Servant Leadership in the Service Sector: Linkages with Employee Motivation and Retention

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ABSTRACT

The study focuses on the analysis of characteristics of servant leadership in an organization and reveals the linkage of servant leadership and employees' motivation and retention. The aim of the study is to investigate the linkages between servant leadership and employees' motivation and retention in the service sector. The aim outlines the tasks oriented toward the assessment of motivation value when servant leadership is introduced; analysis of the effects of servant leadership on employees' retention; and description of servant leadership during times of uncertainty and increased turbulence. Studying the linkage of servant leadership with employees' motivation and retention we employed both qualitative and quantitative methods of investigation. For this research, we selected 238 employees of service-oriented companies from six regions of Ukraine. They were males and females and differed in age, educational background, job experience, and salary. The data were collected through face-to-face interviews between March 17 and August 22, 2023. The results showed that the implementation of servant leadership in a service-oriented company positively affects employees' motivation and retention. Also, servant leadership is linked to the company’s success and sustainability during times of uncertainty and increased turbulence. In the service sector, servant leadership is introduced in three levels: individual level, team level, and company level. Each level is characterized by a number of descriptors that optimize servant leadership and contribute to the company’s success and employees’ satisfaction. The results may be used by company leaders and owners who are involved in service industries. Also, the findings may improve the process of future managers’ training.

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In recent decades, globalization, economic restructuring, and acceleration of urbanization processes determined a significant contribution of the service sector in the world economy that has shown rapid growth in developed and developing countries (Karagöz, 2023). In the post-industrial stage of economic development, the output of manufacturing decreases since the economy eventually rebalances and its service component is gradually driving economic transformation (Ma et al., 2021). Currently, the service sector that provides various facilities like healthcare, education, transportation, banking, electricity, or repair, makes more than 60% of the world’s production and employment and has a share in international trade of approximately 20% (Kinfe Michael & Morshed, 2019).

Recently, the business environment of service-oriented companies has faced dynamic changes due to COVID-19 global economic recession (Naseer et al., 2022) that resulted in an intensification of social problems. According to Alizadeh et al. (2023), services such as health, education, and tourism became more exposed to the negative effects of the COVID-19 pandemic and the employees had to adapt to those dramatic changes. In addition, the Russian aggression against Ukraine has had a disruptive effect on global markets as it triggered inflation rates, shaped the quality of life of the population (Stadnyk et al., 2023), and caused large inflows of refugees that, consequently, created an economic shock in host economy (Bannikova, 2022). This led to the fact that the companies within the service industry have experienced unprecedented uncertainty and turbulence (Pimenova et al., 2023). Digitalization and the transition to Society 5.0 is challenged by the change of work nature and brought the biggest transformations in the labor market (Gevorgyan & Baghdasaryan, 2021).

Obviously, rapid changes, and heightened uncertainty as well as economic, environmental, social, and political risks necessitate the development of new approaches to corporate leadership and management. Traditional paradigms, aimed at making a profit and high productivity, do not always meet the new requirements of the changeable environment (Bennmira & Agboola, 2021). A robust literature confirms that job performance is an extremely complex factor that depends, among other things, on effective leadership (AlFlayyeh & Alghamdi, 2023; Meirinhos et al., 2023).

Servant leadership has been defined as a leadership pattern linked to ethics, virtues, and morality (Saleem et al., 2020). It is other-oriented leadership, in which leaders prioritize their employees’ individual interests and needs and pay attention to the concerns of others within the organization or the community (Eva et al., 2019). Many authors insist that servant leadership model is aimed at empowering employees and resolving work-family conflicts (Yang et al., 2019), stewardship (Saleem et al., 2020), authenticity (Ortiz-Gómez et al., 2022), humility (Opoku et al., 2019), formation of organization-based self-esteem (Zeng & Xu, 2020), inspiring (Thao & Kang, 2020), and providing the most relevant direction for organizational activities (Eslamdoust & Mahmoudinazlou, 2023), spiritual support (Maglione & Neville, 2021; Obi et al., 2021), and constructing the positive leader-servant exchange (Zeng & Xu, 2020).

The existing literature demonstrates the strong relationship between servant leadership and employee motivation (Su et al., 2020; Zeng & Xu, 2020) as well as retention (Alafeshat & Tanova, 2019; Pham et al., 2023). Also, the relation between these phenomena has not been thoroughly studied in the context of the service sector. To address this gap, the aim of the study is to investigate the linkages between servant leadership and employees’ motivation and retention in the service sector and, therefore, explain the positive impact of increased motivation.
and retention upon job performance and organizational commitment. The research aim clearly presents certain research tasks oriented towards answering the following research questions: (1) Does servant leadership increase the motivation of employees in service-oriented companies? (2) What are the effects of servant leadership on employees’ retention? (4) What is the future of servant leadership during times of uncertainty and increased turbulence?

