Barokah, R. A., Kartawan, Sutisna, D., & Pratminingsih, S. A. (2025). Work-life balance and its influence on organizational citizenship behavior and performance in Indonesian higher education. *Social Sciences & Humanities Open*, 12, 102102. <https://doi.org/10.1016/j.ssaho.2025.102102>

- Blatter, J., & Haverland, M. (2012). *Designing case studies: Explanatory approaches in small-n research*. Palgrave Macmillan.
- Blau, P. M. (2017). *Exchange and power in social life*. Routledge, Taylor & Francis Group.
- Bolino, M. C., Hsiung, H.-H., Harvey, J., & LePine, J. A. (2015). "Well, I'm tired of tryin'!" Organizational citizenship behavior and citizenship fatigue. *Journal of Applied Psychology*, 100(1), 56–74. <https://doi.org/10.1037/a0037583>
- Bolino, M. C., Klotz, A. C., Turnley, W. H., & Harvey, J. (2013). Exploring the dark side of organizational citizenship behavior. *Journal of Organizational Behavior*, 34(4), 542–559. <https://doi.org/10.1002/job.1847>
- Bolino, M. C., & Turnley, W. H. (2005). The Personal Costs of Citizenship Behavior: The Relationship Between Individual Initiative and Role Overload, Job Stress, and Work-Family Conflict. *Journal of Applied Psychology*, 90(4), 740–748. <https://doi.org/10.1037/0021-9010.90.4.740>
- Buil, I., Martínez, E., & Matute, J. (2019). Transformational leadership and employee performance: The role of identification, engagement and proactive personality. *International Journal of Hospitality Management*, 77, 64–75. <https://doi.org/10.1016/j.ijhm.2018.06.014>
- Canavesi, A., & Minelli, E. (2022). Servant Leadership and Employee Engagement: A Qualitative Study. *Employee Responsibilities and Rights Journal*, 34(4), 413–435. <https://doi.org/10.1007/s10672-021-09389-9>
- Chiniara, M., & Bentein, K. (2018). The servant leadership advantage: When perceiving low differentiation in leader-member relationship quality influences team cohesion, team task performance and service OCB. *The Leadership Quarterly*, 29(2), 333–345. <https://doi.org/10.1016/j.leaqua.2017.05.002>
- Elche, D., Ruiz-Palomino, P., & Linuesa-Langreo, J. (2020). Servant leadership and organizational citizenship behavior: The mediating effect of empathy and service climate. *International Journal of Contemporary Hospitality Management*, 32(6), 2035–2053. <https://doi.org/10.1108/IJCHM-05-2019-0501>
- Eva, N., Robin, M., Sendjaya, S., van Dierendonck, D., & Liden, R. C. (2019). Servant Leadership: A systematic review and call for future research. *The Leadership Quarterly*, 30(1), 111–132. <https://doi.org/10.1016/j.leaqua.2018.07.004>
- Fornell, C., & Larcker, D. F. (1981). Evaluating Structural Equation Models with Unobservable Variables and Measurement Error. *Journal of Marketing Research*, 18(1), 39–50. <https://doi.org/10.1177/002224378101800104>
- Gregory Stone, A., Russell, R. F., & Patterson, K. (2004). Transformational versus servant leadership: A difference in leader focus. *Leadership & Organization Development Journal*, 25(4), 349–361. <https://doi.org/10.1108/01437730410538671>
- Haerudin, Fajri, A., Shukor, S. A., & Wibowo, K. A. (2023). The Future Growth for Islamic Microfinance in Indonesia: Baitul Maal Wat Tamwil Domains. *International Journal of Professional Business Review*, 8(7), e01632. <https://doi.org/10.26668/businessreview/2023.v8i7.1632>
- Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European Business Review*, 31(1), 2–24. <https://doi.org/10.1108/EBR-11-2018-0203>

