

## Servant leadership in enhancing employee engagement in Cypriot businesses

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### Abstract

In the wake of the COVID-19 pandemic, employers in Cyprus are facing significant challenges in terms of work management and employee well-being. Job satisfaction is considered an important aspect of quality of life and work, and the relationship with one's supervisor is particularly important. Servant leadership focuses on supporting people through trust, confidence and courage, enthusiasm and autonomy, which leads to high performance and job satisfaction. While this approach works, its implementation is limited because many leaders focus on "me" rather than "we", and the workplace culture does not always encourage it. Being a servant leader requires love, respect and understanding of employee behaviour. Cultural change in the Cypriot economy requires training for managers, employees and workers. Project managers play a role in the evaluation process and senior managers provide guidance. Essentially, servant leadership increases employee engagement and productivity.

**Keywords:** Servant leadership; Employee Satisfaction; Employee Engagement; Organizational Culture; Cyprus

### 1 Introduction

In the post-Covid-19 era, business leaders in Cyprus are working harder than ever to keep their businesses afloat while protecting the health of their employees and customers. Things are expected to move at a fast pace, shareholders want strong strategies, vision, flexibility and resilience, and governments and communities want to contribute and participate in big goals such as sustainable development and social justice. When it comes to cutting costs or restructuring operations, the question arises as to how they can balance social values and the goals of all stakeholders? The key to growth is seen as the big picture, and there is one area where their social contribution can be significant, as well as increasing the profitability and health of their businesses. According to an article by McKinsey ("The boss factor: making the world a better place through workplace relationships"), this area is the happiness of their employees (Allas, & Schaninger, 2020). Given that job satisfaction plays a particularly important role in people's life satisfaction, this suggests that increasing job satisfaction has a significant impact on the quality of life of 2.1 billion employees.

### 2 The pivotal role of the relationship with the immediate supervisor

The most important factor for employee satisfaction is the relationship they have with their supervisor. This is confirmed and understood by many studies.

There are two main aspects to define a good work environment and under the control of supervisors (Hellín et al., 2022):

a. A good work environment that provides human resources with good guidance, appropriate tools and the necessary autonomy, so that they can find meaning in their work and carry out their duties without problems.

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b. Mental health security, so that they can express their opinions, concerns or any problems they face, especially in the difficult conditions of the current pandemic without worrying about their duties.

These two areas are directly related to each other and lead to easy or more difficult cycles. The second seems to be the dominant one, as most employees are dissatisfied with their relationship with their supervisors. According to a study conducted by the American Psychological Association, 75% of participants reported that the most stressful aspect of their job was their relationship with their immediate supervisor. People who report poor or very poor relationships with their supervisors also state significantly lower job satisfaction than those who maintain good relationships (Meydan, & Sagkal, 2023).

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### 3 Why managers are not “servant leaders”

In order to improve relationships with their employees and increase their satisfaction, managers should ask themselves: “How can I make the lives of my team members easier on a mental, emotional or physical level?” In other words, using the internationally popular concept of the “servant leader”, who focuses on people and how to achieve results through them, will inspire and empower his team to perform better. Research shows that this type of leadership improves employee performance and satisfaction. At the same time, it has a positive effect on the leader, because he believes that his role is more meaningful when he actually helps his team (Stahel et al., 2022). The question that arises is why more managers have not adopted this approach so far? The answer is that while organizations struggle in theory, they also struggle in practice. In most organizations, leaders lack the motivation and experience to lead their people as servant leaders. Like most managers, their experience is different, as their professional development is based on other factors such as technical knowledge, high performance and productivity, self-confidence and ambition, the ability to create appropriate networks, and effective organizational policy-making (Kauppila et al., 2022).

Supporting the team, maintaining the happiness of members, building relationships based on solidarity and trust, open communication and transparency have never been considered a requirement for leadership. That is why, according to Gallup, only 1 in 10 leaders possess these skills. However, according to organizational psychologist Thomas Samoro Premusik, most leaders are successful in their careers because they focus on the “me” and not the “we” (Chamorro-Premuzic, 2016).

Accordingly, even if a manager believes that supporting the well-being of his organization is the right thing to do, it is difficult to avoid the temptation to adopt an authoritarian leadership style in order to gain the respect of upper management. This is because of HR practices that do not want or encourage this. Thus, it is difficult to find other leaders in the organization who can serve as role models for servant leadership (Kyambade, et al., 2024).

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### 4 The process of transforming a leader into a servant

Given the simple steps involved in building relationships with employees, the role that “leaders” play in ensuring employee satisfaction is significant (Stone & Patterson, 2023).

The most important characteristics of interpersonal relationships are trust, encouragement, empathy, and effective communication (Musenze et al., 2024). So, while organizational culture is unlikely to create positive employee morale on its own, there are three ways that leaders can help employees develop positive morale through small changes that have a greater impact than large organizational changes (Tran, & Truong, 2021):

**Empathy and understanding.** A manager-leader who truly cares about his employees will show compassion by asking them: “How are you today?”, and will also show empathy regardless of the answer in order to give employees the opportunity to raise the issues that concern them. Whatever the answer, the important thing is to allow the employee to ask the right questions. If problems arise at work, he is encouraged to take the initiative and make sure that they are resolved together. At the same time, leaders must recognize their weaknesses and express their feelings and concerns. In this way, they can build better relationships with their employees and a stronger support network, which is essential in these difficult times.

