SERVANT LEADERSHIP AS A STRATEGIC CAPABILITY: CULTURE-DRIVEN PATHWAYS TO SUSTAINABLE PERFORMANCE

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ABSTRACT

Background: This study investigates the relationship between Servant Leadership and Organizational Performance in the hospitality industry, focusing on the mediating roles of Serving Culture and Social Capital.

Purpose: This study aims to determine the specific mechanisms through which Servant Leadership translates into superior Organizational Performance.

Design/methodology/approach: Employing a quantitative methodology, data were collected via a survey of 52 hotel managers and analyzed using SmartPLS to provide robust estimates of the direct, indirect, and total effects among the variables. This approach allowed for a comprehensive evaluation of the mediating pathways.

Findings/Result: The results confirm a positive effect of Servant Leadership on Organizational Performance. Servant Leadership strongly cultivates a Serving Culture, which in turn significantly enhances performance. Critically, the study provides strong evidence that Serving Culture significantly mediates the relationship between Servant Leadership and Organizational Performance. Conversely, while Servant Leadership fosters Social Capital, Social Capital was not found to significantly mediate this relationship.

Conclusion: Servant Leadership is crucial for fostering a strong service-oriented culture, which subsequently drives organizational performance in the hospitality sector.

Originality/value (State of the art): This research provides theoretical refinement by simultaneously differentiating the mediating contributions of a service-specific culture and social capital, establishing Serving Culture as the primary, statistically significant channel for Servant Leadership's influence in the hospitality sector.

Keywords: servant leadership, social capital, service culture, organizational performance, hospitality industry

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INTRODUCTION

The hospitality sector is one of the most significant contributors to the Indonesian economy, yet it faces persistent challenges, including intense competition and macroeconomic uncertainty. It plays a role in the larger economy of the nation as well as being a consequence of it (PWC Indonesia, 2024; World Bank, 2024). Sustained success in this service-dominant industry hinges on superior organizational performance, which is largely driven by human capital and a strong focus on service delivery.

Traditional leadership models often fall short of fostering the necessary employee commitment and culture. This has propelled scholarly interest in Servant Leadership (SL), a moral-based approach that prioritizes the growth and well-being of followers. SL has gained significant interest in leadership studies owing to its focus on serving others (Saleem et al. 2020). Servant Leadership, as defined by Greenleaf, is a leadership approach that prioritizes the needs and growth of followers over the leader's self-interest (Jara et al. 2019). Servant leadership is (1) an other-oriented approach to leadership, (2) manifested through prioritizing the personal needs and interests of individual followers, and (3) reorienting outward from their concern for themselves to concern for others in the organization (Eva et al. 2019). Both aspects of leadership–serving and leading–play critical roles in organizational success (Ragnarsson et al. 2018). Servant leadership provides a basis for co-creation, where followers and leaders work as a team to build collective capacity. This highlights servant leadership as an approach that can help organizations face contemporary challenges in the workplace (Najam & Mustamil, 2022).

Studies have shown that SL fosters collaboration, enhances employee satisfaction, and drives superior service delivery, all of which are crucial in the hospitality sector (Eva et al. 2019; Yoshida et al. 2014). SL is strongly linked to positive organizational outcomes by enhancing employee engagement and ethical behavior. However, the exact mechanisms through which SL translates into firm performance, especially in the unique Indonesian hospitality context, remain under-explored.

Social capital, defined as networks, trust, and shared norms that facilitate cooperation, also plays a critical role in organizational resilience. In the hospitality industry, social capital strengthens internal cohesion and enhances external relationships with customers and stakeholders for greater adaptability in implementing sustainability initiatives and responding to local market needs (Mody et al. 2020). Serving Culture refers to the collective mindset, values, and behaviors that shape an organization's approach to customer service. Creating a strong serving culture within a hospitality organization often requires intentional leadership strategies that reinforce service-oriented values and behaviors. Serving culture has been found to correlate positively with enhanced employee performance, customer satisfaction, and organizational profitability (Bowen & Schneider, 2014). This connection underscores the importance of a leadership style that prioritizes the development and maintenance of a service culture in the hospitality industry to maintain positive guest interactions (Kang et al. 2015).

