Unraveling the Interplay of Servant Leadership, Cognitive Trust, and Employee Wellbeing: A Case of An Emerging Economy
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Abstract

This study examines the relationship between servant leadership, cognitive-based trust, and employee wellbeing in Pakistan's healthcare sector. Grounded in existing research, our study explains the theoretical underpinnings of servant leadership, cognitive-based trust, and employee wellbeing. Servant leadership prioritizes followers' needs, fostering positive outcomes such as organizational citizenship behavior and job engagement. Cognitive-based trust, rooted in transparent communication and shared values, is fundamental to healthy leader-follower relationships and organizational commitment. Employee wellbeing, encompassing physical and psychological dimensions, is crucial for organizational success. In Pakistan's healthcare sector, marked by its complexity and the need for positive work environments, this study investigates how servant leadership and cognitive-based trust impact employee wellbeing. Four hypotheses are formulated: (1) Servant leadership positively correlates with overall employee wellbeing, (2) Servant leadership positively influences cognitive-based trust development, (3) Higher levels of cognitive-based trust correlate with enhanced wellbeing, and (4) Servant leadership's positive influence on wellbeing is mediated by cognitive-based trust. Through empirical testing, this research aims to deepen understanding of leader-follower relationships and wellbeing dynamics in healthcare, providing insights for organizational practices. By elucidating these relationships, the study seeks to contribute to the creation of flourishing and sustainable workplaces in Pakistan's healthcare sector.

Keywords: Green Human Resource Management, Circular Economy, Environmental Performance.

INTRODUCTION

In the organizational leadership landscape, the pursuit for employee wellbeing has become a keystone for flourishing and sustainable workplaces. Over the years the interplay between servant leadership, cognitive based trust and employee wellbeing has gained importance in organizational research. Current study explores the relationship between servant leadership and employee wellbeing and explains the mediating role of cognitive base trust. Greenleaf (1970), coined the term servant leaders, it evolves around the idea that servant leaders are the ones who prioritize the needs of followers by focusing on humility, service and fostering a culture of empathy. Different empirical studies highlight the positive effect of servant leadership on various aspects of employee outcomes (Eisenbeiss, Knippenberg, & Boerne, 2008; Isabel, David & Gabriel, 2021; Liden, Wayne, Zhao, & Henderson, 2008). According to this research, servant leadership is associated with higher levels of organizational citizenship Behaviour, job happiness, and job engagement among employees.
To investigate the servant leadership and employee wellbeing nexus it is crucial to understand the concept of cognitive base trust (Dirks & Ferrin, 2002). Cognitive base trust results into a bedrock for healthy dyadic relation of leader and follower because it is rooted in transparent communication, mutual trust, shared values and mutual understanding. It is a pivotal element that fosters positive outcomes at workplace like decreased turnover intentions and higher levels organizational commitment among employees (Colquitt, Scott & LePine, 2007; Yue, Thelen & Walden, 2023). In recent research employee wellbeing has been highlighted as a crucial factor in organizational contexts (Isabel, David & Gabriel, 2021). Bakker and Demerouti (2017) have shown that positive work environment fosters employee wellbeing and results into job engagement and satisfaction. The current study examines the relationship that exists between employee well-being and servant leadership in Pakistan’s healthcare sector, as mediated by cognitive base trust.

LITERATURE REVIEW

The concept of servant Leadership gained importance due to the reason that it prioritizes the followers and their needs (Greenleaf, 1970). This human centric approach emphasizes empathy, support, communication and catering needs of followers that contribute to employee satisfaction and team cohesion (Smith, 2021). Studies delve into servant leadership and employee wellbeing and depict that servant like behaviors improve the emotional and psychological health of employees (Johnson et al., 2019). Leaders who demonstrate humility and prioritize service can effectively lead teams in various cultural settings (Gupta & Krishan, 2020). The synthesis of various studies show that servant leadership yields better performance outcomes like job satisfaction and employee engagement (Chen et al., 2018).

