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How and When do Psychological Contract and Justice Perceptions Affect the Relationship between Servant Leadership and Employee Work Outcomes?

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Bagaimana dan Kapan Kontrak Psikologi dan Persepsi Keadilan Berdampak pada Hubungan antara Kepemimpinan yang Melayani dan Hasil Kerja Karyawan

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ABSTRACT

Academicians and practitioners have always been equally attracted to learning the effects of varied leadership styles on employee work outcomes. This study examines how servant leadership influences employee behaviors (organizational commitment, organizational citizenship behavior, and employee engagement) and evaluates the roles discharged by psychological contract and organizational justice perceptions on these relationships. Data were collected from 168 employees working in public hospitals. A standardized questionnaire was used to gather the data. Hypotheses were tested through hierarchical regression analyses. The study results revealed that servant leadership is positively associated with organizational commitment, organizational citizenship behavior, and employee engagement. Psychological contract partially mediates the effects of servant leadership on organizational commitment, organizational citizenship behavior, and employee engagement. Further, organizational justice perceptions moderate the associations between servant leadership and employee behaviors. The study results contribute to the extant research evidencing that servant leadership exerts direct as well as mediating effects on employee attitudes and behaviors. This study intensifies the comprehension of the impact of servant leadership on employee workplace outcomes. A superior understanding of the influence of leadership on a wide variety of employee attitudes and behaviors could inform solutions that better address demands for more people-centered management, caring leadership styles, and concern for the success of all organizational stakeholders.

ABSTRAK

Memahami efek dari berbagai gaya kepemimpinan pada hasil kerja karyawan selalu menarik bagi para akademisi dan praktisi. Dalam hal ini, studi ini mengkaji bagaimana kemimpinan yang melayani memengaruhi perilaku karyawan (komitmen organisasi, *organizational citizenship behavior*, dan keterlibatan karyawan) dan apa peran dari kontrak psikologis dan persepsi keadilan organisasional pada hubungan ini. Data dikumpulkan dari 168 karyawan yang bekerja di rumah sakit umum. Kuesioner terstandar digunakan untuk mengumpulkan data. Hipotesis diuji menggunakan analisis regresi hierarki. Hasil studi menunjukkan bahwa kepemimpinan yang melayani berhubungan positif dengan komitmen organisasi, *organizational citizenship behavior*, dan keterlibatan karyawan; kontrak psikologis memediasi secara parsial efek dari kepemimpinan yang melayani pada komitmen organisasi, *organizational citizenship behavior*, dan keterlibatan karyawan. Selanjutnya, persepsi keadilan organisasional memoderasi hubungan antara kepemimpinan yang melayani dan perilaku karyawan. Dengan hasil ini, studi ini berkontribusi pada penelitian yang menunjukkan bahwa kepemimpinan yang melayani memiliki efek langsung dan mediasi pada sikap dan perilaku karyawan. Studi ini menambah pemahaman tentang pengaruh kepemimpinan yang melayani pada hasil kerja karyawan. Pemahaman yang lebih baik tentang pengaruh kepemimpinan pada berbagai sikap dan perilaku karyawan dapat menginformasikan solusi yang lebih baik mengatasi tuntutan manajemen yang lebih berpusat pada orang, gaya kepemimpinan yang peduli, dan kepedulian terhadap keberhasilan dari semua pemangku kepentingan organisasi.

1. Introduction

Leadership is one of the most researched topics in the literature on employee behaviors. The concept of servant leadership is credited to Greenleaf (1970). Both researchers and specialists are increasingly attracted to the assessment of this extraordinary theoretical approach of driving through serving. Servant leadership represents an initiative reasoning involving ethics, patron familiarity, and employee commitment. It also creates a hierarchical culture of parity in which both leaders and followers can achieve graded objectives without claiming positional or legitimate power (Serrat, 2017). Employees denote an organization's most valuable asset, and it is challenging for leaders to keep employees committed (Seijts & Crim, 2006). Employee behavior is critical to the success of an organization (Khajepour et al., 2016) and is affected by the leadership style as well as the psychological contract (PC) (Rousseau, 1989). PCs inhibit stability and encourage dynamism; they operate at a high subconscious level but are subject to well-organized cognitive processes (Robinson & Morrison, 2000). PCs change as conditions alter (Peng et al., 2016). Servant leaders function significantly to change employee perceptions of diverse organizational practices such as organizational justice that represent the forbearers of vital employee behaviors (Erdogan et al., 2014). This study probes the associations between the roles discharged by servant leaders and employee behaviors and investigates how PCs and organizational justice affect these correlations.