- Haque, A., Rahman, S., & Sobhani, F. A. (2026). Transforming banks through responsible leadership: A study of performance, reputation and employee turnover intention in Bangladesh. *Asia-Pacific Journal of Business Administration*, 18(2), 524–543. <https://doi.org/10.1108/APJBA-01-2025-0066>
- Hartnell, C. A., Karam, E. P., Kinicki, A. J., & Dimotakis, N. (2020). Does Servant Leadership's People Focus Facilitate or Constrain Its Positive Impact on Performance? An Examination of Servant Leadership's Direct, Indirect, and Total Effects on Branch Financial Performance. *Group & Organization Management*, 45(4), 479–513. <https://doi.org/10.1177/1059601120901619>
- Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academy of Marketing Science*, 43(1), 115–135. <https://doi.org/10.1007/s11747-014-0403-8>
- Hijazi, H. A., Al-Wahshat, H., Taha, A., Wahsheh, F. R., Alkaraky, S. N., Alkhawaldeh, B. Y., & Ahmad, A. Y. A. B. (2024). Exploring the link between human resource management practices and financial performance: The moderating effect of organizational culture. *Uncertain Supply Chain Management*, 12(3), 1885–1902. <https://doi.org/10.5267/j.uscm.2024.2.014>
- Hilton, S. K., Madilo, W., Awaah, F., & Arkorful, H. (2023). Dimensions of transformational leadership and organizational performance: The mediating effect of job satisfaction. *Management Research Review*, 46(1), 1–19. <https://doi.org/10.1108/MRR-02-2021-0152>
- Hoch, J. E., Bommer, W. H., Dulebohn, J. H., & Wu, D. (2018). Do Ethical, Authentic, and Servant Leadership Explain Variance Above and Beyond Transformational Leadership? A Meta-Analysis. *Journal of Management*, 44(2), 501–529. <https://doi.org/10.1177/0149206316665461>
- Humphrey, A. (2012). Transformational leadership and organizational citizenship behaviors: The role of organizational identification. *The Psychologist-Manager Journal*, 15(4), 247–268. <https://doi.org/10.1080/10887156.2012.731831>
- Khan, M., Dedahanov, A. T., Khadir, Y., Alidjonovich, R. D., Turobjonovna, K. M., Yuldashev, O. T., & Odilovich, I. J. (2025). Investigating the impact of Organizational Citizenship Behavior on Supply Chain Performance and Corporate Sustainability: An empirical study. *Cogent Business & Management*, 12(1), 2460621. <https://doi.org/10.1080/23311975.2025.2460621>
- Kock, N. (2015). Common Method Bias in PLS-SEM: A Full Collinearity Assessment Approach. *International Journal of e-Collaboration*, 11(4), 1–10. <https://doi.org/10.4018/ijec.2015100101>
- Krishnan, V. R., & Arora, P. (2008). Determinants of Transformational Leadership and Organizational Citizenship Behavior. *Asia Pacific Business Review*, 4(1), 34–43. <https://doi.org/10.1177/097324700800400104>
- Kumari, K., Abbas, J., Hwang, J., & Cioca, L. I. (2022). Does Servant Leadership Promote Emotional Intelligence and Organizational Citizenship Behavior among Employees? A Structural Analysis. *Sustainability*, 14(9), 5231. <https://doi.org/10.3390/su14095231>
- MacKenzie, S. B., Podsakoff, P. M., & Rich, G. A. (2001). Transformational and Transactional Leadership and Salesperson Performance. *Journal of the*

