

***SERVING TO EXCEL BY EMPHASIZING THE MEDIATING ROLE OF
EMPLOYEE LOYALTY IN THE INFLUENCE OF SERVANT LEADERSHIP ON
SERVICE QUALITY***

**MELAYANI UNTUK UNGGUL DENGAN MENGKEDEPANKAN PERAN
MEDIASI LOYALITAS PEGAWAI DALAM PENGARUH SERVANT
LEADERSHIP TERHADAP MUTU PELAYANAN**

Raden Eros Rostini¹, Zulganef²

Universitas Widyatama^{1,2}

eros.rostini@widyatama.ac.id¹, zulganef@widyatama.ac.id²

ABSTRACT

This study aims to analyze the influence of servant leadership on service quality, with employee loyalty as a mediating variable, at Bank OCBC NISP in Bandung Regency and West Bandung Regency. The research method used is quantitative with an explanatory research approach. Data were collected through questionnaires from 60 frontline employees using a total sampling technique. The results of the path analysis showed that servant leadership significantly influenced employee loyalty ($B = 0.862$; $sig. = 0.000$) and service quality ($B = 0.634$; $sig. = 0.000$). Employee loyalty was also proven to significantly influence service quality ($B = 0.414$; $sig. = 0.000$) and acted as a partial mediator in the relationship between servant leadership and service quality, as evidenced by the Sobel test ($t = 10.10$; $p = 0.000$). These findings confirm that strengthening servant leadership values is able to shape employee loyalty which has an impact on improving overall service quality. However, descriptive results indicate implementation gaps in suburban branches, particularly in terms of managerial engagement and consistency of work culture. Therefore, an inclusive and adaptive leadership strategy is needed to ensure equitable service quality across the branch network.

Keywords: *Servant Leadership, Employee Loyalty, Service Quality.*

ABSTRAK

Penelitian ini bertujuan untuk menganalisis pengaruh kepemimpinan pelayan (servant leadership) terhadap kualitas layanan, dengan loyalitas karyawan sebagai variabel mediasi, di Bank OCBC NISP di Kabupaten Bandung dan Kabupaten Bandung Barat. Metode penelitian yang digunakan adalah kuantitatif dengan pendekatan penelitian eksplanatori. Data dikumpulkan melalui kuesioner dari 60 karyawan lini depan menggunakan teknik sampling total. Hasil analisis jalur menunjukkan bahwa kepemimpinan pelayan secara signifikan mempengaruhi loyalitas karyawan ($B = 0.862$; $sig. = 0.000$) dan kualitas layanan ($B = 0.634$; $sig. = 0.000$). Loyalitas karyawan juga terbukti secara signifikan mempengaruhi kualitas layanan ($B = 0.414$; $sig. = 0.000$) dan bertindak sebagai mediator parsial dalam hubungan antara kepemimpinan pelayan dan kualitas layanan, sebagaimana dibuktikan oleh uji Sobel ($t = 10.10$; $p = 0.000$). Temuan ini menegaskan bahwa memperkuat nilai-nilai kepemimpinan pelayan dapat membentuk loyalitas karyawan yang berdampak pada peningkatan kualitas layanan secara keseluruhan. Namun, hasil deskriptif menunjukkan adanya kesenjangan implementasi di cabang-cabang pinggiran, terutama dalam hal keterlibatan manajerial dan konsistensi budaya kerja. Oleh karena itu, strategi kepemimpinan yang inklusif dan adaptif diperlukan untuk memastikan kualitas layanan yang adil di seluruh jaringan cabang.

Kata kunci: Kepemimpinan Pelayan, Loyalitas Karyawan, Kualitas Layanan.