Existing literature suggests that organizational success is influenced by Social Capital (the value derived from social connections and trust) and a robust Service Culture (shared values supporting service quality) (Bayik, 2016). Empirical evidence highlights the positive correlation between these factors and enhanced organizational resilience in the hospitality industry (Linuesa et al. 2018; Liden et al. 2014).

This study makes a significant contribution by addressing a critical gap in the existing SL literature, particularly within the challenging context of the Indonesian hospitality sector, as a unique mediating model. While previous research has separately linked SL to performance and recognized the importance of organizational factors, this study is among the first to integrate and empirically test the competing mediating pathways of Social Capital and Service Culture simultaneously.

It resolves empirical ambiguity by demonstrating that Service Culture, not Social Capital, is the key mechanism through which servant leadership drives organizational performance. This research provides a clear, decisive answer to the long-standing question of *how* SL is most effective in a service-oriented setting.

Our study moves beyond Western-centric research by providing concrete and actionable evidence from the Indonesian hospitality industry, where cultural nuances heavily influence leadership and service delivery. This

contextual specificity makes the findings uniquely valuable for regional practitioners and policymakers seeking to leverage SL for sustainable growth during periods of economic uncertainty.

The primary issue this research addresses is the unclear and complex nature of the relationship between SL and Organizational Performance in the Indonesian hospitality sector, especially amidst ongoing economic challenges.

Specifically, the issue breaks down into two interrelated problems: (1) Mechanism Ambiguity. While theory suggests that SL positively influences performance by building positive organizational resources, the specific pathway remains ambiguous. The study highlights a theoretical tension between Social Capital (trust and networks) and Service Culture (shared service-oriented values) as the key mediating factors. It is unclear which resource is the most dominant and effective link in the SL-performance chain. (2) Contextual Deficiency (The "Black Box" Problem) in existing empirical research. It is often conducted in Western or non-hospitality contexts, which is insufficient. There is a need to definitively determine how these variables interact within the highly service-dependent, unique cultural, and volatile economic environment of Indonesian hotels, which rely heavily on front-line employee behavior for success. The main issue is which mediating factor–Social Capital or Service Culture–is the essential link through which SL must operate to effectively drive organizational performance in the Indonesian hospitality industry.

The primary purpose of this study is to empirically examine and clarify the impact of servant leadership on organizational performance by testing a specific mediation model within the Indonesian hospitality sector. The specific objectives are: (1) to determine whether SL exerts a significant influence on the development of both social capital and service culture; (2) to examine the direct and indirect effects of SL on organizational performance, specifically by assessing the distinct mediating roles of social capital and service culture; and to offer evidence-based recommendations for hotel managers and industry stakeholders on which internal organizational factors (social capital or service culture) should be prioritized to translate SL practices into superior organizational performance in the face of macro-economic challenges. The findings aim to provide theoretical advancements and evidence-based

insights for industry stakeholders striving to sustain superior performance amidst sectoral and economic pressure.

METHODS

The research data were quantitative. Primary data were obtained from a survey instrument sent to 52 hotel managers in the Indonesian hospitality sector. Primary data are gathered online via email, professional networks, and social media. This method ensures geographic coverage and quick response. The questionnaire used structured items measured on a 7-point Likert scale (1 = Strongly Disagree to 7 = Strongly Agree). Respondents were assured of confidentiality. Items were adapted from validated scales for reliability and validity. Data analysis was performed using SmartPLS (Partial Least Square Structural Equation Modelling). This is suitable for testing complex mediation models and relationships between latent variables.