**Review of Literature**

**Servant Leadership and its Impact on Organizations**

Servant leaders, commonly, focus on the goals of the group and influence through supporting the employees. This is a vital leadership model for any organization that is oriented towards empowering subordinates, and developing communication between subordinates and management, and, therefore, it ensures organization sustainability and success (Alafeshat & Tanova, 2019). Servant leadership suggests that leaders possess the motivation to serve and prioritize the needs of others above their own (Wang et al., 2022). Canavesi and Minelli (2022) state that servant leadership is related to both organizational effectiveness and individual well-being.

Servant leadership is regarded as the most promising theory of the 21st century (Dami et al., 2022), especially due to its holistic approach and positive role in team-level outcomes including job performance, job satisfaction, and job involvement (Canavesi & Minelli, 2022). Some findings show that servant leaders can exhibit emotional healing, community orientation, conceptual skills, the ability to empower, and strong ethical character (Khan et al., 2022). The usefulness of servant leadership can be found in multiple areas of corporate organization. First, it improves employees’ comfort and interest (Eva et al., 2019; Turner, 2022), and triggers work engagement (Canavesi & Minelli, 2022; Rahal & Farmanesh, 2022). Secondly, it increases employees’ performance (Saleem et al., 2020) and creativity (Wang et al., 2021). Finally, to add the clarity to phenomenon of servant leadership in its impact on the organization. Mahendri et al. (2022) and Kryvoshein et al. (2022) defined that it enhances innovative work behavior significantly.

Leaders influence employees to understand professional situations from different perspectives and inspire them to make the right decisions. Also, leaders create a positive learning climate (Usman et al., 2023; Wang et al., 2021), where employees may build professional awareness and develop self-efficiency. Effective leaders can draw the corporate objectives clearly and achieve them based on employees’ abilities and needs (Bieńkowska et al., 2022).

Multidisciplinary studies on servant leadership showed that it is a leadership philosophy that centers on the idea that a leader’s main role is to serve others, prioritizing their needs, development, and well-being (Eslamdoust & Mahmoudinazlou, 2023; Hategan & Hategan, 2021). This approach emphasizes empathy, humility, and collaboration (Kumari et al., 2022). Such an approach is applied in different spheres resulting in the establishment of a culture of trust, collaboration (López-Navarro et al., 2023), and innovation in the workplace (Fischer et al., 2019) and focus on the development and well-being of employees (Chen et al., 2023). Besides servant leadership philosophy is oriented toward team performance, customer satisfaction, and positive community impact (Nauman et al, 2022). Of course, this approach contrasts with traditional leadership models, which often emphasize the leader’s authority and
control (Canavesi & Minelli, 2022). While working, servant leaders concentrate on listening, and empathy, and seek to understand and meet the needs of their team members. This philosophy is rooted in the belief that by serving others, leaders can create a more positive and productive work environment, ultimately leading to greater organizational success (Eva et al., 2019).

Further, it is necessary to examine the characteristics and competencies of servant leaders. Servant leaders must possess specific behaviors to encourage positive changes in the organization. Accordingly, servant leaders are characterized by certain attributes such as empathy (Kumari et al., 2022), confidence (Dami et al., 2022), fairness (Shao et al., 2022; Zhou et al., 2022), communicability (Thelen, 2021; Zahorodna et al., 2022). At the same time, servant leaders must develop honesty (Khan et al., 2022), integrity (Saleem et al., 2020), creative abilities (Wang et al., 2021), innovative competency (Iqbal et al., 2020; Mahendri et al., 2022) and technological knowledge (Morska & Davydova, 2021). The findings show that servant leadership is aimed at the formation of trust-based relationships with employees (Dami et al., 2022) and emotional intelligence (Kumari et al., 2022). Also, it is targeted at the establishment of organizational culture based on employment ethics and legal principles (Baety & Ka, 2022; Buriak et al., 2023).

Moreover, the concept of servant leadership focuses on promoting integrity within the team and positively influences organizational functioning as a whole (Lee et al., 2020). The findings show that servant leadership brings out employees’ full potential (Kumari et al., 2022) and servant leaders are able to build new skills and knowledge among their followers and support them in using their intellectual talents and capacities (Zhou et al., 2022).

Applying the model of servant leadership leaders adopt employee-centric tactics. They act as agents who take responsibility and drive positive changes in an organization and are able to coordinate both the effectiveness of an employee and other corporate resources. Because of these, we contend that servant leadership may have a potentially positive effect on employees’ motivation and retention.