INTRODUCTION

In an increasingly competitive business world, service quality is a key factor in maintaining customer loyalty (Affandy & Latifah, 2025). In the Indonesian banking sector, competition to provide the best service to customers is increasingly fierce (Affandy & Latifah, 2025). One key element

influencing service quality is the leadership style applied. Research at PT Bank Capital Indonesia Tbk. by Lydiastuti & Rijanti (2025) showed that servant leadership and employee empowerment have a positive and significant impact on employee performance, which indirectly improves service quality. Furthermore,

international studies in the banking industry have found that a combination of transformational and ethical leadership styles plays a crucial role in achieving superior bank performance (Pawar et al., 2020; Rehman et al., 2022). Various prestigious awards are given to banks in recognition of their service excellence, both nationally and internationally. One of the most well-known is the Best Bank Award from Global Finance, which is given to banks worldwide based on an evaluation of financial performance, innovation, and quality of customer service (Global Finance, 2021). Furthermore, J.D. Power regularly releases Customer Satisfaction Reports that assess customer satisfaction with bank services. Banks with high satisfaction scores often receive special awards, such as those achieved by Charles Schwab in its 2025 study (J.D. Power, 2025). Equally important, The Asian Banker awards the Best Digital Bank award to financial institutions that have successfully utilized digital technology effectively to improve customer service, one example being WeBank in the Asia Pacific region (The Asian Banker, 2025).

In Indonesia, the Banking Service Excellence Awards (BSEA), organized by Infobank in collaboration with independent research institutions such as MRI Research, are awarded based on surveys and mystery shopping methods that assess direct interactions between customers and the bank (MRI Research, 2020; BNI, 2024). Furthermore, Indonesian banks such as BCA and BNI also received the Indonesian Customer Satisfaction Award (ICSA), which is awarded based on customer satisfaction surveys for various services, including digital banking and direct services (BCA, 2024). Globally, major banks such as JPMorgan Chase have even been included in Fortune and Korn Ferry's Top 50 Most Admired Companies list, which assesses not only financial aspects but also service reputation and innovation (Fortune & Korn Ferry, 2025). All of these awards are important indicators that service quality is a key focus in the sustainability strategy of modern banking. The following table lists the top 10 banks in Indonesia over the past few years (2018-2024) based on various awards, including:

Table 1. Top 10 Bank di Indonesia yang Mendapatkan Penghargaan

S	Tahun Perolehan Penghargaan					
	The Best Bank Award (Global Finance)	J.D. Power Customer Satisfaction	The Best Digital Bank (The Asian Banker)	Banking Service Excellence Award	The 50 Most Admired Companies	Indonesia Customer Satisfaction (ICSA)
Bank Mandiri	2018,2020,2022	2019, 2021	209, 2021	2018, 2020	2018, 2020	2019,2021,2024
BRI	2019, 2021	2020, 2022	2020, 2022	2019, 2021	2019, 2021	2020, 2022, 2024
BCA	2020, 2023	2018, 2023	2018, 2023	2020, 2023	2020, 2023	2018, 2023, 2024
BNI	2018, 2021	2018, 2022	2018, 2022	2018, 2021	2018, 2021	2018, 2022, 2024
Bank Danamon	2019, 2022	2019, 2022	2019, 2022	2019, 2022	2019, 2022	2019, 2022, 2024
Bank	2018, 2021	2018, 2021	2018,	2018, 2021	2018, 2021	2018, 2021,

S	Tahun Perolehan Penghargaan					
	The Best Bank Award (Global Finance)	J.D. Power Customer Satisfaction	The Best Digital Bank (The Asian Banker)	Banking Service Excellence Award	The 50 Most Admired Companies	Indonesia Customer Satisfaction (ICSA)
CIMB Niaga			2021			2024
Bank OCBC NISP	2019, 2023	2019, 2023	2019, 2023	2019, 2023	2019, 2023	2019, 2023, 2024
Bank Permata	2020, 2023	2020, 2023	2020, 2023	2020, 2023	2020, 2023	2020, 2023, 2024
Allo Bank	2021, 2023	2021, 2023	2021, 2023	2021, 2023	2021, 2023	2021, 2023, 2024
Bank BTPN	2020, 2023	2020, 2023	2020, 2023	2020, 2023	2020, 2023	2020, 2023, 2024