**Gratitude.** Saying “thank you” makes people feel appreciated for their efforts. By regularly celebrating small successes and through kindness, the manager encourages his employees to take on bigger challenges as they grow and creates a positive energy in the team that makes everyone want to work hard and give their best. It is a gift and has many benefits. However, care should be taken to ensure that this appreciation is genuine, as many people have a tendency to express false emotions.

Positivity. Many studies have demonstrated the value of positive, non-judgmental feedback in motivating and improving employee performance. At the same time, this positive approach helps promote autonomy and strengthen the self-esteem of the team member, which directly contributes to increased satisfaction with their job.

#### **4.1 Lead by example**

Servant leaders should always be role models for their team. The servant leader should be willing to do whatever the team asks of him. When team members see him as willing to put in as much work and effort as he can, this encourages them to participate in their work and organization (Sypniewska, et al., 2023).

#### **4.2 Show people why their job is important**

When employees feel that their work is important to the overall success of the organization, they feel engaged and willing to work harder to contribute to the organization. As a service leader, it is important to ensure that team members understand the importance of their work and how it impacts the overall success of the company.

#### **4.3 Encourage collaboration and employee engagement**

Servant leaders excel at ensuring that their teams are heard and valued (Canavesi and Minilli, 2022). By encouraging collaboration and asking for suggestions for team improvement, they show that they value their contributions and efforts. This approach can make team efforts more effective and produce better work (Stanley, 2024).

#### **4.4 Help your team grow and develop**

Servant leaders don't just focus on being great leaders themselves. They also help their team members become great leaders. During team events, they can encourage team members to take on leadership roles. When they know that they are committed to their careers, they are more likely to ask for advice on how to improve their performance.

#### **4.5 Care for your team members personally**

Part of being a servant leader is showing your team members that you care about their personal well-being. Where possible, demonstrating empathy and offering support can help your employees improve their work-life balance and better cope with personal stress (Kaluza & Junker, 2022). Team members are happier to come to work and perform better when they feel valued as individuals, not just as employees (Spears, 2025).

#### **4.6 Ask for feedback**

Servant leaders should always look for ways to improve their leadership skills and contribute to their teams. They should encourage their team members to share their ideas when they have ideas to improve their work process or contribute to the success of the company. (Messer & Smallfield, 2023). It is important that the servant leader tries to ensure that team members are able to make suggestions to him at any time and regularly ask for advice (Khan et al., 2022).

As a conclusion to this section, the pivotal, useful, and constructive role that digital technologies play in the contemporary realm of entrepreneurship and leadership education can no longer be overlooked; rather, it must be vigorously emphasized and systematically integrated. To significantly strengthen the field of entrepreneurial - leadership education and foster a new generation of resilient innovators, we must actively encourage and facilitate the strategic adoption of digital technology across all educational domains and curricula levels. In this direction, educational institutions and policy-makers need to be inspired by, and rapidly adopt, well-established technological paradigms. These include Mobile Learning and devices [27], which democratize access to learning materials; a diverse range of ICTs [28-30], which serve as the infrastructure for interactive simulations; and AI & STEM Robotics [31-37], which cultivate algorithmic thinking and technological fluency critical for navigating today's automated market landscapes. By embedding these tools into entrepreneurial training, educators can transition from one-size-fits-all instruction to adaptive, personalized learning paths that cater to the unique strengths and weaknesses of each student. Furthermore, the integration of ICTs should not occur in a cognitive vacuum. Synthesizing digital tools with proven psychological frameworks—specifically theories and models of metacognition, mindfulness, and emotional intelligence development [38-40]—exponentially speeds up and improves educational practices and student outcomes. When technology is leveraged to enhance metacognitive awareness (such as self-monitoring and strategic reflection) alongside emotional intelligence, students develop the psychological resilience, empathy, and cognitive flexibility required to thrive as entrepreneurs - leaders.

## 5 The application to Cypriot businesses

Changing the culture to make employees happier is not something that managers can do alone. Management and HR must believe in this change and support it through action. The main steps in this approach are (Sacrarios et al., 2022):

- Educating managers about the importance of happiness in company operations (several studies have shown a link between employee happiness, customer loyalty and profitability).
- Emphasizing the role of managers in their development.
- Integrating effective team member engagement into managers' performance evaluation systems.
- Including the interpersonal skills of servant leaders in the characteristics of candidates the company seeks and in leadership development programs.
- As in other cases, there should be certainty that the leaders of the organization themselves can serve as models for the behaviours that team members should act towards managers (Pawar and Dhumal, 2024, Michalakis, M., & Vouglanis, T., 2025, Tsobanoglou, O. G., Vouglanis, T., & Abdulla, K., 2025).

## 6 Conclusion

Traditional leadership styles typically place one person in a position of authority over their team. However, subordinate leadership is characterized by leaders who share authority with their subordinates and prioritize the needs of others. This type of manager believes that team members are most effective and efficient when they are satisfied both personally and professionally.

## Compliance with ethical standards

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The Authors proclaim no conflict of interest.

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