**Servant Leadership and Motivation**

Motivation is an essential catalyst for the company’s success since it promotes employees’ effective performance (Vo et al., 2022). In the words of Forson et al. (2021), motivation is a central pillar in the workplace and motivating employees adequately is a big challenge. Highly motivated and satisfied employees recognize the collaboration and committed approach toward the organizational objectives. Additionally, such a workforce constantly makes efforts to improve job performance or and reach a higher quality of output.

Motivation is a strong willpower necessary for employees to demonstrate their performance. It can be categorized into intrinsic and extrinsic motivation (Fischer et al., 2019). Intrinsic motivation interacts with prosocial inspiration in judging work performance (Vo et al., 2022). Also, it is regarded as an internal instrument that enables employees to carry out their work duties while feeling satisfied, enthusiastic, and proud of their contribution (Fischer et al., 2019; Morris et al., 2022). Extrinsic motivation includes external short-term or long-term stimuli that drive employee’s activities. In other words, a motivated individual, while performing, usually strives to increase the probability of rewards and decrease the probability of punishment (Morris et al., 2022). According to Rachman (2022), leaders, when motivating employees, increase their
efficiency and encourage them to achieve personal and organizational objectives. Job performance and job involvement require a combination of intrinsic and extrinsic factors (Forson et al., 2021) since they reinforce commitment and cause the most relevant improvements in the personal development of employees.

The recent findings proved that motivation as a condition for the effective performance of a company or organization is closely connected with job satisfaction and organizational loyalty (Septiana et al., 2024; Setyadi et al., 2023). When employees are motivated, whether intrinsically or extrinsically, they feel satisfied with their work. Motivation provides individuals with a sense of purpose and direction, leading to a more positive attitude towards their job (Dewi et al., 2022). This positive attitude results in higher levels of job satisfaction as employees feel fulfilled and engaged in their work (Kumari et al., 2022). At the same time, motivation and organizational loyalty are interconnected as well since motivated employees are more likely to exhibit loyalty toward their workplace (Nadeak & Naibaho, 2020). Employees who feel valued and supported are more likely to develop a sense of loyalty as they perceive the organization as a place that cares about their well-being and growth. On the other hand, low motivation can result in decreased loyalty and employees may feel disconnected from the organization’s goals and values (Megawati & Umar, 2023). Therefore, organizations that focus on motivating their employees are more likely to cultivate a loyal and dedicated workforce.

A number of studies outline the structure of motivation. Mercader-Rubio et al. (2023) revealed that intrinsic motivation is associated with a high level of professional competency and knowledge. According to Manzoor et al. (2021) and Vo et al. (2022), intrinsic motivation builds work productivity and self-efficacy. It facilitates employees’ psychological comfort (Mercader-Rubio et al., 2023), adaptability, and readiness to new conditions (Alhassan et al., 2022; Sun et al., 2022). In addition, intrinsic motivation helps achieve all professional objectives autonomously (Alhassan et al., 2022). Forson et al. (2021) state that intrinsic factors include growth, responsibility, and advancement. Some findings show that intrinsic motivation further strengthens employees’ creativity (Jnaneswar & Ranjit, 2022) and innovation behavior (Fischer et al., 2019).

Extrinsic motivation is related to supervision, working conditions, payment, interpersonal relationships, appreciation, company policy (Forson et al., 2021), and a person’s lawful behavior (Prylypko, 2023). It encourages goal activation and modulates career orientation as a necessity for self-actualization. Also, extrinsic motivation evokes reward as an effective motivational tool to produce a pleasant experience. Malek et al. (2020) indicate that rewards can be social or financial. They insist that financial rewards have a negative relationship with motivation while social rewards affect it positively. In addition, recognition influences employees’ motivation (Gopinath et al., 2021) through building trust, boosting enthusiasm and team morale, improvements in performance.

The findings show that motivation positively affects work behavior and strengthens its association with servant leadership (Vuong, 2023). Therefore, leaders can transfer their motivation and grow service-oriented employees (Canavesi & Minelli, 2022). Figure 1 presents the possible links between servant leadership and employees’ motivation. At the same time, motivation plays an important role in employees’ satisfaction and further results in retention because it acts as a unique catalyst of an individual’s success. Servant leadership being actually
an instrument to build meaningful relationship in an organization, is all about the development of techniques to retain employees.