The relationship between SL and organizational success in the hotel industry is complex, with two main mediators: SC and SVC. SL improves SC (H2), which refers to the resources gained from internal relationships, trust, and reciprocity (Bourdieu, 1986; Coleman, 1990; Nahapiet & Ghoshal, 1998; Hanif et al. 2020). SC, which promotes cooperation and knowledge sharing, improves organizational performance (H4). Similarly, SL promotes the development of a serving culture (H3) that values service orientation and customer satisfaction (DePietro et al. 2019). SVC improves organizational performance (H5), resulting in increased customer loyalty and profitability (Islam et al. 2018; Zhao & Mattila, 2022). We propose that both SC (H6) and SVC (H7) act as positive mediators, thus explaining the indirect link between SL and performance. Conceptual framework in Figure 1.

Servant Leadership and Organizational Performance (Hypothesis 1)

Servant leaders prioritize well-being and growth (Greenleaf's core tenet). This includes serving the community, encouraging teamwork, and fostering personal relationships in employees (Chiniara & Bentein, 2026; Liden et al. 2014). When leaders invest in employees, trust and support increase, leading to stronger bonds and higher levels of trust. These positive dynamics directly relate to Social Capital (trust,

network ties) and shared norms, fostering financial performance (Chen et al. 2015) and organizational performance (Eva et al. 2019; Wu & Lee, 2020). Thus, SL positively affects Organizational Performance.

Servant Leadership and Social Capital (Hypothesis 2)

Social capital refers to resources from social relationships and networks (Bourdieu, 1986; Coleman, 1990). SC enhances social capital through trust, reciprocity (Hanif et al. 2020), sharing, mutual support, and shared understanding (Chen 2020). In hospitality, SC is crucial for cooperation, knowledge sharing, and service delivery (Nahapiet & Ghoshal, 1998). SC also fosters social capital within hotels (Zoghbi-Manrique-de-Lara and Ruiz-Palomino, 2019). It helps manage community ties and bolsters social capital. Therefore, we hypothesize that SL positively impacts social capital.

Servant Leadership and Serving Culture (Hypothesis 3)

The hospitality industry requires a high level of customer satisfaction. Servant leadership is key to fostering a serving culture. SC enhances organizational performance (Gui et al. 2020) and is a strong service culture. A collective mindset and service-oriented behavior positively correlate with employee performance, satisfaction, and profitability (Bowen & Schneider, 2014). This culture is fundamental to exceptional guest experiences and requires a shared commitment (Kang et al. 2015). SL can also improve the delivery systems and service quality. Based on these findings, we propose that SL positively relates to Serving Culture.

Social Capital and Organizational Performance (Hypothesis 4)

Social capital (SC) (relationships and networks) is crucial for cooperation and knowledge sharing in service delivery. A strong SC helps competitiveness, productivity, and profitability, enabling hotels to leverage intellectual capital. Corporate Social Responsibility (CSR) links to social capital, positively influencing customer trust, hotel reputation, and financial performance. Building strong relationships, trust, and cooperation via SC leads to innovation, adaptability, and improved overall performance. Thus, H4 is that SC positively affects Organizational Performance.

Service Culture and Organizational Performance (Hypothesis 5)

A serving culture (SVC) in hospitality prioritizes service orientation and customer satisfaction, enabling employees to exceed their expectations. Fostering a service-oriented environment motivates employees, leading to behaviors that enhance customer satisfaction and loyalty, which positively influence financial performance (Islam et al. 2018; Lee et al. 2020). Proactive service delivery, supported by SVC, leads to improved operational outcomes, such as increased customer retention, higher ratings, and greater profitability. A well-established SVC enjoys better customer loyalty and financial performance. The alignment of individual and organizational goals in a service-oriented environment boosts both employee and customer satisfaction. Thus, H5 is that SVC positively affects organizational performance.
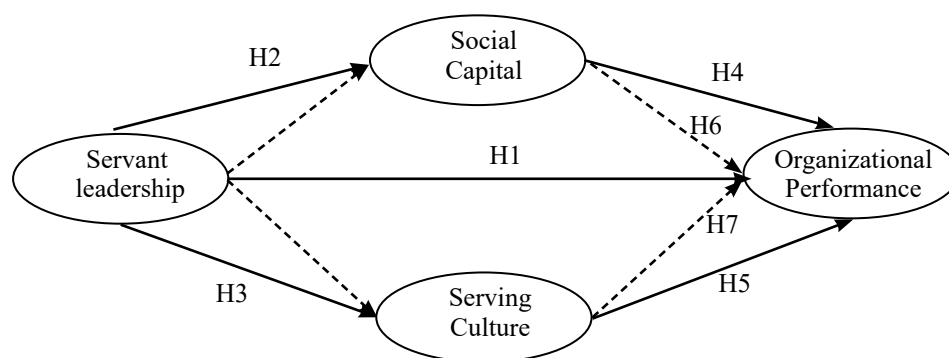