- Academy of Marketing Science, 29(2), 115–134.
<https://doi.org/10.1177/03079459994506>
- Mohsin, M., Zhu, Q., Wang, X., Naseem, S., & Nazam, M. (2021). The Empirical Investigation Between Ethical Leadership and Knowledge-Hiding Behavior in Financial Service Sector: A Moderated-Mediated Model. *Frontiers in Psychology*, 12, 798631. <https://doi.org/10.3389/fpsyg.2021.798631>
- Motadi, M. S. (2024). Contribution of leadership styles to organizational performance in the South African banking sector. *International Journal of Research in Business and Social Science* (2147- 4478), 13(5), 310–323. <https://doi.org/10.20525/ijrbs.v13i5.3543>
- Muhammad, H., & Sari, N. P. (2021). Implementation of The Synergy of Transformational-Servant Leadership Character In Islamic Boarding School. *Journal of Leadership in Organizations*, 3(2), Article 2. <https://doi.org/10.22146/jlo.65642>
- Mutamimah, M., Zaenudin, Z., & Bin Mislan Cokrohadisumarto, W. (2022). Risk management practices of Islamic microfinance institutions to improve their financial performance and sustainability: A study on Baitut Tamwil Muhammadiyah, Indonesia. *Qualitative Research in Financial Markets*, 14(5), 679–696. <https://doi.org/10.1108/QRFM-06-2021-0099>
- Nguyen, N. P., Hang, N. T. T., Hiep, N., & Flynn, O. (2023). Does transformational leadership influence organisational culture and organisational performance: Empirical evidence from an emerging country. *IIMB Management Review*, 35(4), 382–392. <https://doi.org/10.1016/j.iimb.2023.10.001>
- Notanubun, Z. (2021). The Effect of Organizational Citizenship Behavior and Leadership Effectiveness on Public Sectors Organizational Performance: Study in the Department of Education, Youth and Sports in Maluku Province, Indonesia. *Public Organization Review*, 21(1), 1–18. <https://doi.org/10.1007/s11115-020-00475-4>
- Ocampo, L., Acedillo, V., Bacunador, A. M., Balo, C. C., Lagdameo, Y. J., & Tupa, N. S. (2018). A Historical Review of The Development of Organizational Citizenship Behavior (OCB) and its Implications for The Twenty-First Century. *Personnel Review*, 47(4), Article 4. <https://doi.org/10.1108/PR-04-2017-0136>
- Organ, D. W. (1988). *Organizational Citizenship Behavior: The Good Soldier Syndrome*. Lexington Books.
- Organ, D. W. (1997). Organizational Citizenship Behavior: It's Construct Clean-Up Time. *Human Performance*, 10(2), 85–97. https://doi.org/10.1207/s15327043hup1002_2
- Podsakoff, MacKenzie, S. B., Paine, J. B., & Bachrach, D. G. (2000). Organizational Citizenship Behaviors: A Critical Review of the Theoretical and Empirical Literature and Suggestions for Future Research. *Journal of Management*, 26(3), Article 3. <https://doi.org/10.1177/014920630002600307>
- Podsakoff, N. P., Podsakoff, P. M., MacKenzie, S. B., Maynes, T. D., & Spoelma, T. M. (2014). Consequences of unit-level organizational citizenship behaviors: A review and recommendations for future research: Consequences of Unit-Level OCB. *Journal of Organizational Behavior*, 35(S1), S87–S119. <https://doi.org/10.1002/job.1911>
- Podsakoff, N. P., Whiting, S. W., Podsakoff, P. M., & Blume, B. D. (2009). Individual- and organizational-level consequences of organizational citizenship

