

IMPACT OF SERVANT LEADERSHIP ON EMPLOYEES AND FIRM'S PERFORMANCE: THE MEDIATING ROLE OF AFFECTIVE AND COGNITIVE TRUST

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ABSTRACT

Aim: Servant leadership style is considered one of the vital element in enhancing employees' and organizational performance. Thereby, the main emphasis of the current study was to empirically analyse the impact of servant leadership on employees' and firm's performance. Moreover, it has also positioned the mediating role of trust namely; cognitive and affective trust, and explore how it influences on the employees' and firm's performance.

Method: For empirical analysis primary quantitative research method comprises of 210 sample size. Information has been collected by using a closed-ended questionnaire from managers and employees in the firms. More so, for statistical analysis, SPSS software has been used comprised of descriptive, correlation, regression, and mediation analysis.

Findings: The results from regression models revealed that servant leadership style has a significant and direct influence on the performance of employees, whereas insignificantly influence on the performance of firm. In addition to this, mediation analysis shows that affective and cognitive trust has a significant and positive influence on the firms' performance and an insignificant influence on the employees' performance.

Keywords: *Servant leadership, employees' performance, affective trust, cognitive trust, trust, firm's performance*