Indonesia's ten largest banks, including Bank OCBC NISP, consistently won various prestigious awards between 2018 and 2024, including The Best Bank Award, Customer Satisfaction Awards, and the Indonesia Customer Satisfaction Award (ICSA). These achievements reflect financial strength, digital innovation, and the effectiveness of leadership styles, such as servant leadership, transformational leadership, and ethical leadership. In particular, OCBC NISP demonstrated consistent implementation of servant leadership, which emphasizes employee empowerment and service quality improvement. Programs such as Learning Anytime, Learning Anywhere (LALA), as well as initiatives like the Business Fitness Index and gender bond issuance, demonstrate the bank's commitment to continuous learning,

data-driven services, and social inclusion, contributing to its reputation and customer loyalty. However, despite these national achievements, significant disparities remain at the local level, particularly at Bank OCBC NISP branches in Bandung Regency and West Bandung Regency. A questionnaire distributed to customers in 2024 indicated that service quality in these two regions had not significantly improved. This indicates that although OCBC NISP has successfully built a positive national image, the implementation of leadership values and strategies, such as servant leadership, has not been fully implemented across all branches, particularly in suburban areas. This issue is crucial to address to ensure consistent service quality across the bank's operational areas.

Table 2. Quality of Service of Bank OCBC NISP Employees in Bandung Regency and West Bandung Regency, 2024

No	Quality Questions	ONe PIC Dimensi	Quarter			
			1	2	3	4
1.	Staff work in a coordinated manner to serve customers.	One NISP (Integrated Services and Internal Collaboration)	.1	.1	.1	.0
2.	Information between bank units is integrated with each	One NISP (Integrated Services and Internal	.0	.0	.0	.0

No	Quality Questions	ONe PIC Dimensi	Quarter			
			1	2	3	4
	other	Collaboration)				
3.	The staff provided polite and professional service.	Professionalism (Service Professionalism)	.3	.3	.3	.1
4.	The staff had good product knowledge.	Professionalism (Service Professionalism)	.2	.2	.2	.0
5.	The information provided was honest.	Integrity (Integrity and Honesty)	.1	.1	.9	.0
6.	I felt safe and confident during the transaction.	Integrity (Integrity and Honesty)	.2	.3	.3	.0
7.	The staff understood my personal needs.	Customer Focus (Focus on Customer Needs)	.0	.0	.0	.0
8.	The solutions provided were tailored to my needs.	Customer Focus (Focus on Customer Needs)	.1	.0	.0	.9
9.	Service time met expectations.	Customer Focus (Focus on Customer Needs)	.0	.0	.1	.9
10.	I felt valued and prioritized.	Customer Focus (Focus on Customer Needs)	.9	.9	.0	.9

Source: Accumulated Quality Results of Bank OCBC NISP from Branches in Bandung Regency and West Bandung Regency, Based on Bank OCBC NISP's ONe PIC Program, 2024.

Based on Table 2, it can be seen that service quality at Bank OCBC NISP branches located in Bandung Regency and West Bandung Regency stagnated and even declined slightly during 2024. Although OCBC NISP is known nationally for its superior service, as reflected in the various awards it has received, conditions in the suburbs of Bandung actually show less than optimal performance. This is evident in-service indicators such as "Officers provide polite and professional service" and "Officers have good product knowledge," which experienced a decline in scores from Q1 to Q4. Similarly, the indicators "Service time meets expectations" and "I feel appreciated and prioritized" remained at a low average score below 4.0. This condition indicates a gap in service quality implementation between the head office/main branch and branch offices in suburban areas.