Servant Leadership

Robert K. Greenleaf introduced the notion of servant leadership in the organizational context through three fundamental essays, the first of which was titled "The Servant As Leader" (Greenleaf, 1970). According to Greenleaf (1970), servant leadership is not a mere management tool; it is a way of life that begins with "the natural feelings that one wants to serve, to serve *first*." Servant leaders seek organizational outcomes through their enthusiastic consideration for followers and their needs (VanMeter et al., 2016). Servant leaders focus specifically on the personal needs of their subordinates, setting goals for them and facilitating their growth and development (Chen et al., 2013). Presumably, servant leaders prioritize the desires and needs of their followers, who reciprocate in turn by offering their best with respect to commitment, engagement, and performance and demonstrating a predilection toward favored behaviors such as citizenship (Donia et al., 2016; Serrat, 2017). Servant leadership embodies caring, loving, and respecting followers. It is embedded in the philosophy of establishing robust connections with others. Rather than relying exclusively on the monetary incentives in employment contracts or the authority implicit in their positions, servant leaders encourage desired behaviors by framing social exchange relationships with their adherents (Williams et al., 2016). Followers and leaders mutually enjoy respect (Walumbwa et al., 2010). Servant leaders understand that employees spend most of their time at their workplaces. It is thus vital to serve subordinates in the best possible manner by providing them with every possible comfort. Such practices add to the development and sustenance of lasting interpersonal connections between leaders and followers. They also help employees display desirable organizational behaviors, enable them to reach their full potential, and encourage them to exhibit self-motivation (Donia et al., 2016).

Servant Leadership and Organizational Commitment

Employee behavior is defined as the responses of staff members to diverse workplace circumstances. Numerous organizational elements govern employee conduct, including culture, policies, and stances toward leading. This study focuses on the organizational aspects of commitment, citizenship behavior, and employee engagement (Donia et al., 2016; Walumbwa et al., 2010). The feature of organizational commitment (OC) is intensely investigated in organizational research and is abundantly defined in terms similar to: "the relative strength of an individual's identification with, and involvement in a particular organization" (Rhoades et al., 2001). Other scholars state that OC denotes the "psychological attachment that individuals develop toward an organization" (Fiorito et al., 2007; Wright & Kehoe, 2008). OC is founded when an individual joins an organization with certain needs, desires, and expectations, anticipating an environment in which specific personal skills and abilities would be utilized, and basic personal needs would be satiated (Rhoades et al., 2001). The organization must offer an ergonomic and productive work environment for its employees to increase the odds of assuring OC in its personnel (Jusoh et al., 2011).

Leadership styles are also related to OC. Studies have postulated a positive conceptual relationship between servant leadership and employee commitment (Jacobs, 2006; Russell & Gregory Stone, 2002) and have described this association as a trust-based mechanism (Joseph & Winston, 2005). The supervisor's positive attitude is reciprocated by employees in the form of desirable organizational outcomes (Harwiki, 2016). One such outcome is to evince a greater level of commitment toward the organization. Followers believe that they can effectively recompense their leaders by reciprocally demonstrating their commitment to organizational values and goals. Servant leaders offer respect, and followers return this respect as OC. The supervisors are the representatives or faces of the organization and are responsible for the implementation of organizational policies (Spears, 2004). By offering employees opportunities for self-development, leaders ensure that

their subordinates imbibe new skills, participate in organizational decision-making, identify with the enterprise, and feel enhanced emotional attachment toward the organization. Thus, they can extract higher levels of OC from their subordinates (Jacobs, 2006).

It is therefore hypothesized:
H1a: Servant leadership positively influences organizational commitment.

Servant Leadership and Organizational Citizenship Behavior

The intangible and immeasurable concept of organizational citizenship behavior (OCB) has attained much academic consideration since it was mooted. While OCB cannot be formally recognized or rewarded, it exercises significant positive impact on enhancing organizational effectiveness (K. Lee & Allen, 2002). The value added by OCB to organizations and antecedents that affect employee engagement in organizations that inspire OCB must be investigated (T. W. Lee et al., 2004). OCB related factors have mostly been grouped into three categories: individual personalities or traits, attitudal aspects, and leadership or group attributes. Personality minimally infuences the propensity to display OCB (Borman et al., 2001); however, it is indicated that some workers tend to engage more in OCB than others. Attitudinal aspects are more promising predictors of OCB because the work-related attitudes of employees can be cultivated (Chahal & Mehta, 2010). Leadership styles and group characteristics propound OCB if deployed effectively and can be altered to facilitate staff engagement in OCB (Organ et al., 2006).

The leader's behavior, interpersonal skills, and values are critical aspects for the achievement of organizational and employee effectiveness. A team leader must be goal-oriented, award recognition, and craft commitment. The leader must improve team coherence and be capable of handling diverse personality types within the team. Leaders must transcend ego barriers and foster environments that inculcate a sense of empowerment in employees (Liden et al., 2008). The inspirational and ethical elements of servant leadership are critical to team development and organizational effectiveness. Employees tend to work efficaciously as teams for the achievement of organizational goals if they feel moral confidence, inspiration, and trust in their servant leader (Van Dierendonck, 2011). The conduct of leaders has been reported to be a key predictor of OCB. Vast research has been conducted on the significance of leadership in the improvement of employee performance (Storey et al., 2010). Nevertheless, the functioning of servant leaders in ameliorating the work-related behavior of employees has not been expansively investigated. Infrequent extant studies conducted on the subject have reported the importance and impact of servant leadership in eliciting OCB. The present study

purposes to ascertain the impact of servant leadership on OCB. Hence, it posits the following hypothesis:
H1b: Servant leadership positively influences organizational citizenship behavior.