Figure 1. Conceptual framework

Social Capital as A Mediator (Hypothesis 6)

Social capital (SC), as a resource in social relationships (Bourdieu, 1986; Coleman, 1990), has been proposed as a mediator between leadership and performance. Servant leadership (SL) positively influences SC by building trust, collaboration, and shared knowledge (Liden et al. 2014). SC enhances employees' ability to work effectively. While SC enhances organizational performance, including competitiveness and profitability (Bavik, 2016), it also drives innovation, adaptability, and organizational commitment (Tan et al. 2019). Research shows that SL enhances organizational performance and employee and customer satisfaction (Chen, 2020; Liao et al. 2020). Therefore, we hypothesize that SC positively mediates the relationship between SL and organizational performance.

Serving Culture as A Mediator (Hypothesis 7)

Serving culture (SVC) is proposed to mediate the relationship between servant leadership (SL) and organizational performance. SL creates this culture by aligning employee behavior with organizational service goals. SVC amplifies the positive effects of SL, such as employees internalizing service values (van Dierendonck et al. 2017). Research shows that hotels with a strong SVC experience higher performance (Lee et al. 2020). The SVC is a critical performance indicator (Chang and Liu, 2018). Therefore, SVC mediates the relationship between SL and organizational performance.

RESULTS

Responses were collected from managers working in several divisions of the hospitality industry. The bulk of responders (35, 66%) had more than ten years of professional experience, indicating a seasoned workforce. The respondents worked in small, medium, and large hotels, with the majority working in small firms (<250 employees). The majority of the participants (23 respondents, 43%) worked in small firms with fewer than 250 employees. In terms of hotel categorization, the majority of these managers worked in 5-star hotels (26 respondents, 43%), followed by 3-star hotels (15 respondents, 28%), and 4-star hotels (8 respondents, 15%). The demographic profile showed that the majority of respondents were male (34 individuals, 65%),

outnumbering female respondents (18 individuals, 35%), and most were married (38 individuals, 73%), with 14 respondents (27%) being single, indicating a mature professional group contributing to the study. This demographic profile reflects the Indonesian hospitality industry's diversified and experienced workforce, offering a solid foundation for studying the complex relationships among leadership, culture, and organizational outcomes.

This study used confirmatory factor analysis (CFA) to determine the validity and reliability of the measurement model for each concept. Hair et al. (2019) offered recommendations for establishing the appropriateness of a construct's measurement qualities, which served as the foundation for the validity and reliability evaluations. All constructs demonstrated satisfactory reliability and validity. Composite reliability values exceeded the recommended threshold of 0.70, while Average Variance Extracted (AVE) values were above 0.50 for all constructs.

Organizational Performance demonstrated good internal consistency reflected by composite reliability (CR) 0.856 and adequate convergent validity (AVE=0.714), with most outer loadings above the 0.7 threshold, except for NPOP04 (0.531). Serving Culture exhibited robust consistency (CR=0.933) and solid convergent validity (AVE=0.667), supported by strong outer loadings (all>0.75). Similarly, Social Capital showed excellent internal consistency (CR=0.934) and sufficient convergent validity (AVE=0.702), with all outer loadings ranging from 0.771 to 0.832. Finally, Leadership reflected high reliability and internal consistency (CR=0.926) and confirmed adequate convergent validity (AVE=0.676), with all outer loadings between 0.744 and 0.876, ensuring strong indicator contributions.