**Figure 1**

*Linkage between Servant Leadership and Employees’ Motivation*

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**Servant Leadership and Employees’ Retention**

Employees’ retention deals with a process when employees are encouraged to remain with the organization for a maximum period of time (Aburub, 2020). It is recognized as a strategic instrument of company management and directly affects the company’s success and sustainability. Employees’ retention is a technique adopted by many organizations to maintain an effective workforce and adequately respond to operational tasks (Ekhsan et al., 2022).

In literature great attention is drawn towards factors affecting employees’ retention. They include workplace culture (Taweethai et al., 2023), career development opportunities (Houssein et al., 2020), fair compensation (Sorn et al., 2023), work-family balance (Houssein et al., 2020; Yang et al., 2019), job satisfaction (Sorn et al., 2023) and recognition (Yang et al., 2022). This is supported by research conducted by Aburub (2020), which states that positive relations with colleagues play a crucial role in employees’ retention. Other factors concern employee engagement (Ekhsan et al., 2022), communication and feedback in particular, that contribute to employees’ retention. In addition, some researchers admit that company reputation and company values attract employees and lead to retention (Aburub, 2020; Deniz, 2020). The findings show that leadership is a significant factor in employees’ retention. Supporting and effective leaders encourage workers and inspire positive work.

Contrary, poor leadership is a reason for job dissatisfaction and turnover. Servant leadership has a positive impact on employees’ retention by creating a strong workplace culture that prioritizes the well-being and development of employees (Chen et al., 2023). Ramalu and Kalimuthu (2022) noted that servant leadership creates a supportive work environment that influences employees to be loyal to the company even when other opportunities emerge externally. Some findings insist that employees’ motivation and retention are closely connected within the workplace (Lee et al., 2022). At the same time, a high retention rate is an objective indicator that the workforce is motivated and satisfied. **Figure 2** shows the relationships between employees’ motivation and retention.
Therefore, implementing the philosophy of servant leadership in an organization establishes a foundation for the improvement of the work environment and increased job commitment. Servant leaders respect and care for all employees and, as a result, they are highly motivated when involved in professional activities and less likely to turnover. But what impact is it having upon the service sector and what is the future of servant leadership in service-oriented companies?

**Figure 2**

*Relationships between Employees’ Motivation and Retention*

**Development of Hypotheses**

When the literature is considered, it is found that there is a significant linkage between servant leadership and employees’ motivation. As the model of servant leadership is introduced in an organization, the level of motivation increases (Canavesi & Minelli, 2022; Vuong, 2023). Taking this into consideration, the following hypothesis was formulated:

**H1:** Servant leadership increases motivation of employees in service-oriented companies.

There is a significant relationship between effective leadership and employees’ retention (Xuecheng et al., 2022). This fact is also valid for servant leadership (Bieńkowska et al., 2022; Ramalu & Kalimuthu, 2022) which creates positive conditions for employees to retain and demonstrate high job performance. When the literature was analyzed thoroughly, the following hypothesis was formed:

**H2:** Servant leadership has a positive impact on employees’ retention in the service sector.

In addition, literature analysis showed that servant leadership is applicable for effective company management during uncertainty or increased turbulence (Bernards, 2023; Canavesi & Minelli, 2022). This resulted in the formulation of the following hypothesis:

**H3:** Servant leadership is effective during time of uncertainty and increased turbulence.
Analyzing the interdependence between hypotheses within the research design, the following hypotheses framework was presented (Figure 3).

**Figure 3**
*Hypotheses Framework of the Research*

Servant leadership → High motivation → Increased retention → Company success during uncertainty

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**Method**

**Design**

Research design means a process of finding definitive answers to research questions (Pozzebon & de Souza Bido, 2019). Studying the links of servant leadership with employees’ motivation and retention we employed both qualitative and quantitative methods of investigation.

The use of qualitative methods concerns a systematic subjective approach to describe participants’ life experiences and situations they are involved (Vivek, 2022). Some findings stress that qualitative methodology focuses on the way people interpret phenomena and outlines their understanding of research elements. Taking this into consideration, we may state that qualitative methods are subjective and they are used to describe the general tendencies. At the same time, qualitative methods were applicable for formulating the hypotheses of the research. To achieve research accuracy and objectivity qualitative data require verification with the use of a qualitative approach.

Quantitative research is aimed at studying the relationships between and among variables and describes the problem numerically on the basis of the data obtained (Yamanoi, 2021). Qualitative methodology provides answers to the research questions and hypotheses. Qualitative investigation is generally objective and realistic. Therefore, the researcher remains impartial and operates in an unbiased way.