Servant Leadership and Employee Engagement
Seijts and Crim (2006) have defined employee engagement as "the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances." Employees who sense an emotional attachment to their organizations prove better performers (Saks, 2006). Leadership style is a key determinant and driver of the emotional attachment of employees to their organizations. Leadership style functions significantly in serving employee needs and boosting worker confidence (Xu & Cooper Thomas, 2011) and, in turn, "sends a positive, inspiring message to those who interact with customers and make multi-facet decisions each day that would affect the future of an organization" (Carter & Baghurst, 2014). Numerous studies on employee engagement are available, and they generally confirm the links between employee commitment and employee performance (Lawson, 2008). However, scant extant studies cater specifically to servant leadership. This research endeavor explores servant leadership and evaluates the perspectives of followers to understand the impact of servant leadership on employee engagement (Carter & Baghurst, 2014; De Clercq et al., 2014).

Therefore, the following hypothesis is proposed:
H1c: Servant leadership positively influences employee engagement.

Mediating Role of PC
PC theory can be traced to the mid-1900s (e.g., equilibrium theory, contribution-inducements model); nevertheless, Hendry and Jenkins (1997) are credited with the first formal application of the concept of the PC to hierarchical settings. They utilized the notion of the "psychological work contract" to portray a certain agreement between employees and their foremen which, when honored by foremen, guarantees continued employee exertion and performance. Notwithstanding such underlying improvements, dynamic research on the PC was not initiated until Rousseau (1989) re-conceptualized the term.

PCs are individual-level intellectual structures that reveal how individuals regard their exchange relationships (Laulié & Tekleab, 2016). In particular, a PC represents the arrangement of beliefs a person harbors about the commitments that exist between the individual and an exchange accomplice. Such commitments influence current judgments and conduct through suspicion of the future of the exchange (Laulié & Tekleab, 2016). PCs are imperative to management researchers and experts

because they reveal how individuals think, feel, and act in organizations. Hence, they accord a premise for the coordination and collaborations that occur between workers, directors, administrators, and entrepreneurs (Bunderson, 2001; Cassar & Buttigieg, 2015; Erkutlu & Chafra, 2016). Employees may feel that their PC has been breached if they identify a shortfall in the fulfillment of obligations assigned to the organization or if they cognize that their organization has not met its commitments to them (Peng et al., 2016). In reaction, such employees may feel betrayed and develop distrust (Robinson & Morrison, 2000).

Immediate superiors are deemed the principal agents who establish and maintain the PC (Lester et al., 2002). Donia et al. (2016) have argued that the servant leadership approach is positively linked with employee perceptions of PC attainment i.e., a positive social exchange connection with the organization. It is also contended in congruence with the reciprocity norm and social exchange theory that by satisfying employee PCs, servant leaders encourage their followers to engage in OCBs and innovative behaviors beyond their contractual obligations (Hui et al., 2004). Ethical behavior is another important aspect of servant leadership that serves to emphasize the discharge of promises (Liden et al., 2008). Studies have endorsed that ethical behavior requires the fair treatment of employees (Brown et al., 2005). Gopinath and Becker (2000) have also asserted that broken promises may incite the image of unfairness. Other extant studies support this assumption by reporting the negative impact of PC breaches on satisfaction (Cassar & Buttigieg, 2015; Laulié & Tekleab, 2016) and OC (Bunderson, 2001; Kickul & Lester, 2001; Lester et al., 2002). The psychological bearing of employees denotes the principal determinant of their responses and work behaviors (Peng et al., 2016).

Therefore, it can be hypothesized that:
H2: Servant leadership exerts a significant impact on employee psychological contracts.
H3: Psychological contracts positively influence a) organizational commitment, b) organizational citizenship behavior c) employee engagement.
H4: Psychological contracts mediate the relationship between servant leadership and a) organizational commitment, b) organizational citizenship behavior c) employee engagement.

Moderating Role of Organizational Justice
Studies on organizational justice describe the concept as "the role of fairness as a consideration in the workplace" (Greenberg, 1990). In the early 1970s, organizational justice was primarily linked with distributive justice and was perceived to be related to the fairness of reward distributions. Organizational justice has traditionally been studied in procedural,

distributive, and interactional terms (Colquitt, 2001). Procedural justice attends to the perceived fairness of reward allocation procedures, and interactional justice relates to the interpersonal treatment meted to employees in the execution of such procedures (Colquitt, 2001). An equitable reward system is expected of servant leaders: [the] "perception by employees that they have been rewarded fairly given their responsibilities, duties, performance, and so on" (Mayer et al., 2008). Distributive justice is rooted in Adams and Freedman's (1976) equity theory, which posits that the perception of the fairness of a reward system is based on the evaluation of the ratio of an individual's outcomes to inputs and the ratio of the results to inputs of others. However, the non-availability of complete information causes employees to compare fairness in reward allocations by evaluating the rewards they have received with their expected returns (Mayer et al., 2008). The differences between expectations and actual rewards cause a state of disequilibrium in the minds of employees, culminating in typical reactions to this perceived/real unfairness: adverse changes in effort, withdrawal from the work, or cognitive reconsideration of the situation (Whitman et al., 2012).