The Fornell-Larcker criterion is used to assess discriminant validity, which compares the square root of the Average Variance Extracted (AVE) for each construct to the correlations between that construct and other components (Table 1). A construct has discriminant validity if its diagonal value (square root of AVE) exceeds all of its equivalent off-diagonal values (correlations). As a result, we can conclude that all constructs in the model satisfy the Fornell-Larcker criterion while maintaining appropriate discriminant validity.

Table 1. Discriminant Validity (Fornell-Larcker Criterion)

	OP	SL	SVC	SC
Organizational Performance (OP)	0.845			
Servant Leadership (SL)	0.370	0.822		
Serving Culture (SVC)	0.555	0.650	0.816	
Social Capital (SC)	0.459	0.399	0.641	0.838

We performed an analysis of the effects to evaluate the relationship among variables, focusing on the mediating role of culture. The analysis was conducted using the bootstrapping method with 3,000 samples, as recommended by Hair. This approach provides robust estimates of the direct, indirect, and total effects within the model, ensuring the reliability of statistical inferences. The results are presented in the form of total effect and specific indirect effect tables, which detail the direct relationships between variables as well as the mediating pathways. The analysis of total indirect effects and specific indirect effects further explains the pathways through which SL influences Organizational Performance, particularly by identifying the mediating roles of SVC and SC. Research model in Figure 2.

The results of the hypothesis testing provide a clear understanding of these relationships. Hypothesis 1 posits that SL positively affects Organizational Performance (an effect size of 0.37, a T-value of 2.72, and a statistically significant P-value of 0.007). Hypothesis 2, which examines the positive effect of SL on Organizational Performance, is accepted (an effect size of 0.399, a T-value of 2.908, and a P-value of 0.004), highlighting the significant role of SL in fostering trust and relational networks.

Hypothesis 3 states that SL positively affects SVC, which is strongly supported (with the highest effect size of 0.656, T-value of 7.058, and P-value of), demonstrating that leadership behavior is a critical driver in cultivating a service-oriented culture. Similarly, Hypothesis 5, which posits that SVC positively affects Organizational Performance, is accepted (with an effect size of 0.429, a T-value of 2.103, and a P-value of 0.006), confirming the importance of culture in achieving superior results. However, Hypothesis 4, which suggests that SC positively affects Organizational Performance, is rejected (the effect size of 0.176, a T-value of 1.258, and a P-value of 0.209 do not meet the threshold for statistical significance), suggesting that while SC may have an indirect or conditional influence, its direct effect is limited.

The results provide evidence supporting Hypothesis 7, which explains that SVC mediates the relationship between SL and Organizational Performance (with a T-value of 1.982 and a P-value of 0.048), statistically significant confirming that a service-oriented organizational culture in the hospitality industry acts as a critical channel through which SL enhances performance. This finding underscores the transformative role of leadership in shaping organizational culture, which drives performance outcomes. This reinforces the importance of leaders cultivating a shared vision, fostering alignment, and collective commitment within the organization to achieve superior results. Conversely, Hypothesis 6, which posits that SC mediates this relationship, is rejected.

To further decompose the total indirect effects, we examined the specific indirect effects to determine the mediating contributions of SVC and SC. With a T-value of 1.13 and a P-value of 0.258, the mediation effect does not reach statistical significance, indicating that SC does not significantly function as a pathway in this context. This finding suggests that while SL contributes to building SC, the effect on Organizational Performance is not primarily channeled through SC. The rejection of this hypothesis highlights the complexity of the SC's role in organizational dynamics. Its impact on performance may be conditional or indirect, potentially requiring alignment with other constructs, such as innovation, collaboration, or adaptability, to manifest significant performance outcomes. Leadership development initiatives should emphasize not only the cultivation of servant leadership behaviors, but also their integration with serving cultural efforts to maximize organizational impact.