Previous research has shown that stagnant service quality in non-priority branches, such as Bank OCBC NISP on the outskirts of Bandung, can be caused by low managerial involvement and uneven employee training and empowerment (Rachmawati & Putra, 2021; Sari & Hidayat, 2022). Although OCBC NISP has excellent service standards through the ONePIC (One NISP, Professionalism, Integrity, Customer Focus) program, which aims to build a collaborative, professional, and customer-focused work culture, the program's effectiveness is highly dependent on implementation and oversight at the local level. Findings from questionnaires at branches in Bandung and West Bandung indicate that ONePIC implementation has not been optimal, resulting in stagnant service quality due to a lack of service strategy updates and strengthening of work culture at all levels of the organization (Yuliana & Harahap, 2023; OCBC NISP, 2023).

Employee loyalty plays a crucial role as a mediating variable in the

relationship between servant leadership and service quality. Servant leadership, which positions leaders as servants to their subordinates, focusing on their needs, growth, and well-being, can foster emotional bonds and long-term commitment to the organization. When employees feel valued and supported by their superiors, they tend to develop high levels of loyalty, which in turn fosters work enthusiasm, responsibility, and initiative in providing quality service to customers. This finding is supported by research by Gunawan and Ningsih (2022), which states that servant leadership positively influences employee loyalty, and this loyalty serves as a crucial bridge to improving service quality in the service sector, including banking.

In the context of Bank OCBC NISP, the increase in the number of permanent employees over the past three years demonstrates the potential for high employee loyalty. If this loyalty is optimally managed through servant leadership practices, customer service quality will also improve. Research by Huda and Susanto (2023) confirms that employee loyalty plays a significant mediating role between leadership style and service quality, as loyal employees not only perform mechanically but also demonstrate care, diligence, and attention to customer needs. Therefore, leadership strategies that foster loyalty, such as through continuous learning programs, empowerment, and open communication as implemented in ONePIC, need to be extended to suburban branch offices to ensure equitable and consistent service quality across the Bank OCBC NISP network.

2. Literature Review

The Relationship Between Work-Life Balance and Job Satisfaction

Servant leadership plays a crucial role in improving service quality in the service sector, such as banking, including Bank OCBC NISP, by positioning leaders as advocates for employee growth through empathy, empowerment, and emotional support (Eva et al., 2021). The implementation of servant leadership creates a work environment that encourages employee loyalty and proactive behavior, which in turn improves service dimensions such as reliability, responsiveness, assurance, and empathy (Parasuraman, 2021). Research by Gunawan and Ningsih (2022) and Huda and Susanto (2023) shows that this relationship is mediated by employee loyalty, where employees who feel valued and engaged tend to demonstrate high commitment and quality service. However, at Bank OCBC NISP branches in the suburbs of Bandung, the failure to achieve service quality indicates that servant leadership principles have not been optimally implemented locally. Therefore, consistency in its implementation across the network is needed to ensure equitable and sustainable service quality improvement.

H1: Servant leadership can influence service quality

The Relationship between Servant Leadership and Employee Loyalty

Servant leadership plays a crucial role in shaping employee loyalty, particularly in service sectors like banking, by emphasizing empathy, empowerment, and individual growth (Eva et al., 2021). In the context of Bank OCBC NISP, the implementation of servant leadership creates a supportive and humanistic work environment, encouraging innovation, self-directed learning, and employees' emotional attachment to their work. Employee loyalty is reflected in

dimensions such as work engagement, organizational identification, retention intention, and recommendation intention (Yoon & Lim, 2023). Previous research, such as that by Gunawan & Ningsih (2022) and Shoukat et al. (2022), shows that servant leadership not only increases job satisfaction but also strengthens emotional commitment to the organization. Programs such as LALA (Learning Anytime, Learning Anywhere) and the ONePIC work culture provide concrete evidence of the integration of servant leadership into employee development at OCBC NISP. The higher the implementation of servant leadership, the stronger the employee loyalty, which ultimately has a positive impact on organizational stability, productivity, and service quality.