Cognitive based trust is fundamental and crucial factor in leader-follower relationship (Dirk & Ferrin, 2002) Cognitive base trust has proven to foster employee engagement, job involvement, organizational commitment and decreased turnover intentions (Colquitt, Scott, and LePine, 2007). This form of trust is grounded in open communication, shared values, mutual trust and understanding (Yue, Thelen & Walden, 2023). Employee wellbeing encompasses physical and psychological dimensions, so it has gained importance in research over the years. Research highlights the multidimensional nature of wellbeing encompassing life satisfaction, happiness, fulfilment, self-discovery, knowing one’s best potentials and fulfillment that yields various positive individual and organizational outcomes (Diener, Oishi, & Lucas, 2018; Qureshi, Khan & Khattak, 2021).

The healthcare sector of Pakistan, marked by its intricate dynamics and the imperative of fostering a positive work environment, necessitates a nuanced exploration of leadership dynamics. This review of the research explores the relationship between employee wellbeing, cognitive trust, and servant leadership. It also provides insights into how the mediating function of trust affects healthcare professionals’ general well-being (Ali, Naveed, M., Saleem, & Nasir, 2022). Positive association between servant leaders and employee outcomes enhances overall work experience of healthcare professionals (Ahmed, Khan, & Fatima, 2021). In healthcare organizations, where collaboration, communication, and trust are paramount, cognitive-based trust emerges as a critical factor shaping interpersonal relationships and can act as a mediator through which servant leadership positively influences employee wellbeing (Ahmad, Wu, Naveed, Ali, 2022). Research suggests that cognitive base trust translates servant leadership behaviors into positive employee experiences as employee’s job satisfaction and employee engagement (Ilyas, Haider...
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H1. Servant leadership positively correlates with the overall wellbeing of employees. The critical importance of trust and intricate nature of relationships in healthcare sector, current study hypothesizes that servant leadership fosters and nurtures cognitive based trust among the healthcare professionals. The positive impact of servant leadership to the establishment of trust among healthcare workers is demonstrated by recent literature on the function of leadership that influences trust dynamics in organizations (Iqbal, Riaz, & Asghar, 2020). The leaders who are perceived as trustworthy and reliable in organizational settings have positive association with cognitive based trust (Khan & Khan, 2018). Since they are regarded as trustworthy and genuine, servant leaders put their team members’ needs and well-being first, which helps to foster cognitively based trust (Shahzad, Iqbal & Akram, 2018).

H2. Servant leadership positively influences the development of cognitive-based trust among employees. The healthcare sector is characterized by relentless change and workload and rapid turnover rate, the presence of cognitive based trust in organizations nurtures positive work environment that adds to the wellbeing of employees (Iqbal, Riaz & Asghar, 2020). Higher levels of cognitive based trust in healthcare settings result into greater job satisfaction, psychological wellbeing and employee engagement (Khalid & Irshad, 2019; Maqsood & Ahmed, 2018).

H3. Higher levels of cognitive-based trust among employees positively correlate with enhanced overall wellbeing. In the complex and dynamic healthcare setting the leaders embodying servant leaders like values foster cognitive based trust among employees. In turn this trust becomes a critical mechanism for servant leaders to contribute for the overall wellbeing of employees. Studies reveal that trust mediates between the pathway of servant leadership and wellbeing (Ahmed, Khan & Fatima, 2021). Trust mediates between the relationship of servant leadership and employee satisfaction which highlights the role of trust as a crucial factor in the nexus of servant leadership and employee related outcomes (Rasheed, Ahmed & Anjum, 2018). Cognitive base trust enhances the positive effect of servant leadership on employee engagement, and by extension, on overall wellbeing of employees (Ilyas, Haider & Hussain, 2019).

H4. The positive influence of servant leadership on employee wellbeing is mediated by the development of cognitive-based trust, whereby higher levels of servant leadership lead to increased cognitive-based trust, subsequently enhancing overall employee wellbeing.
METHODOLOGY

This study employs a quantitative approach and utilizes a cross-sectional research methodology. The sample consisted of doctors in outpatient department of 5 hospitals in the federal capital, Islamabad of Pakistan. There were 160 participants in the sample (90 girls and 70 males). With a mean age of 25.7 years (SD=7.56, Min=16, Max=58) and a mean employment duration of 23.2 months (SD=27.3, Min=7, Max=196), the sample had median age. To mitigate the impact of participant demographic variations and employment duration dispersion on the model, control variables for both duration of employment and age were used.