**Participants**

For this research, we selected a population in six regions of Ukraine. The participants were people between 18 and 63 years old and employed in the service sector. The selection criteria included the following: (1) leadership role (participants should be in leadership positions or have experience in leadership roles); (2) organizational context (participants should come from a variety of service organizations); (3) diversity (participant should have different characteristics such as gender, age, and educational background to ensure a broad range of perspectives); (4) willingness to participate (participants should be willing to participate in the study and provide honest and thoughtful responses). The sample consists of 238 respondents. 112 participants (47, 05%) were males, and 126 (52, 95%) were females. As to the level of education of the participants, 57 people (23,95%) obtained master’s degree, 164 (68, 9%) had bachelor’s degree, and 17 participants (7, 15%) completed secondary education and 12 of them (70, 6 %) were students of institutions of higher education during the research.
The average salary is 15.356 UAH 176. Table 1 shows the survey participants’ profiles according to their jobs.

**Table 1**  
Survey Participants’ Description

<table>
<thead>
<tr>
<th>Company/Job</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Education</strong></td>
<td></td>
</tr>
<tr>
<td>Secondary school teacher</td>
<td>8</td>
</tr>
<tr>
<td>Kindergarten teacher</td>
<td>13</td>
</tr>
<tr>
<td>Tutor</td>
<td>5</td>
</tr>
<tr>
<td><strong>Banking</strong></td>
<td></td>
</tr>
<tr>
<td>Accountant</td>
<td>12</td>
</tr>
<tr>
<td>Bank manager</td>
<td>8</td>
</tr>
<tr>
<td>Financial advisor</td>
<td>9</td>
</tr>
<tr>
<td>Cashier</td>
<td>3</td>
</tr>
<tr>
<td><strong>Tourism</strong></td>
<td></td>
</tr>
<tr>
<td>Travel agent</td>
<td>7</td>
</tr>
<tr>
<td>Tour guide</td>
<td>6</td>
</tr>
<tr>
<td><strong>Healthcare</strong></td>
<td></td>
</tr>
<tr>
<td>Nurse</td>
<td>7</td>
</tr>
<tr>
<td>Pharmacist</td>
<td>11</td>
</tr>
<tr>
<td>Dentist</td>
<td>2</td>
</tr>
<tr>
<td><strong>Sport</strong></td>
<td></td>
</tr>
<tr>
<td>Fitness instructor</td>
<td>6</td>
</tr>
<tr>
<td>Gym administrator</td>
<td>4</td>
</tr>
<tr>
<td><strong>Beauty</strong></td>
<td></td>
</tr>
<tr>
<td>Hairstylist</td>
<td>12</td>
</tr>
<tr>
<td>Nail artist</td>
<td>14</td>
</tr>
<tr>
<td>Massage therapist</td>
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<tr>
<td><strong>Entertainment</strong></td>
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<td>Sales representative</td>
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<td>Real estate agent</td>
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<td><strong>Housekeeping</strong></td>
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<td>Cleaner</td>
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<td>Babysitter</td>
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<td><strong>Hospitality</strong></td>
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<td>Hotel manager</td>
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<td>Maiden</td>
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<td><strong>Media</strong></td>
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<td>SMM manager</td>
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<td>Customer Service</td>
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<td>Customer service representative</td>
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<td><strong>Telecommunication</strong></td>
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<td>Engineer</td>
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</tr>
<tr>
<td>Technician</td>
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<tr>
<td>Analyst</td>
<td>2</td>
</tr>
<tr>
<td>Data center specialist</td>
<td>2</td>
</tr>
<tr>
<td>Product manager</td>
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</tr>
<tr>
<td>Tester</td>
<td>1</td>
</tr>
<tr>
<td><strong>Restaurant and cafe</strong></td>
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<td>Chef</td>
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<tr>
<td>Waiter/Waitress</td>
<td>18</td>
</tr>
<tr>
<td>Barista</td>
<td>16</td>
</tr>
<tr>
<td>TOTAL</td>
<td>238</td>
</tr>
</tbody>
</table>

**Instruments**
Data collection techniques included structured face-to-face interviews when the researchers conducted in-depth conversations with participants. The techniques facilitated the exploration
of participants’ experiences with servant leadership, their views on its effectiveness, and the relationship between employee’s motivation and retention. The questionnaire consisted of thirty-two closed-ended questions presented in three blocks. The survey was conducted between March 17 and August 22, 2023. On average, the interview lasted 12 minutes. All the participants were informed about the survey procedures and research objectives.

The first five questions were related to participants’ age, gender, education, amount of salary, and place of work. To assess employee’s motivation, we applied the questions to analyze 10 factors both intrinsic and extrinsic: competency, knowledge, productivity, self-efficacy, professional autonomy, psychological comfort, adaptivity, competition, reward, and recognition.