H2: *Servant leadership can influence employee loyalty.*

The Relationship Between Employee Loyalty and Service Quality

Employee loyalty plays a strategic role in determining service quality in the service sector, such as banking. Loyal employees demonstrate emotional attachment, high commitment, and a proactive attitude in carrying out tasks with friendliness, accuracy, speed, and empathy (Yoon & Lim, 2023). Loyalty dimensions such as work engagement, organizational identification, intention to stay, and the tendency to recommend the company reflect employee support for the organization's values and mission. Research by Gunawan & Susanto (2023) and Fitriani & Kurniawan (2023) confirms that employee loyalty not only increases internal productivity but also directly contributes to customer satisfaction through quality service interactions. In the context of Bank OCBC NISP, increasing employee

loyalty in suburban branches through empowerment and ongoing managerial support is believed to improve overall service quality, making loyalty a key foundation for maintaining and improving service quality in the banking industry.

H3: *Employee loyalty can influence employee service quality.*

Employee Loyalty as a Mediator of the Relationship between Servant Leadership and Employee Service Quality

Employee loyalty serves as a crucial mediating variable in the relationship between servant leadership and service quality, particularly in the banking sector. Servant leadership, which emphasizes empathy, empowerment, and attention to employee growth (Eva et al., 2021), creates emotional and professional bonds that strengthen loyalty, reflected in work engagement, organizational identification, retention intentions, and willingness to recommend the company (Yoon & Lim, 2023). This loyalty encourages employees to provide faster, more consistent, friendlier, and customer-oriented service, thereby improving service quality (Parasuraman, 2021). Research by Gunawan & Ningsih (2022) and Huda & Susanto (2023) shows that servant leadership has an indirect impact on service quality through employee loyalty as a mediator. In the context of Bank OCBC NISP, an increase in the number of permanent employees is an indicator of growing loyalty, but stagnant service quality at branches in the Bandung suburbs indicates that the implementation of servant leadership at the local level is not yet optimal. Therefore, strengthening loyalty through the consistent implementation of servant leadership, accompanied by

empowerment programs, ongoing training, and the internalization of a work culture such as ONePIC, is key to improving overall service quality.

H4: *Employee loyalty mediates the effect of servant leadership on employee service quality.*

RESEARCH METHODS

This study employed a quantitative method with an explanatory research design, aiming to examine causal relationships between variables through hypothesis testing. The variables studied included servant leadership as the independent variable, employee loyalty as the mediating variable, and service quality as the dependent variable, with indicators adapted from theory and previous research. Data were collected through a Likert-scale questionnaire distributed to 60 frontline employees of Bank OCBC NISP at branches in Bandung Regency, Cimahi City, and West Bandung Regency using a total sampling technique.

Data analysis was performed using multiple linear regression, path analysis, and the Sobel test to determine the direct and indirect effects between variables. Hypothesis testing was conducted using the t-test (partial) and F-test (simultaneous), with a significance level of 5%. The path analysis was conducted in two stages: first, examining the effect of servant leadership on employee loyalty and second, examining the effect of loyalty on service quality. The Sobel test was used to test the significance of the mediating effect of employee loyalty on the relationship between servant leadership and service quality. The use of regression and path models aims to identify causal influences comprehensively, so that the research results can provide a real contribution to

strengthening managerial strategies and banking services, especially in suburban branch areas.