Procedural justice involves the perception of the fairness of procedures adopted to determine distributive outcomes, for instance, decisions related to pay allocations, reward disbursements, or workplace promotions (Chung et al., 2010; Lambert et al., 2007). Procedural justice is directed by perceptions about the consistency and ethnicity of implemented processes. It incorporates options pertaining to worker participation in decision-making and the ability of employees to influence organizational outcomes (Walumbwa et al., 2010). The practices implemented by servant leaders ensure organizational justice. The extant literature has evidenced the strong relationship between servant leadership and distributive justice, and a positive link has been confirmed between the perception of servant leadership and organizational justice (Turhan et al., 2013).

It has also been found that the perception of justice is linked with organizational outcomes such as OC, job satisfaction, OCB, performance, and withdrawal (Colquitt, 2001). Employees display higher levels of engagement and feel more obliged to be fair in the performance of their duties if they perceive superior organizational justice. Conversely, the perception of low levels of fairness results in disengagement, and employees are inclined to withdraw from their job responsibilities. The absence of justice can intensify burnout, while positive perceptions of justice can enhance engagement (Maslach et al., 2001). Cassar and Buttigieg (2015) found that PC mediates between organizational justice (procedural and distributive) and employee engagement. The sensitivity of employees to distributive justice evinces the extent to which they
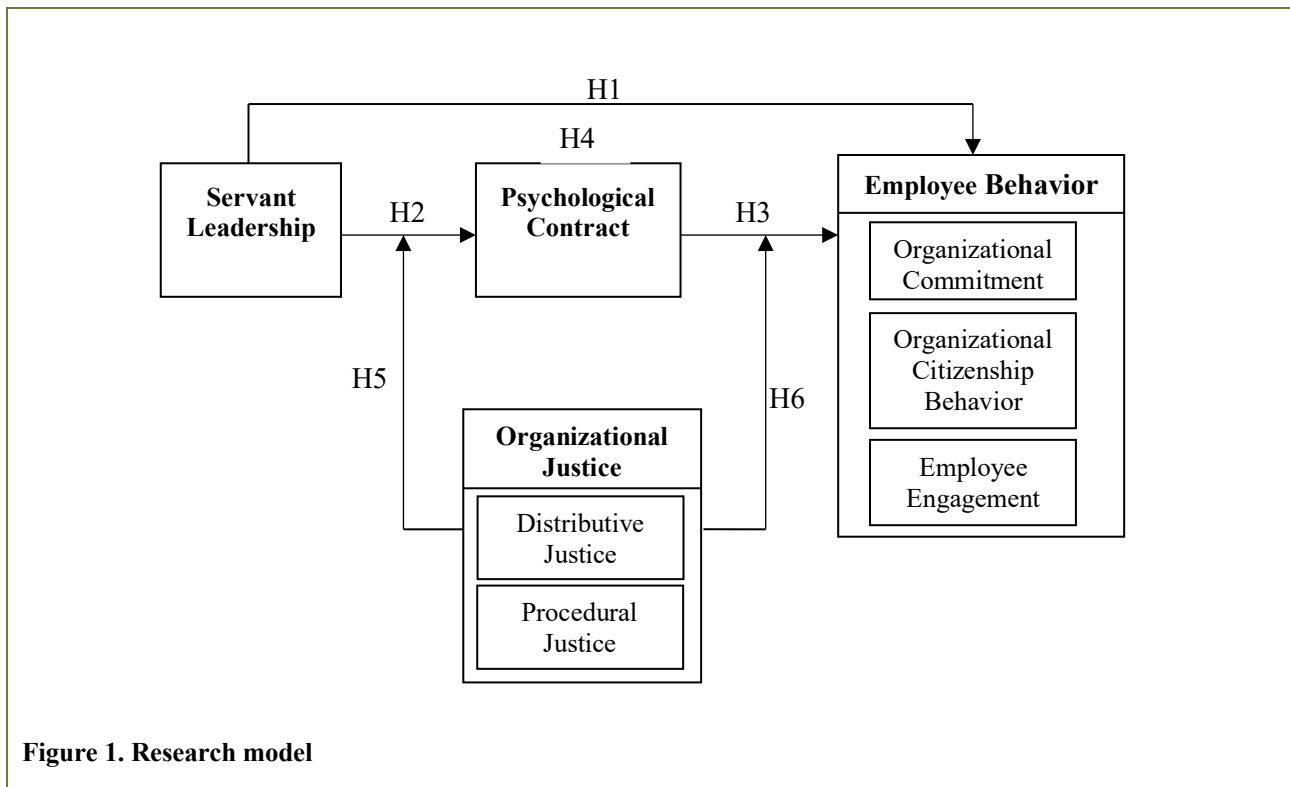
Figure 1. Research model

think their organization values their involvement and cares for them (Masterson et al., 2000). If employees think the procedural justice of their organization is fair, their perception of the organizational sustenance of PC norms is stronger, which elevates the socio-emotional relationship between employees and their organizations (Tekleab et al., 2005).

It is thus proposed that:

H5: Organizational justice (a) distributive and b) procedural) moderates the relationship between servant leadership and psychological contract.

H6: Organizational justice (a) distributive and b) procedural) moderates the relationship between psychological contract and employee behaviors.