To assess employee’s retention, participants answered questions during face-to-face interviews about retention factors at their workplace. The factors included: job satisfaction, working culture, career development, recognition, rewards, sense of belonging, and resilience. Further, correlational statistical analysis was applied to measure the strength of the linear relationship between employee’s motivation and retention. Also, it contributed to the assessment of the links between servant leadership and employee’s motivation and retention.

To test the hypotheses, the ANOVA formula was used. It enabled us to compare the variances across the means of motivation, retention, and effects of servant leadership during uncertainty within the research. The findings were applied to draw a level model of implementation of servant leadership in the service sector during uncertainty. All the research instruments were correlated with the research objective, population, hypotheses, and research design.

**Data Analysis and Results**

**Employees’ Motivation in Service-Oriented Companies when Servant Leadership is Applied**

The survey shows that most employees’ motivation in the service sector is associated with reward (60 respondents), the presence of psychological comfort at the workplace (51 respondents), and the building of professional competency and knowledge (50 and 52 respondents respectively). At the same time, we found that competition and recognition factors are less important for increasing employees’ motivation in service-sector company. 28 respondents described competition as an important factor, and only 19 people mentioned recognition as an important one. Table 2 shows the analysis of employees’ motivation in the context of servant leadership in a service-oriented company.

| Table 2: Employees’ Motivation Analysis in the Context of Servant Leadership |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Factor                          | Very important | Important       | Average         | Low             | Insufficient    |
| Competency                      | 52             | 65              | 50             | 46             | 25             |
| Deep knowledge                  | 50             | 59              | 60             | 48             | 21             |
| Productivity                    | 55             | 58              | 65             | 41             | 19             |
| Self-efficacy                   | 54             | 55              | 62             | 47             | 20             |
| Professional autonomy           | 47             | 44              | 63             | 55             | 29             |
| Psychological comfort           | 51             | 55              | 56             | 38             | 38             |
| Adaptivity                      | 39             | 38              | 69             | 42             | 50             |
| Competition                     | 28             | 30              | 63             | 46             | 71             |
| Reward                          | 60             | 75              | 49             | 38             | 16             |
| Recognition                     | 19             | 21              | 72             | 48             | 78             |
Employees’ Motivation in Service-Oriented Companies when Servant Leadership is Applied

On the basis of employees’ retention analysis, we found that rewards, job satisfaction, and working culture are the most important factors for employees’ retention in a service-oriented company. 73 people agreed that rewards are very important, especially during uncertainty and increased turbulence. 54 respondents admitted job satisfaction as a very important factor to retain. And 48 employees decided that working culture is a very important criterion to retain in the company. At the same time, only 22 people regarded recognition as a very important factor for them and 23 respondents decided that a sense of belonging would be decisive if they thought to retain. Table 3 demonstrates employees’ retention analysis in the context of servant leadership in a service-oriented company.

Table 3
Employees’ Retention Analysis in the Context of Servant Leadership

<table>
<thead>
<tr>
<th>Factor</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Very important</td>
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<tr>
<td>Job satisfaction</td>
<td>54</td>
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<tr>
<td>Working culture</td>
<td>48</td>
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<td>Career development</td>
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<tr>
<td>Recognition</td>
<td>22</td>
</tr>
<tr>
<td>Rewards</td>
<td>73</td>
</tr>
<tr>
<td>Sense of belongings</td>
<td>23</td>
</tr>
<tr>
<td>Resilience</td>
<td>45</td>
</tr>
</tbody>
</table>

Effect of Servant Leadership on Employees during Uncertainty

The study was conducted according to the calculation of the accumulating effect of servant leadership in a service-oriented company during uncertainty. We compared the variables according to the 5-point approach, where 1 point means the company did not achieve the goal and did not obtain the income. The customers had complaints about services and faced turnover. 2 points mean the company was not focused on its goals but managed to reach low income and attract new clients through a strong advertisement campaign. The employees were not satisfied with salaries and did not feel psychological comfort at the workplace.

Three points relate to the fact that the company achieved its goal partially and a leader created a positive atmosphere within the company environment. Some employees quit because did not have satisfactory financial rewards. Four points mean that the leader considered employees’ interests and managed to organize optimal work during uncertainty or increased turbulence. 5 points concern the fact that the company increased its income and attracted new employees. The company leader motivates employees by enhancing their professional competency and increasing psychological comfort in the team. In addition, such a company is able to create value through innovative and sustainable practices.