RESULTS AND DISCUSSIONS

Descriptive Analysis Results

The respondent profiles in this study indicate that the majority of Bank OCBC NISP employees in the suburbs of Bandung have characteristics that support improved service quality. Most respondents come from frontline work units and are permanent employees with a bachelor's degree. Furthermore, most respondents are within the productive age range and have more than five years of work experience. These characteristics indicate they are relatively stable professionally and possess the capacity to understand and carry out their service roles effectively. These factors have significant potential to support the implementation of a servant leadership style and foster employee loyalty, which impacts improved service quality. Regarding the servant leadership variable, employees generally acknowledged leadership support in terms of empowerment, training, and systematic problem-solving. However, weaknesses were identified in the aspect of emotional support from superiors and a lack of structured career guidance. This indicates that the implementation of servant leadership is not yet fully widespread, particularly in building emotional closeness and long-term individual development. These aspects are important because the role of servant leadership extends beyond operational aspects to creating a supportive work climate that fosters overall employee loyalty. Employee loyalty in this study appears quite high, particularly in the form of long-term commitment and a willingness to defend and recommend the

organization. However, enthusiasm for carrying out tasks and a sense of belonging remain weak points that require attention. This could indicate that emotional engagement has not yet fully developed, which is likely closely related to a lack of attention from leaders to employees' personal aspects. This weakness in loyalty reflects the importance of a leadership approach that is not solely focused on results but also fosters a sense of ownership and pride in the institution.

Service quality was assessed as quite good, reflecting staff professionalism and timely service delivery. However, weaknesses remained in the consistency of service outcomes and responsiveness to customer requests. This indicates that although employees demonstrate professionalism in carrying out their duties, there remains a gap between customer expectations and the service delivered. This discrepancy may be caused by a lack of integrated service standards or a lack of ongoing training. In this context, loyalty and leadership quality play a crucial role in fostering work awareness and consistency in providing optimal service. Overall, the results of this study demonstrate a close relationship between leadership style, employee loyalty, and service quality. Strong servant leadership practices can enhance employee loyalty, which in

turn drives improved service quality. However, weaknesses in several personnel and structural aspects indicate the need for a more holistic leadership strategy, particularly in branches located in remote areas. Strengthening an empathetic work culture, open communication, and clear career guidance are crucial steps to creating loyal, proactive employees capable of maintaining consistent service quality across the Bank OCBC NISP network.

Verification Analysis Results and Hypothesis Testing

The results of the first-stage path analysis test indicate that servant leadership has a significant effect on employee loyalty. Based on Table 3, the regression coefficient (B) is 0.862 and the calculated t-value is 21.169, with a significance level of 0.000 (<0.05). This indicates that the relationship is highly statistically significant. Furthermore, the R-square value of 0.885 (Table 4) indicates that 88.5% of the variation in employee loyalty can be explained by servant leadership, with the remainder explained by other variables outside the model. The residual error (e_1) for this relationship is 0.339, calculated by subtracting the R-square from the square root of the difference of one. This finding confirms that the higher the implementation of servant leadership, the higher the level of employee loyalty.

Table 3. First Stage Regression Coefficient Values

Table 1. First Stage Regression Coefficient Values							
Coefficients ^a							
	Unstandardized Coefficients	Standardized Coefficients	Collinearity Statistics				
	Std.						
Model	B	Error	Beta	t	Sig.	Tolerance	VIF
1 (Constant)	6.977	1.740		4.010	.000		
Servant Leadership	.862	.041	.941	21.169	.000	1.000	1.000

a. Dependent Variable: Quality of Service

Next are the results of the R Square value in table 4. As follows:

Table 4. First Stage R Square Value

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.941 ^a	.885	.883	3.12463
a. Predictors: (Constant), Servant_Leadership				

In the second stage, a test was conducted on the influence of servant leadership and employee loyalty simultaneously on service quality. The regression results in Table 5 show that servant leadership has a B value of 0.634, a calculated t of 17.491, and a significance of 0.000, while employee loyalty has a B value of 0.414, a calculated t of 9.114, and a significance of 0.000. Both show a significant

influence on service quality. The R Square value of this model is 0.953 (Table 6), meaning that 95.3% of the variation in service quality can be explained by the combination of servant leadership and employee loyalty. The remaining 4.7% is explained by other factors outside the model, with a residual error (e_2) value of 0.216. This indicates that the model has very strong explanatory power.