2.   Methods

Study Design and Participants
This study used the quantitative approach and sought statistical results to achieve its primary objective of assessing the impact of servant leadership on employee behavior in public hospitals. A survey was administered to a sample of 168 employees, including doctors, house officers, nurses, and administrative staff of the hospital. However, employees in leadership positions or those who commanded administrative power were excluded from the study. Data were collected from seven public hospitals in Pakistan following requests to concerned officials. Participants were contacted after formal approval was

obtained. The survey objectives were communicated to the participants, and 500 questionnaires were initially distributed. The respondents were requested to return the filled surveys to their human resource officers within two weeks. However, only 46 surveys were received by the human resources department after two weeks had elapsed. The researcher then personally requested participants and administered the questionnaire to them.

Data Collection Instrument
Standardized scales were utilized to measure the study variables. The scales have been appropriately validated and have been used in several previous studies. The opinions of participants were recorded on a five-point Likert-like scale. Servant leadership was measured through 28 items adopted from Liden et al. (2008). A 12 item scale developed by Lin and Chang (2015) was applied to ascertain OC. Employee engagement, PC, and OCB were measured via nine items (Schaufeli et al., 2006), 17 items (Millward & Hopkins, 1998), and 24 items (Podsakoff et al., 1990), respectively. Procedural justice was determined using seven items, and distributive justice was measured via five items extracted from Colquitt's (2001) study.

3.   Results

Sample Characteristics
A total of 250 questionnaires were distributed; of these, 168 filled questionnaires were returned at a response

rate of 67.2 percent. To detail the demographic information, 49% of the respondents were female, and 51% were male; 39% were aged between 21 and 25 years, 38% were 26–30-year-olds, 12% were placed in the 31–35 year age group, and 11% were above 35 years. The majority of the sample (89%) had attained a Bachelor-level or higher educational qualification. The largest group of respondents (43%) had accrued work experience of more than five years and less than ten years.

Data Analyses
The study comprised two main parts: the mediation effects of psychological fulfillment and the moderating effects of organizational justice. The mediation analysis was performed on the basis of Baron and Kenny's (1986) study, viz:
Step 1: The direct effect of the independent variable on the dependent variable.
Step 2: The direct effect of the independent variable on the mediating variable.
Step 3: The direct effect of the mediating variable on the dependent variable (if the first three steps were significant, step 4 followed).
Step 4: The mediating effects between the independent and dependent variables.

The moderating analysis was also conducted through regression. All variables for moderation were transformed into standardized variables. An interaction term was also introduced to check the effects of moderating variables.

Reliability and Correlation Analysis
Table 1 presents the Cronbach's alpha outcomes highlighting the reliability of the constructs: servant leadership (0.795), OC (0.811), employee engagement (0.622), OCB (0.787), distributive justice (0.745), procedural justice (0.849), and PC (0.733). These values indicate the high reliability of all variables. Table 1 also illustrates the positive correlation between all the stated variables.

Hypotheses Testing
Hierarchical regression analyses were used to test the hypotheses. Table 2 displays the regression results, illustrating the significant positive effect of servant leadership on PC (β = 0.962). Corresponding to the second step of mediation analysis, this outcome inclines toward the acceptance of H2. The mediating effect of PC on each dependent variable are as follows: (1) Servant leadership exerts a direct and significantly positive effect on OC (β =0.688); (2) PC also applies a direct and significantly positive effect on OC (0.666); (3) Servant leadership was found to exercise an insignificant mediating effect and PC applied a significant positive effect, demonstrating that PC exerts a full mediation effect (0.459).

These results lean toward the acceptance of H1a, H3a and H3d-i. (1) In a direct relation, a servant leader significantly affects employee engagement (0.515); (3) The PC also significantly influences employee engagement (0.469).

The mediating effect of PC was found to be insignificant; therefore, H1b, H3b are accepted and H3d-ii is rejected. (1) A servant leader exercises a significantly positive effect on OCB (0.634); (2) PC also significantly affects OCB (0.573). The mediating effect of PC was also found to be insignificant.

These results tend toward the acceptance of H1c, H3c are accepted and the rejection of H3d-iii.

The variables were standardized for the moderation analysis to evaluate the moderating effects of organizational justice (distributive as well as procedural) and an interaction term was introduced.

Table 1. Correlation Analysis and Cronbach's Alpha

	1	2	3	4	5	6	7
1. Servant Leadership (SL)	1						
2. Organizational Commitment (OC)	0.601**	1					
3. Employee Engagement (EE)	0.506**	0.521**	1				
4. Organizational Citizenship Behavior (OCB)	0.582**	0.614**	0.608**	1			
5. Distributive Justice (DJ)	0.400**	0.418**	0.482**	0.528**	1		
6. Procedural Justice (PJ)	0.512**	0.395**	0.322**	0.459**	0.481**	1	
7. Psychological Contract (PC)	0.899**	0.623**	0.493**	0.563**	0.383**	0.433**	1
Cronbach's Alpha	0.795	0.811	0.622	0.787	0.745	0.849	0.733
N of Items	7	4	4	4	3	4	4