- behaviors: A meta-analysis. *Journal of Applied Psychology*, 94(1), 122–141.
<https://doi.org/10.1037/a0013079>
- Qalati, S. A., Zafar, Z., Fan, M., Sánchez Limón, M. L., & Khaskheli, M. B. (2022). Employee performance under transformational leadership and organizational citizenship behavior: A mediated model. *Heliyon*, 8(11), e11374.
<https://doi.org/10.1016/j.heliyon.2022.e11374>
- Rafferty, A. E., & Griffin, M. A. (2004). Dimensions of Transformational Leadership: Conceptual and Empirical Extensions. *The Leadership Quarterly*, 15(3), 329–354. <https://doi.org/10.1016/j.leaqua.2004.02.009>
- Rahajeng, D. K. (2022). The ethical paradox in Islamic cooperatives: A lesson learned from scandalous fraud cases in Indonesia's Baitul Maal Wat Tamwil. *Cogent Business & Management*, 9(1), 2090208.
<https://doi.org/10.1080/23311975.2022.2090208>
- Rashid, A. M. M., & Ilkhanizadeh, S. (2022). The Effect of Servant Leadership on Job Outcomes: The Mediating Role of Trust in Coworkers. *Frontiers in Communication*, 7, 928066. <https://doi.org/10.3389/fcomm.2022.928066>
- Sarstedt, M., Hair Jr, J. F., Cheah, J.-H., Becker, J.-M., & Ringle, C. M. (2019). How to Specify, Estimate, and Validate Higher-Order Constructs in PLS-SEM. *Australasian Marketing Journal*, 27(3), 197–211.
<https://doi.org/10.1016/j.ausmj.2019.05.003>
- Sarwar, N., Haider, S., Akhtar, M. H., & Bakhsh, K. (2023). Moderated-mediation between ethical leadership and organizational citizenship behavior: The role of psychological empowerment and high performance managerial practices. *Management Research Review*, 46(5), 649–666.
<https://doi.org/10.1108/MRR-07-2021-0528>
- Serang, S., Ramlawati, R., Suriyanti, S., Junaidi, J., & Nurimansjah, R. A. (2024). The role of ethical leadership on employees' behaviours and commitment to the organisation. *SA Journal of Human Resource Management*, 22(0), a2373.
<https://doi.org/10.4102/SAJHRM.v22i0.2373>
- Sihombing, M. (2020). The Effect of Transformational Leadership, Work Discipline, and Satisfaction on Lecturers' Performance at the Tarbiyah and Teaching Faculty of UIN Antasari Banjarmasin. *Journal of K6 Education and Management*, 3(2), Article 2. <https://doi.org/10.11594/jk6em.03.02.01>
- Son, T. T., Phong, L. B., & Loan, B. T. T. (2020). Transformational Leadership and Knowledge Sharing: Determinants of Firm's Operational and Financial Performance. *SAGE Open*, 10(2), Article 2.
<https://doi.org/10.1177/2158244020927426>
- Stollberger, J., Las Heras, M., Rofcanin, Y., & Bosch, M. J. (2019). Serving Followers and Family? A Trickle-Down Model of How Servant Leadership Shapes Employee Work Performance. *Journal of Vocational Behavior*, 112, 158–171.
<https://doi.org/10.1016/j.jvb.2019.02.003>
- Tian, H., Iqbal, S., Akhtar, S., Qalati, S. A., Anwar, F., & Khan, M. A. S. (2020). The Impact of Transformational Leadership on Employee Retention: Mediation and Moderation Through Organizational Citizenship Behavior and Communication. *Frontiers in Psychology*, 11.
<https://doi.org/10.3389/fpsyg.2020.00314>
- Tripathi, D., Priyadarshi, P., Kumar, P., & Kumar, S. (2020). Micro-foundations for sustainable development: Leadership and employee performance.

- International Journal of Organizational Analysis, 28(1), 92–108.
<https://doi.org/10.1108/IJOA-01-2019-1622>
- Utami, N. M. S., Sapta, I. K. S., Verawati, Y., & Astakoni, I. M. P. (2021). Relationship between Workplace Spirituality, Organizational Commitment and Organizational Citizenship Behavior. *The Journal of Asian Finance, Economics and Business*, 8(1), 507–517.
<https://doi.org/10.13106/JAFEB.2021.VOL8.NO1.507>
- Yukl, G. (1999). An Evaluation of Conceptual Weaknesses in Transformational and Charismatic Leadership Theories. *The Leadership Quarterly*, 10(2), 285–305.
[https://doi.org/10.1016/S1048-9843\(99\)00013-2](https://doi.org/10.1016/S1048-9843(99)00013-2)
- Zia, M. Q., Naveed, M., Bashir, M. A., & Iqbal, A. (2022). The influence of servant leadership on employees' outcomes via job embeddedness in hospitality industry. *Journal of Hospitality and Tourism Insights*, 5(3), 612–628.
<https://doi.org/10.1108/JHTI-01-2021-0003>