Online questionnaires were sent out to doctors via email and hospital WhatsApp groups, requesting them to complete the survey, to collect data from the sample. All of the responses were provided anonymously. Paper copies of the electronic survey were also utilized to collect the data. The survey questionnaires were given out during normal business hours and picked up the next day. The cover page of the survey provided participants with the assurance that their responses would be treated as confidential and that they had the option to decline participation. Furthermore, they were provided with the contact information for both the researcher and the Ethics Committee of the university, should they have any inquiries or apprehensions (Naveed, Sindhu, Ali & Wong, 2023).

Standardized z-scores were used to evaluate the data for outliers before analysis. Z-scores that were either higher than 3.29 or lower than -3.29 were to be eliminated. Considering that every z-score fell inside the allowed range, no univariate outliers were discovered. The Variance Inflation Factors (VIF) were then checked to test the variables for multicollinearity. No VIF greater than 5 was discovered, suggesting that multicollinearity was not a hazard (Naveed, Sindhu & Ali, 2020). A 5-point Likert scale was utilised in the Liden et al. (2008) test, which was used to evaluate servant leadership. The tool comprises 14 items that assess each of the seven characteristics of servant leadership. The study determined the reliability of the scale to be α = .92, with a mean (M) of 3.19 and a standard deviation (SD) of .26.

To evaluate cognitive trust, the McAllister (1995) measure was employed. It has 11 items on a 5-point Likert scale. The study found that the cognitive trust had a reliability coefficient (α) of .76, with a mean (M) of 3.2 and a standard deviation (SD) of .13. To gauge employee wellbeing, the Khatri, Gupta (2019) metric was employed. The scale used was a 5-point Likert scale consisting of 14 items. The study found that the employee wellbeing had a high level of dependability, with a coefficient alpha (α) of
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Qureshi, E., et al. (2024)

The mean score for employee wellbeing was 3.13, with a standard deviation (SD) of .11. Using the moderating influence of cognitive trust, this study employs moderation analysis to examine if the extent of servant leadership influences employee wellbeing consequences (Hayes, 2013). An SPSS add-on called PROCESS was used to examine the correlations in this model, making moderation model analysis simpler and more precise. The SPSS-PROCESS application allows for the implementation of bootstrapping, a statistical technique that enhances the accuracy of the analysis by resampling the data to obtain a more representative sample of the population. It also supports moderated analysis (Yousaf, Ali, Naveed & Adeel, 2021). In the current study, 10,000 bootstrap samples were utilised to obtain a more precise representation of the population. The confidence interval chosen was 95% (Naveed & Bashir, 2019). A Pearson correlation analysis was conducted to determine the relationships between the variables in the study (Table 1). The correlation coefficients demonstrate a strong and statistically significant association between Servant Leadership and Cognitive Trust (r=.71, p<.02), as well as between Servant Leadership and Employee Wellbeing (r=.77, p<.01).

Table 1. Pearson Correlation Test, Mean, Standard Deviations

<table>
<thead>
<tr>
<th>S. No</th>
<th>Variable</th>
<th>M</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Gender</td>
<td>1.56</td>
<td>.6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Age</td>
<td>25.7</td>
<td>7.56</td>
<td>-.10</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Employment</td>
<td>23.2</td>
<td>27.2</td>
<td>-.13</td>
<td>.61</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Servant</td>
<td>3.22</td>
<td>.89</td>
<td></td>
<td>-.16</td>
<td>.49</td>
<td>(.8)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Leadership</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Cognitive</td>
<td>3.3</td>
<td>.93</td>
<td>-.05</td>
<td>.37</td>
<td>-.28</td>
<td>(.9)</td>
<td></td>
</tr>
<tr>
<td>Trust</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Employee</td>
<td>3.41</td>
<td>.81</td>
<td>-.03</td>
<td>.39</td>
<td>.4</td>
<td>.63</td>
<td>(.88)</td>
</tr>
<tr>
<td></td>
<td>Well-Being</td>
<td></td>
<td></td>
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</tr>
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</table>

The regression tests revealed that the moderation model had significant effects (R^2 adjusted=.65, F=53.21, p<.01). Table 2 shows the results of regression analysis.