**Significant at 0.001, N = 168

Table 2. Mediating Effect of Psychological Contract

	Psychological Contract	Organizational Commitment			Employee Engagement			Organizational Citizenship Behavior		
	Step 2	Step 1	Step 3	Step 4	Step 1	Step 3	Step 4	Step 1	Step 3	Step 4
Constant	0.225$^+$ (0.124)	1.372** (0.241)	1.378** (0.288)	1.268** (0.237)	1.601** (0.232)	1.707** (0.226)	1.558** (0.234)	1.471** (0.234)	1.618** (0.229)	1.424** (0.235)
Servant Leadership	0.962** (0.036)	0.688** (0.071)		0.246 (0.158)	0.515** (0.068)		0.332* (0.156)	0.634** (0.069)		0.434** (0.157)
Psychological Contract (Mediating Variable)			0.666$^+$ (0.065)	0.459** (0.148)		0.469** (0.064)	0.190 (0.145)		0.573** (0.065)	0.208 (0.146)
R-Square	0.809	0.361	0.388	0.397	0.256	0.243	0.263	0.339	0.317	0.347
Adjusted R-Square	0.807	0.357	0.384	0.390	0.251	0.238	0.254	0.335	0.313	0.339
F Statistics	701.039	94.012	105.258	54.291	57.016	53.246	29.480	85.125	76.911	43.838
P value	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Note. () Standard Error, **Significant at 0.001, *Significant at 0.05, and $^+$Significant at 0.1, N = 168

Table 3. The Moderating Effect of Organizational Justice

	Psychological Contract	Organizational Commitment	Employee Engagement	Organizational Citizenship Behavior
Psychological Contract		0.516** (0.069)	0.345* (0.073)	0.340* (0.066)
Servant Leadership	0.900* (0.040)			
Distributive Justice	0.042 (0.041)	0.172* (0.071)	0.369* (0.075)	0.296* (0.068)
Procedural Justice	−0.059 (0.042)	0.084 (0.071)	0.007 (0.075)	0.148* (0.068)
Servant Leadership_x_Distributive Justice	0.004 (0.036)			
Servant Leadership_x_Procedural Justice	−0.068$^+$ (0.040)			
Psychological Contract_x_Distributive Justice		−0.028 (0.068)	0.133$^+$ (0.064)	0.003 (0.058)
Psychological Contract_x_Procedural Justice		0.004 (0.065)	−0.102 (0.072)	−0.164$^+$ (0.066)
R-Square	0.815	0.432	0.361	0.473
Adjusted R-Square	0.810	0.414	0.341	0.456
F Statistics	143.210	24.629	18.300	29.033
P value	0.000	0.000	0.000	0.000

Note. () Standard Error, **Significant at 0.001, *Significant at 0.05, and $^+$Significant at 0.1, N = 168

The study probed two aspects of the moderation effect: (1) the moderating effect of organizational justice on the relationship between servant leadership and PC; (2) the moderating effect of organizational justice on the association between PC and employee behavior.

H4a was rejected, and H4b was accepted (Table 3) on the grounds that the moderating effect of distributive justice was found to be insignificant for the relationship between servant leadership and PC, while procedural justice exerted a significantly negative moderating effect on the association between servant leadership and PC (−0.068).

The results also illustrate that distributive justice did not mediate between the relationship between PC and OC or the association between PC and OCB. However, it exerted a significantly positive moderating effect on the relationship between PC and employee engagement (0.133). Therefore, H5a-i and H5a-iii were rejected, and H5a-ii was accepted.

However, procedural justice did not moderate the relationship between PC and OC or between PC and employee engagement. It did exercise a significantly negative moderating on the relationship between PC and OCB (−0.164). Thus, H5b-i and H5b-ii are rejected, and H5b-iii is accepted.

4. Discussion

In the organizational context, servant leadership can be described as the decentralization of authority and the empowerment of employees. It encourages innovation and ensures employee involvement in key decision-making processes. It develops a culture in which leaders and followers become mutually bound to achieve organizational objectives without using legitimate and positional powers. Servant leaders exhibit behaviors that stimulate employees to improve, and employees reciprocate by evincing the traits of OC, engagement, and OCB (Walumbwa et al., 2010). It is evident that leadership style correlates with OC. Extant studies have evidenced a trust-based, positive association between servant leadership and OC (Jacobs, 2006; Russell & Gregory Stone, 2002). A servant leader offers employees opportunities for growth and development, facilitates the inculcation of new skills, and seeks the participation of subordinates in organizational decision-making. Eventually, these actions develop a sense of affiliation and commitment in employees toward the organization (Serrat, 2017). The results of the current study also demonstrate a positive relationship between servant leadership and OC and are thus aligned with the outcomes reported by Jacobs (2006) and Russell and Stone (2002).

Leaders can influence OCB through multiple techniques (Bambale, 2014). Employees tend to collaborate to achieve organizational outcomes if they are inspired by their servant leaders and trust their superiors (Van Dierendonck, 2011). Various existing studies have highlighted this positive relationship (Liden et al., (2008), Serrat (2017), Yoshida et al. (2014). The current study confirmed the positive relationship between servant leadership and OCB. Leadership style was also found to be a key determinant of the emotional attachment of employees to their organizations, and it served as a basis for better performance (Hsiao et al., 2015). Servant leaders empower their employees and invest trust in their subordinates vis-à-vis inculcating an emotional bonding with the organization. In turn, such faith boosts the confidence of employees and results in

high employee engagement (Saks, 2006). The results of the present study are congruent with the outcomes reported by Carter and Baghurst (2014), Saks (2006), Seijts and Crim (2006), who also found a positive link between servant leaders and employee engagement.