Table 5. Second Stage Regression Coefficient Values

Coefficients ^a							
Model	Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics		
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1 (Constant)	1.425	1.274		1.118	.268		
Servant_Leadership	.634	.036	.692	17.491	.000	.523	1.913
Loyalitas	.414	.045	.361	9.114	.000	.523	1.913

a. Dependent Variable: Quality of Service

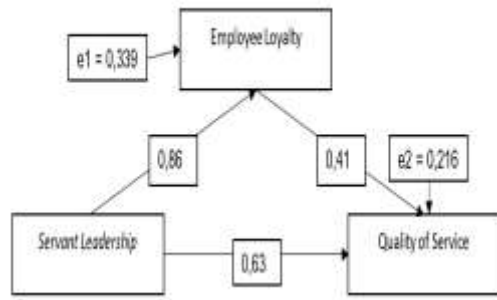
Next are the results of the R Square value in table 6, with the following description:

Table 6. Second Stage R Square Value

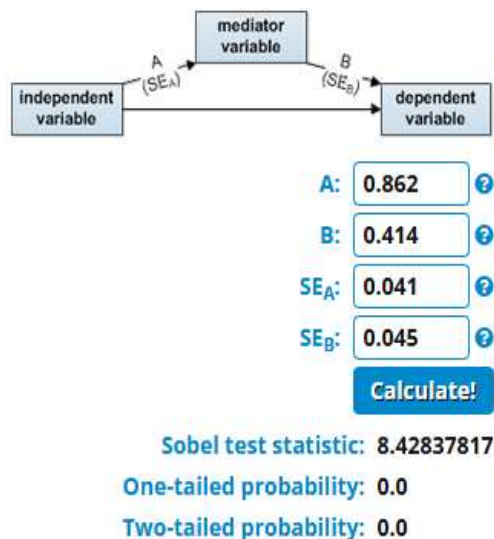
Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.976 ^a	.953	.952	2.01074
a. Predictors: (Constant), Loyalitas, Servant_Leadership				
b. Dependent Variable: Quality of Service				

Based on these data, it is known that the direct effect of servant leadership on employee loyalty is 0.862. Meanwhile, the indirect effect of servant leadership on service quality through employee loyalty is calculated from the multiplication of two regression coefficients, namely $0.862 \times 0.414 = 0.356$. On the other hand, the direct effect of servant leadership on service quality is 0.634. Therefore, it can be concluded that although servant

leadership has a fairly strong indirect effect through employee loyalty, its direct effect on service quality is still greater. This indicates that employee loyalty acts as a partial mediator in the relationship between servant leadership and service quality.



To strengthen the path analysis, a Sobel test was conducted to determine the significance of the indirect effect of servant leadership on service quality through employee loyalty. The calculation results show that the Sobel t-value is 10.10, which is greater than the t-table of 1.665, and the significance value is $p = 0.000$ (<0.05). This means that the indirect effect is statistically significant, and employee loyalty can be stated as a significant mediating variable. Thus, although the direct effect of servant leadership on service quality is more dominant, employee loyalty still plays an important role in strengthening this effect.



Overall, the results of this path analysis confirm that servant leadership contributes significantly to service quality, both directly and through increased employee loyalty. The high

regression coefficient, strong R Square value (0.953), and significant Sobel test results indicate that the effective implementation of a servant leadership style can build high loyalty and have a positive impact on customer service. Therefore, Bank OCBC NISP's managerial strategy, especially in branches in outlying areas, needs to focus on strengthening service-based leadership and employee empowerment as an effort to improve service quality comprehensively and sustainably.