Our research provides strong empirical support for these core hypotheses. Servant Leadership was found to have a positive and statistically significant direct effect on Organizational Performance (H1 accepted, T=2.720, p=0.007), which aligns with the literature proposing that a leader's focus on followers' well-being and growth ultimately drives organizational success. The

study also demonstrated that SL significantly influences Serving Culture (H3 accepted, T=7.058, p=0.000), with the highest effect size of 0.656, indicating that leaders' behavior is the primary catalyst for cultivating a service-oriented environment. Furthermore, a Serving Culture positively affects Organizational Performance (H5 accepted, T=2.103, p=0.006), confirming its role as a key strategic asset in service industries.

The most critical finding is the significant mediating role of serving culture in the servant leadership–organizational performance relationship (H7 accepted, T=1.982, p=0.048). This suggests that the transformative impact of Servant Leadership is largely channeled through the establishment of a strong service culture, which then directly boosts performance.

In contrast, the findings related to Social Capital present a nuance: while Servant Leadership positively affects Social Capital (H2 accepted, T=2.908, p=0.004), confirming its role in fostering trust and relational networks, Social Capital was not found to directly

affect Organizational Performance (H4 rejected, T=1.258, p=0.209), nor did it significantly mediate the relationship (H6 rejected). This indicates that the benefits of internal trust and cooperation, though fostered by Servant Leadership, do not independently translate into performance gains in this specific context, suggesting a more conditional or indirect function for Social Capital.

The positive association between Servant Leadership and Organizational Performance aligns with extensive prior research that validates the effectiveness of this leadership style across various sectors (e.g., Liden et al. 2008; Parris & Peachey, 2013). This study adds sector-specific confirmation to the hospitality industry. The accepted link between a Serving Culture and Organizational Performance is also consistent with established organizational theory, which posits that a client-focused culture is a critical success factor for superior customer satisfaction and business results, especially in high-contact service environments (e.g., Heskett, Sasser, & Schlesinger, 1997).
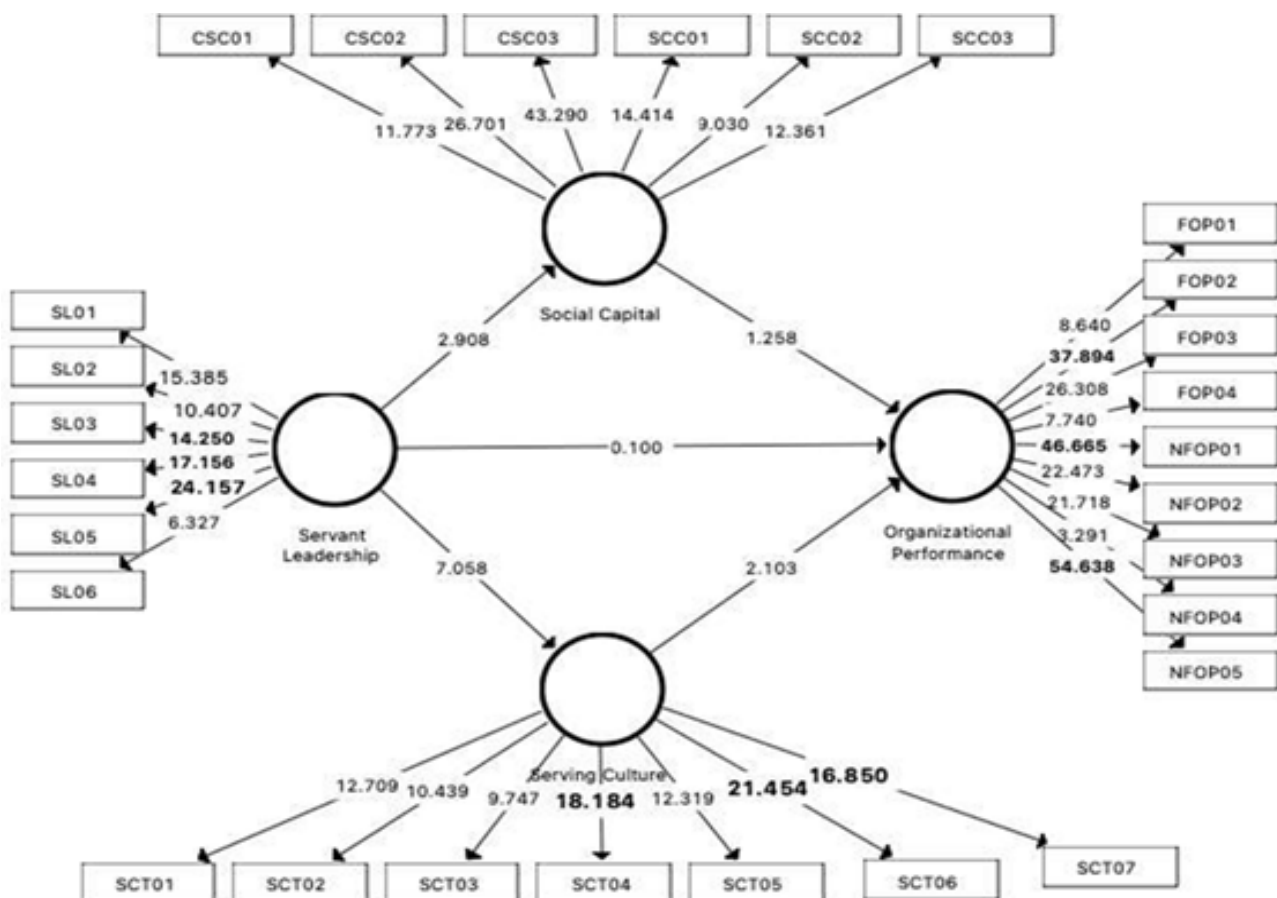