The research was conducted for 15 weeks. The findings show that similar companies that were ranked by three points in the first stage reached different results. The company where servant leadership was applied was ranked 4,77 points in 15 weeks. This means employees showed a high level of motivation and retention, and the company managed to overcome difficulties. At the same time, the company where traditional leadership was used, reached 3,35 points. This means that some goals were not reached, and employees face a shortening of financial rewards. As a result, psychological comfort, job satisfaction, and job performance
were lower than expected and some employees had average to low levels of motivation and retention. Figure 4 shows the difference between traditional and servant leadership in an organization during uncertainty or increased turbulence.

**Figure 4**

*Traditional VS Servant Leadership in an Organization during Uncertainty*

The survey results enable us to move on to the hypotheses testing and decide whether they should be accepted or rejected.

**Testing of Hypotheses**

ANOVA generated a probability value (p) for the first hypothesis .01, for the second -.03, and .04 for the third one. Table 4 shows the summary of hypotheses testing on the basis of a one-factor ANOVA statistical model.

**Table 4**

*Summary of Hypotheses Testing*

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Criteria</th>
<th>p</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: Servant leadership increases motivation of employees in service-</td>
<td>less than .05</td>
<td>.01</td>
<td>Accepted</td>
</tr>
<tr>
<td>oriented companies.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H2: Servant leadership has a positive impact on employees’ retention</td>
<td>less than .05</td>
<td>.03</td>
<td>Accepted</td>
</tr>
<tr>
<td>in service sector.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H3: Servant leadership is effective during time of uncertainty and</td>
<td>less than .05</td>
<td>.04</td>
<td>Accepted</td>
</tr>
<tr>
<td>increased turbulence.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

On the basis of survey results, it is worth mentioning that the implementation of servant leadership in service-oriented company may positively affect employees’ motivation and retention. Also, servant leadership is linked to the company’s success and sustainability during times of uncertainty and increased turbulence.
**Discussion**

The research showed that servant leadership refers to employees’ motivation and retention. The workers of the service-oriented companies admitted the positive effect when a leader applies the servant leadership model in comparison with the traditional one, especially, when it is applicable during uncertainty and increased turbulence.

The survey results and the literature analysis (Canavesi & Minelli, 2022; Sun et al., 2023) enable us to decide that servant leadership is introduced in three levels in service sector organizations. They include individual level, team level, and company level. **Figure 5** shows the levels of implementation of servant leadership in service-oriented company.

**Figure 5**

*Levels of Implementation of Servant Leadership in Service-oriented Company*

*Individual level.* Servant leadership when implemented at the individual level, regards to adoption of behaviors that are oriented towards serving employees’ individual needs and potentials. Also, it contributes to their professional and personal development, job satisfaction, and increased motivation. At the individual level, servant leadership is realized through empathy (Kumari et al., 2022), humility (Opoku et al., 2019), self-awareness (Zeng & Xu, 2020), employees’ needs orientation (Wang et al., 2022), success orientation (Alafeshat & Tanova, 2019), building strong relationship and removing obstacles and conflicts between workers (Eva et al., 2019). In addition, it concerns encouragement and support of employees, the leader’s contribution of time and efforts to the building of an effective working culture, and a positive communication model (Ekhsan et al., 2022; Taweethai et al., 2023). Zada et al. (2022) state that servant leadership at the individual level is implemented when a leader takes responsibility for the well-being of employees and provides mentorship or coaching to help them reveal their full potential.

*Team level.* Servant leadership is very important at the team level as it contributes to the creation of a collaborative and supportive working environment. Servant leadership at the team level is implemented through the development of a shared vision and common objectives (Canavesi & Minelli, 2022). Some findings show that it requires building trust on the principles of transparency and accountability (Dami et al., 2022), and identifying team members’ strengths and weaknesses (Eva et al., 2019; Langhof & Guldenberg, 2020). Encouraging collaboration and teamwork (Nauman et al., 2022). We support the idea of Canavesi and Minelli (2022) that
servant leadership at the team level is oriented towards removing obstacles that hinder teams’ progress and promoting of positive working culture. Also, it is implemented through the creation of a positive atmosphere where employees can operate independently and responsibly (Tabares et al., 2022). One more important factor is related to the promotion of work-family balance that contributes to employees’ well-being significantly (Yang et al., 2019).