Discussion

The results of the first hypothesis test indicate that servant leadership significantly influences service quality, with a direct regression coefficient of 0.634 and a significance value of 0.000 (<0.05). This finding aligns with Parasuraman's (2021) theory, which emphasizes the importance of leaders in creating responsive, reliable, and empathetic service. In the context of Bank OCBC NISP, this confirms that a leadership style focused on empowering and supporting employees can improve customer service standards, although implementation in outlying areas such as Bandung Regency and West Bandung Regency still requires strengthening. This finding is also consistent with a study by Lydiastuti & Rijanti (2025) which showed a positive correlation between leadership style and improved service performance in the Indonesian banking sector. The second hypothesis indicates that servant leadership significantly influences employee loyalty, with a coefficient value of 0.862 and a significance value of 0.000. This reinforces previous literature (Eva et al., 2021; Gunawan & Ningsih, 2022), which states that servant leaders are able to create emotional connections and strong commitment from employees to the

organization. In the context of OCBC NISP, this leadership style is evident in internal programs such as LALA and ONePIC. However, descriptive results also indicate that loyalty dimensions such as emotional involvement and a sense of belonging still need to be strengthened, especially in branches in outlying areas. Therefore, these results emphasize the importance of implementing servant leadership more consistently to strengthen loyalty as the foundation for sustainable service.

The third hypothesis was also confirmed: employee loyalty significantly influences service quality, with a regression coefficient of 0.414 and a significance value of 0.000. This confirms that loyal employees—who feel emotionally engaged, proud of the institution, and have the intention to stay—will provide higher-quality, more consistent service and be more responsive to customer needs. This research reinforces the findings of Yoon & Lim (2023) and Fitriani & Kurniawan (2023), who stated that loyalty plays a crucial role in creating positive service interactions. In this case, loyalty is not only the result of organizational policies but also the result of social and psychological relationships built by a strong, humanistic leadership style. The results of the fourth hypothesis testing and the Sobel test showed that employee loyalty significantly mediates the effect of servant leadership on service quality (Sobel's t -test = 10.10; p = 0.000). This finding provides novelty to the Indonesian literature, particularly in the suburban banking sector, which has not been widely studied through mediation. Unlike previous studies that only highlighted the direct relationship between variables, this research provides empirical evidence that loyalty acts as an internal mechanism that bridges the influence of leadership on

service quality. This novelty reinforces the urgency of implementing a servant leadership style not only as a performance-driving tool but also as a foundation for building loyalty that has a long-term impact on service quality, particularly at non-priority branch offices in suburban areas.

CONCLUSION

This study concludes that servant leadership has a significant influence on service quality, both directly and indirectly through employee loyalty as a mediating variable. Servant leadership has been shown to create a supportive and humanistic work climate, which encourages employee emotional engagement and commitment to the organization. High employee loyalty then positively impacts the quality of service interactions, creating more professional, empathetic, and responsive service to customer needs. These findings reinforce the importance of a leadership approach that emphasizes employee empowerment, empathy, and development to continuously improve service quality.

Although the implementation of servant leadership and employee loyalty has demonstrated a positive contribution to service quality, the study also identified implementation gaps, particularly in Bank OCBC NISP branches in outlying areas such as Bandung Regency and West Bandung Regency. One of the main obstacles encountered is the unequal distribution of training, career guidance, and two-way communication between leaders and employees at the local level. Therefore, it is recommended that Bank OCBC NISP's central management strengthen its leadership decentralization strategy through regular servant leadership-based training for branch managers and

provide a more active monitoring and coaching system to ensure consistent implementation of work culture values such as ONePIC across all operational units. To ensure equitable service quality improvements, OCBC NISP also needs to develop employee engagement programs that are adaptive to the characteristics of outlying areas, including strengthening employee and customer feedback systems. Furthermore, the integration of learning technologies such as microlearning and gamification within the Learning Anytime, Learning Anywhere (LALA) program can be maximized to reach all branches. By addressing implementation challenges at the local level and undertaking continuous systemic improvements, Bank OCBC NISP has the opportunity to strengthen its position as a bank with superior service not only at the central level but also throughout its operational network.

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