Figure 2. Research model

The rejection of the direct effect and mediating role of Social Capital (H4 and H6) is a notable point of divergence from some existing literature. While numerous studies have demonstrated a positive link between social capital and related outcomes like organizational citizenship behavior or knowledge transfer (e.g., Nahapiet & Ghoshal, 1998), this research suggests that, for overall organizational performance, the resources derived from internal trust (Social Capital) are less impactful than shared collective behaviors and norms (Serving Culture). This result highlights the complexity of social capital's role, implying that its benefits may be fully realized only when applied toward a specific, externally focused organizational goal like superior service delivery, rather than contributing to performance in isolation.

The primary novelty and contribution of this research lie in the simultaneous testing and clear differentiation of the mediating roles of Serving Culture and Social Capital. Previous studies often examine these constructs individually or use generic terms for culture. This study advances the Servant Leadership literature in three key ways. First, it empirically adjudicates between two competing mediating mechanisms within a single integrated model. Second, it establishes Serving Culture as the dominant pathway linking leadership to organizational performance in hospitality contexts. Third, it extends Servant Leadership theory to an emerging-market setting, addressing the relative scarcity of empirical evidence from Southeast Asia.

This differentiated finding offers crucial theoretical refinement for the Servant Leadership nomological network, especially in the hospitality industry. It moves the discussion beyond merely confirming that Servant Leadership is beneficial to specifying the underlying mechanism: the effectiveness of the servant leader is realized by their capacity to systematically cultivate a performance-driving culture.

The findings extend Servant Leadership theory by clarifying the internal mechanisms through which leadership translates into organizational outcomes in hospitality industry context. While Servant Leadership is effective in fostering both Social Capital and Serving Culture, only Serving Culture functions as a statistically significant mediator of Organizational Performance. This distinction contributes to theoretical refinement by demonstrating that not all positive organizational resources function equally as performance conduits. In high-contact service environments, shared service norms and collective behavioral expectations exert a more direct and consistent influence on performance than relational networks alone.