**Company level.** Implementation of servant leadership at the company level is a holistic process that requires a number of strategies. Firstly, it demands the establishment of leadership principles in an organization and the application of its values (Eva et al., 2019). Empowerment of employees provides many opportunities for employees, including career development and the formation of professional competency (Houssein et al., 2020) that results in high performance and company success. According to some findings, the implementation of servants at the company level is associated with the development of ethical principles (Saleem et al., 2020), the promotion of inclusivity and diversity (Canavesi & Minelli, 2022) to ensure all employees feel respected, and have equal opportunities to realize their professional potentials. Company work demands the involvement of employees in the decision-making process (Zada et al., 2022) which helps analyze information from different perspectives and make the most appropriate decisions. Servant leadership at the company level is implemented through clear communication (Ekhsan et al., 2022), orientation toward innovations (Fischer et al., 2019), building resilience among employees (Alhassan et al., 2022; Sun et al., 2022). According to Usman et al. (2023) and Wang et al. (2021), company leadership is oriented towards continuous learning and adaptation of employees.

The study outcomes resulted in the practical recommendations that can be implemented within the organizations in the service sector. They are related to the following:

1. Based on the philosophy of servant leadership, service organizations should encourage leaders to adopt positive practices, such as empathy, humility, and empowerment. Leaders should prioritize the well-being and development of their employees, which can enhance motivation and retention.

2. It is necessary to provide training and development opportunities for leaders to learn about servant leadership principles and how to apply them in their roles. This can help leaders effectively implement servant leadership practices in the service sector.

3. Service organizations should create a supportive work environment where employees feel valued, respected, and empowered. This can include providing opportunities for growth and advancement, recognizing and rewarding employees’ contributions, and fostering a culture of collaboration and teamwork.

4. The service sector should be oriented toward monitoring and evaluation of the impact of leadership practices on employee motivation and retention.

5. It is required to recognize and reward leaders who demonstrate servant leadership behaviors. This can help reinforce effective behaviors and encourage other leaders to adopt servant leadership practices.

Therefore, implementing servant leadership practices can have a positive impact on employee motivation and retention in the service sector. At the same time, service companies can create a more positive and engaging work environment, leading to higher levels of motivation and retention among their employees.
Conclusion

Servant leadership is been defined as a leadership philosophy linked to ethics, virtues, and morality. It is aimed at inspiring and providing the most relevant direction for organizational activities, supporting employees, and constructing a positive leader-servant exchange. This is a vital leadership model for any organization that is oriented towards empowering subordinates, and developing communication between subordinates and management, and, therefore, it ensures organization sustainability and success. Servant leadership suggests that leaders possess the motivation to serve and to prioritize the needs of others above their own. Servant leadership is regarded as the most promising theory of the 21st century due to its holistic approach and positive role in team-level outcomes including job performance, job satisfaction, and job involvement.

We found that servant leaders must possess specific behaviors encouraging positive changes in the organization such as empathy, confidence, fairness, communicability, honesty, integrity, creative abilities, innovative competency, and technological knowledge. Therefore, servant leadership is aimed at the formation of trust-based relationships with employees, planting emotional intelligence and organizational culture. The concept of servant leadership focuses on promoting integrity within the team and positively influences organizational functioning. And introduction of the model of servant leadership suggests that leaders adopt employee-centric tactics.

Motivation is the strong willpower necessary for employees to demonstrate their performance. It can be categorized into intrinsic and extrinsic motivation. Intrinsic motivation interacts with prosocial inspiration in judging work performance and extrinsic motivation includes external short-term or long-term stimuli that drive employee’s activities. We found that motivation positively affects work behavior and strengthened its association with servant leadership because leaders can transfer their motivation and grow service-oriented employees.

We defined employees’ retention as a process when employees are encouraged to remain with the organization for a maximum period of time. It is a strategic instrument of company management and directly affects the company's success and sustainability. The findings show that leadership is a significant factor in employees’ retention. Supporting and effective leaders encourage workers and inspire positive work. Moreover, servant leadership creates a supportive work environment that influences employees to be loyal to the company even when other opportunities emerge externally.

The research showed that servant leadership is linked with employees’ motivation and retention. The workers of the service-oriented companies admitted the positive effect when a leader applies the servant leadership model in comparison with the traditional one, especially, when it is applicable during uncertainty and increased turbulence. We came to the conclusion that servant leadership is introduced in three levels in service sector organizations. They include individual level, team level, and company level. At each level, servant leadership is characterized by a number of descriptors that optimize the model and contribute to the company's success and employees’ satisfaction.

The results may be used by company leaders and owners who are involved in service industries. Also, the findings may improve the process of future managers’ training at
institutions of higher education since they contain recent data on the introduction of servant leadership in service-oriented companies.

At the same time, the deals with some limitations. They refer to the fact that the investigation of the effects of servant leadership in times of uncertainty and increased turbulence requires a more complicated analysis of factors that can bring employees’ decreased motivation and retention. However, we consider that the present analysis will contribute to the general understanding of the role of servant leadership for service-oriented companies in Ukraine and other countries facing difficult times.

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