Donia et al. (2016) have claimed that servant leadership is positively associated with employee perceptions of the attainment of positive psychological exchanges with their organization because the principles of PCs are embedded in the cognition of workers. These beliefs are refined through the personal and social experiences of employees. When people believe that their ultimate manager stands with them and fulfills obligations, their existing beliefs are validated. Hence, they interpret the exchange as conforming to their PC, which serves to strengthen their existing employment relationship (Robinson & Morrison, 2000). This reciprocal and implicit pattern of mutual obligation forms the core of PC (Laulié & Tekleab, 2016). When employees perceive that their PC is inviolate, they stay committed, engaged, and exhibit OCB. The present study affirmed this pattern of mutual obligation.

The primary contribution of the study concerns the analysis of the mediating effect of PC and the moderating effect of organizational justice (distributive and procedural). The study results demonstrated the full mediating effect only between servant leadership and OC, in agreement with previous investigations (Laulié & Tekleab, 2016; Peng et al., 2016; Tseng & Wu, 2017). The results did not evidence the mediating effect of PC on the association between servant leadership, employee engagement, and OCB. These outcomes may indicate the influence of organizational systems and/or could be attributed to the nature of studied organizations and the perception of employees regarding their systems. Organizational justice did not exert a moderating effect on any variable. Figures 2 and 3 demonstrate the negative moderating effect of procedural justice on the relationship between servant leadership and PC and on the association between PC and OCB. A strong correlation was found between servant leadership and PC and between PC and OCB when procedural justice was perceived to be low. However, the study evinced the positive moderating effect of procedural justice and PC (Jeroen et al., 2016).

These results may be due to organizational politics and reward systems (Rosen et al., 2013; Walumbwa et al., 2017). Employees may trust their leaders; the organizational culture may also represent a contributing factor; however, workers could have reservations about the organizational system and procedures. Nonetheless, they would still be prepared to endeavor to perform. They may be driven by the possibility of a future correction of the system. External societal factors such as the culture they imbibe from their peers and from society at large may also contribute to their behaviors.
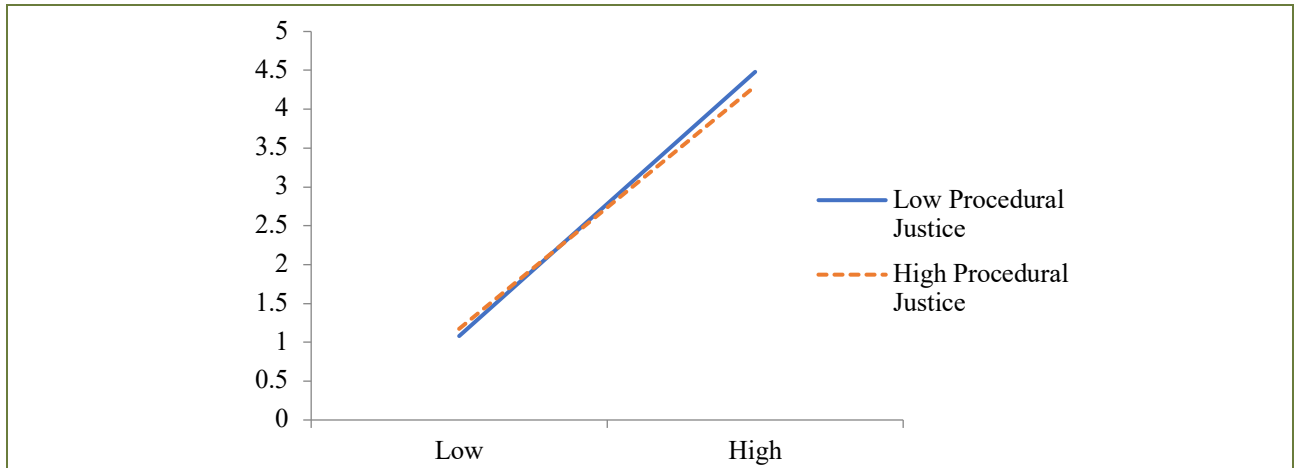
Figure 2. Moderating effect of procedural justice on the relationship between servant leadership and the psychological contract
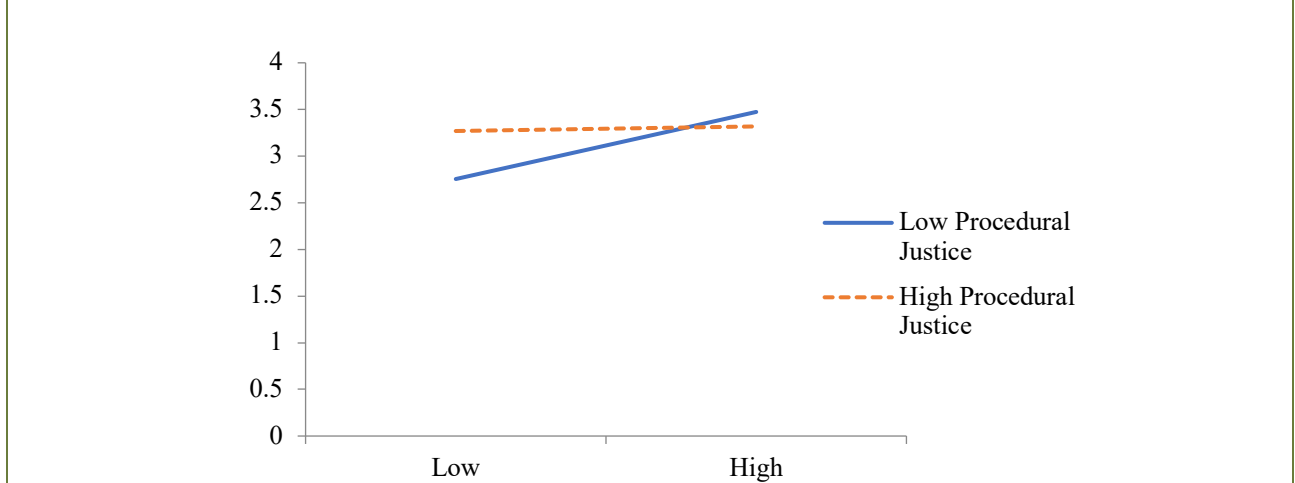