APPENDIX 1 Variables, Dimension and Indicators

Variable	Dimension	Indicator
Transformational-Servant Leadership	Influence (I)	Admiration for the leader's actions The positive example set by a leader. Respect for leaders' actions Good social relationships with leaders
	Vision (V)	A change-oriented held by the leader Clarity of vision and mission Motivation to achieve the vision
	Trust (T)	Trust in employee management Collective collegial management Consistency between words and actions
	Respect or Credibility (R)	Respect and care for others Maintaining interpersonal relationships Recognition of employee performance Promoting employee respect
	Risk Sharing (RS)	Shared risk responsibility Capability-based delegation Leadership succession development
	Integrity (IN)	Commitment to work Integrity in words and actions Responsibility in handling issues Moral leadership
	Modeling (M)	Egalitarian leadership Open and communicative leadership Leading by example
Organizational Citizenship Behavior	Helping Behavior (H)	Voluntary helping Helping with work problems Voluntary initiative Cross-department helping Helping users (guests, customers, and stakeholders)
	Sportmanship (S)	Avoiding complaints Positive response to work issues Persistence at work Avoiding issue exaggeration
	Organizational Loyalty (O)	Promoting the institution Organizational loyalty Protecting the institution Commitment under unfavorable conditions
	Organizational Compliance (OC)	Compliance with formal rules Compliance with informal rules
	Individual initiative (II)	Avoiding non-work conversations Availability when needed Creative and innovative initiative Extra effort to help others Taking additional responsibility Encouraging colleagues' performance

Variable	Dimension	Indicator
Perceived Operational and Financial Performance	Civic Virtue (CV)	Awareness of organizational changes
		Suggestions for improvement
		Protecting organizational resources
		Participation in organizational governance
	Self-Development (SD)	Knowledge and skill development
		Participation in relevant training
		Keeping up with professional developments
		Willingness to learn new skills
	Perceived Operational Performance (Op)	Fast and accurate service
		Consistent service quality
		Operational resource efficiency
		Responsiveness to member needs
	Perceived Financial Performance (FP)	Positive operational performance
		Consistent growth in profitability
		Financial resource efficiency
		Achievement of revenue growth
		Positive financial performance
		Achievement of profit targets
		Comparison of sales growth

Source: Processed data (2026)

APPENDIX 2. Assessment of Convergent Validity and Construct Reliability

Variable	Indicator	Loading Factors	AVE	CA	CR
TSL	I1	0.856	0.696	0.854	0.862
	I2	0.826			
	I3	0.769			
	I4	0.882			
	V1	0.912	0.816	0.887	0.892
	V2	0.856			
	V3	0.940			
	T1	0.700			
	T2	0.906	0.718	0.800	0.845
	T3	0.917			
	R1	0.900			
	R2	0.883			
	R3	0.886	0.795	0.914	0.914
	R4	0.898			
	RS1	0.926			
	RS2	0.919			
	RS3	0.902	0.838	0.904	0.908
	IN1	0.926			
	IN2	0.938			
	IN3	0.962			
	IN4	0.917	0.876	0.953	0.953
	M1	0.884			
	M2	0.945			
	M3	0.943			
OCB	H1	0.614	0.600	0.837	0.876

	H2	0.800			
	H3	0.737			
	H4	0.870			
	H5	0.826			
	S1	0.801			
	S2	0.910	0.761	0.894	0.897
	S3	0.897			
	S4	0.877			
	OL1	0.910			
	OL2	0.863	0.708	0.859	0.869
	OL3	0.876			
	OL4	0.700			
	OC1	0.949	0.887	0.873	0.883
	OC2	0.934			
	II1	0.845			
	II2	0.824			
	II3	0.896	0.732	0.927	0.928
	II4	0.891			
	II5	0.804			
	II6	0.870			
	CV1	0.907			
	CV2	0.753	0.743	0.883	0.895
	CV3	0.881			
	CV4	0.898			
	SD1	0.946			
	SD2	0.757	0.786	0.907	0.918
	SD3	0.907			
	SD4	0.924			
	OpP1	0.831			
	OpP2	0.896			
	OpP3	0.772	0.728	0.906	0.917
	OpP4	0.900			
	OpP5	0.861			
POFP	FP1	0.825			
	FP2	0.960			
	FP3	0.970	0.841	0.962	0.964
	FP4	0.929			
	FP5	0.919			
	FP6	0.891			

Source: Processed data (2026)