Table 2. Test of Significance

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Standard Error</th>
<th>t - Value</th>
<th>p</th>
<th>LiCi</th>
<th>ULCi</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>-.0102</td>
<td>.0901</td>
<td>-.11</td>
<td>-.38</td>
<td>-.2800</td>
<td>.1098</td>
</tr>
<tr>
<td>Employment</td>
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<td>.0024</td>
<td>-.2545</td>
<td>.7918</td>
<td>-.0052</td>
<td>.0043</td>
</tr>
<tr>
<td>Servant Leadership</td>
<td>.3224</td>
<td>.1245</td>
<td>2.7580</td>
<td>.0056</td>
<td>.0897</td>
<td>.6100</td>
</tr>
<tr>
<td>Cognitive Trust</td>
<td>.3122</td>
<td>.1006</td>
<td>2.9780</td>
<td>.0061</td>
<td>.9077</td>
<td>.7199</td>
</tr>
<tr>
<td>Employee Well-Being</td>
<td>.3123</td>
<td>.1089</td>
<td>3.1200</td>
<td>.0054</td>
<td>.0898</td>
<td>.6278</td>
</tr>
</tbody>
</table>

The above result shows that Servant Leadership (.005 p value) has a highly significant relationship with Employee Wellbeing (.005 p value) and Cognitive Trust (.006 p value) significantly moderates the relationship between Servant Leadership and Employee Wellbeing.

Table 4. Hypothesis Results

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Supported / Not</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: Servant leadership positively correlates with the overall wellbeing of employees.</td>
<td>Supported</td>
</tr>
</tbody>
</table>
**H2:** Servant leadership positively influences the development of cognitive-based trust among employees.  
**Supported**

**H3:** Higher levels of cognitive-based trust among employees positively correlate with enhanced overall wellbeing.  
**Supported**

**H4:** The positive influence of servant leadership on employee wellbeing is mediated by the development of cognitive-based trust, whereby higher levels of servant leadership lead to increased cognitive-based trust, subsequently enhancing overall employee wellbeing.  
**Supported**

Hence all the Hypothesis are supported.

**DISCUSSION**

As organizations in the healthcare sector seek effective leadership strategies, current research findings highlight the importance of cultivating servant leadership behaviours. Leadership development programs that incorporate servant leadership principles may not only enhance the wellbeing of healthcare professionals but also contribute to a more resilient and collaborative work environment (Naveed, Ali, Gubareva & Omri, 2024). The implications of current study extend to practical recommendations for organizational leaders and policymakers in the healthcare sector. Encouraging the adoption of servant leadership practices and investing in initiatives that nurture cognitive-based trust can be pivotal in fostering a culture that prioritizes the wellbeing of healthcare professionals (Muhammad, Atia & Shoaib, 2022). While current study provides valuable insights, it is crucial to acknowledge its limitations. Future research can aim to investigate the long-term effects of servant leadership on the overall wellbeing of employees and encompass additional contextual factors that influence trust within healthcare settings (Farah, Naveed & Ali, 2023, May).

**CONCLUSION**

In the context of the healthcare sector in Pakistan, servant leadership emerges as a valuable approach to enhance employee wellbeing. The mediating role of cognitive-based trust elucidated in recent studies emphasizes that the positive effects of servant leadership are channelled through the establishment of trust. By fostering trust, servant leaders create an environment were healthcare professionals experience overall wellbeing. As the healthcare sector of Pakistan continues to navigate challenges, understanding the intricate interplay between servant leadership, cognitive-based trust, and employee wellbeing becomes imperative. By nurturing a culture of servant leadership and nurturing cognitive-based trust, healthcare organizations can cultivate environments where the wellbeing of professionals thrives, ultimately enhancing the quality of care provided (Naveed, Ali, Gubareva & Omri, 2024). By understanding the intricate interplay of these factors, organizations can strive to create environments that not only support the delivery of quality healthcare but also prioritize the holistic wellbeing of those entrusted with this noble responsibility.

**DECLARATIONS**

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Consent to Participate: Yes

Consent for publication and Ethical approval: Because this study does not include human or animal data, ethical approval is not required for publication. All authors have given their consent.

REFERENCES