Figure 3. Moderating effect of procedural justice on the relationship between the psychological contract and organizational citizenship behavior
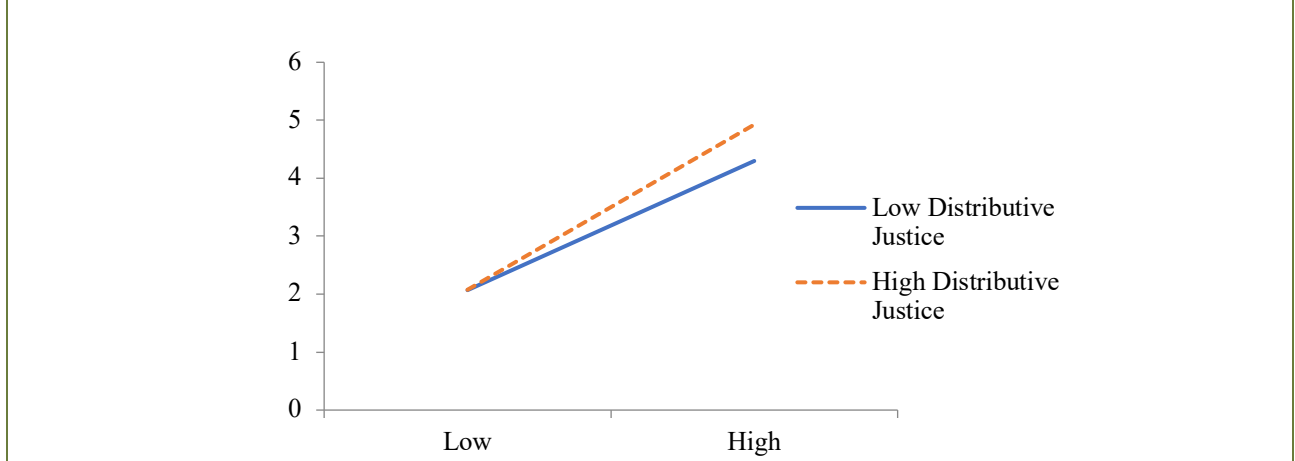

Figure 4. Moderating effect of procedural justice on the relationship between the psychological contract and employee engagement

A strong relationship exists between PC and employee engagement when distributive justice is high. Figure 4 illustrates the positive moderating effect of distributive justice on the relationship between PC and employee engagement.

System ambiguities obscure synergetic efforts: the more the indeterminacy, the more the confusion. The organizations in the scope of this study would benefit substantially if efforts were expended to develop physician servant leaders. Such actions would help the studied hospitals eliminate the differences between leaders and workers so they could provide better customer service.

Despite the promising results reported above, some limitations of the study must be acknowledged. First, the sample size was small; significant results could be attained for variables that show insignificant impact in the current study if the sample size was increased. Second, the survey data were analyzed through regression analysis; although the method is time-tested, it is linear and unidimensional. New and advanced data analysis techniques could be applied to obtain more detailed and multifaceted insights into the probed aspects. Third, the scope of the study was limited to hospitals; a population change in future research initiatives could yield different results depending on the investigated variables and constructs.

5. Conclusion

In general, the discoveries attained by the present study are stimulating and consistent with preceding studies. The hospital employees who served as respondents for the current study regarded their managers as servant leaders and were prepared to work heart and soul for the organization. However, they displayed high expectations about the obligations of their employer organization with respect to certain facets of the PC. Thus, they perceived organizational justice as low apropos their expectations, yielding this study's result of the negative moderating effect of procedural justice on the association between PC and employee behavior. Such high hopes on the part of the respondent employees could, however, reflect wishful thinking with respect to organizational justice. The current study's finding of the negative moderating effect of procedural justice on the relationship between PC and employee behavior could thus expose a dilemma of psychometric inquiries.

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