By positioning Serving Culture as the primary explanatory mechanism, this study strengthens the service-oriented interpretation of Servant Leadership and aligns with cultural and behavioral perspectives in organizational theory. It suggests that leadership effectiveness in hospitality is realized less through relational density alone and more through shared service norms that guide employee behavior toward consistent customer value creation.

Managerial Implications

The findings suggest that leadership development initiatives should prioritize culture-building competencies rather than focusing exclusively on interpersonal or relational skills. Servant Leadership practices must be operationalized through service standards, routines, and performance management systems. While Social Capital remains valuable, it should be deliberately directed toward service excellence initiatives rather than treated as an end in itself. Therefore, several actionable managerial implications for the hospitality industry are:

1. Given that Serving Culture is the key mediator, managers should recognize that investing in Servant Leadership is not enough; the investment must be leveraged to consciously cultivate a service-oriented culture. This involves consistent leadership modeling of service behaviors, empowerment, and ethical conduct to establish shared norms.

2. Organizations should embed Servant Leadership principles into their leadership development programs, focusing on traits like empathy, healing, and fostering employee autonomy, as these behaviors are demonstrably effective in driving the desirable service culture.

3. While Servant Leadership fosters valuable Social Capital (trust, strong relational networks), managers should not expect this to automatically improve performance. Instead, they must strategically direct this internal capital toward activities that directly support the Serving Culture, such as improving cross-departmental communication, collaborative customer problem-solving, and efficient knowledge sharing about customer needs.

4. For high-touch service industries, the rejection of the Social Capital mediation highlights that internal relational success is less impactful than the external manifestation of service quality (the Serving Culture). Leadership initiatives must, therefore, be tightly integrated with service quality efforts to maximize organizational impact.

In Asian hospitality environments characterized by hierarchical norms and high service expectations, leaders play a critical signaling role. The findings offer several important managerial implications: First, hotel executives and general managers should recognize that Servant Leadership must be operationalized through culture, not merely expressed through interpersonal relations. In Asian hospitality environments, where employees often look to leaders for behavioral cues, servant-oriented behaviors must be consistently translated into service standards, rituals, and performance expectations.

Second, leadership development programs should move beyond generic servant leadership training and focus on culture-building competencies, such as role modeling service behaviors, reinforcing service values through daily routines, and aligning reward systems with service excellence. These practices are particularly critical in Asian hospitality organizations, where employees value clarity, consistency, and visible leadership commitment.

Third, while Social Capital remains valuable for internal harmony and coordination, managers should avoid assuming that trust and cohesion alone will yield performance gains. Instead, Social Capital should be deliberately channeled toward service delivery objectives, such as cross-functional collaboration to resolve guest issues and knowledge sharing related to customer experience improvement.

Finally, in highly competitive Asian hospitality markets, where service differentiation is a key strategic lever, the study underscores that Serving Culture represents a more immediate and controllable managerial asset than abstract relational resources. Leaders who successfully embed service values into organizational culture are better positioned to achieve sustainable performance advantages.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

The study provides robust empirical evidence supporting the significant role of Servant Leadership in enhancing Organizational Performance within the hospitality industry. The findings confirm that Servant Leadership positively influences both Organizational Performance and the development of Serving Culture, the latter of which is a critical success factor that itself positively affects performance.

The core conclusion of this research is the identification of Serving Culture as the key mechanism through which Servant Leadership drives organizational results. The significant mediating role of Serving Culture was confirmed, establishing a refined causal pathway: Servant Leadership influences culture, which then directly enhances performance.

Recommendations

In contrast, while Servant Leadership successfully fosters Social Capital, the study concludes that Social Capital does not directly or indirectly transmit the leadership effect to Organizational Performance. This suggests that for overall organizational success in this high-contact service sector, collective behavioral norms (culture) are more crucial conduits for leadership influence than internal relational resources (social capital). This differentiates the roles of these two constructs, providing a more nuanced theoretical understanding. Therefore, leadership development initiatives should focus not only on cultivating Servant Leadership behaviors but also on their integration with service culture efforts to maximize organizational impact.

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