

## **Achieving High Organization Performance through Servant Leadership**

By DAVID E. MELCHAR and SUSAN M. BOSCO\*

*This empirical paper investigates whether a servant leader can develop a corporate culture that attracts or develops other servant leaders. Using the survey developed by Barbuto and Wheeler (2006), servant leader characteristics in managers were measured at three high-performing organizations. Results indicate that servant leaders can develop a culture of followers who are servant leaders themselves. This is one of the few studies to empirically test the model of servant leadership in an organizational environment. The success these servant leaders have achieved in a for-profit, demanding environment suggests this leadership style is viable for adoption by other firms.*

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JEL Classification: M12

### **I. Introduction**

Leadership remains a relatively mysterious concept despite having been studied for several decades (Gupta, McDaniel & Herath, 2005). From trait to behavioral theories, none completely explain the variety of leaders and the nature of their leadership interactions. It is understood that, at one level, leadership is a relationship between a person who influences the behavior or actions of other people and those who are so influenced (Mullins, 1996). Mullins proposes that leadership is a dynamic process that can be altered to suit a particular management philosophy (Ehigie & Akpan, 2004).

At the organizational level, leadership establishes and transmits to all employees the overarching direction of the organization, as such, developing a better understanding of effective leaders is important for future leader development (Gupta et al., 2005). The European Foundation for Quality Management (EFQM) (2009) defines leadership at the strategic level as "how leaders develop and facilitate the achievement of the mission and vision, develop values required for long-term success and implement these via appropriate actions and behaviors, and are personally involved in ensuring that the organization's management system is developed and implemented."

### **II. Leadership Practices in Service Organizations**

Leadership is specifically identified as a key element of service firm success due to the importance of cooperation, learning, and customer relations in this environment (Douglas & Fredendall, 2004; Gupta, et al., 2005; Moreno, Morales, & Montes, 2005; Politis, 2003). In addition Gupta et al. (2005) state that the more competitive nature of the service industry requires more time and effort to be committed to leadership activities. To maintain a competitive edge, an organization must be able to adapt and change in order to improve processes—

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\*Bosco: Roger Williams University, 1 Old Ferry Rd., Bristol, RI 02809. (E-mail: sbosco@rwu.edu), Phone: (401) 254-3175, Fax: (401) 254-3545; Melchar: Roger Williams University, 1 Old Ferry Rd., Bristol, RI 02809. (E-mail: dmelchar@rwu.edu), Phone: (401) 254-3632, Fax: (401) 254-3545.



leadership is a key component to achieving these outcomes (Chien, 2004). According to Keith (2009), such organizations must be able to serve customers well, which entails meeting their needs. And in order to meet customers' needs, organizational leaders must first identify and meet the needs of their employees; otherwise, they will not be able to or interested in helping customers.

Leadership styles and traits that have been considered important to success in unstable environments include being participative (Politis, 2003), supportive to members (Senge, Roberts, Ross, Smith, & Kleiner, 1994), and transformational (Moreno, et al., 2005; Senge et al., 1994).

Using the transformational and transactional leadership model (Avolio, Bass, & Jung, 1999) as a basis for their study, Jabnoun and Al-Ghasyah (2005) attempted to further identify leadership styles related to ISO 9000. They found through factor analysis that four of the five dimensions measured were related to the success of ISO 9000 implementation. These factors are the following: intellectual stimulation, charisma, contingent reward, and active management-by-exception. The fifth dimension, empowerment, was added by Jabnoun and Al-Ghasyah (2005) because it is considered one of the key characteristics of quality leadership (Feigenbaum, 1996; Hartline & Ferrell, 1996). Leaders create a culture of empowerment for subordinates by providing guidance and training (Spencer, 1994) as well as sufficient resources and authority to be able to satisfy external customers (Watson & Johnson, 1994) who are key to success in the service industry. The empowerment-related items measured in Jabnoun and Al-Ghasyah's study (2005, p.25) are:

1. Providing subordinates with sufficient training to achieve goals
2. Providing subordinates with sufficient resources to achieve goals
3. Supporting the professional growth of employees
4. Sharing information with employees
5. Empowering employees
6. Enabling employees
7. Ensuring a good working environment
8. Clearly explaining what is expected from employees

Employee fulfillment has also been found to be positively related to business performance. Douglas and Fredendall (2004) found significant relationships between employee fulfillment and financial performance and customer satisfaction. Anderson, Rungtusanatham, Schroeder, and Devaraj (1995) and Douglas and Fredendall (2004) also found a strong relationship between employee fulfillment and customer satisfaction. Chien (2004) states that employee fulfillment, as it relates to performance motivation, is often associated with job characteristics. These characteristics include decision-making, room for independent action, ownership, participation, and leadership behavior.

### **III. The Servant Leadership Model**

The model of servant leadership, as proposed by Robert Greenleaf (1977) seems especially well suited to providing employees with the empowerment and participatory job characteristics that are related to both employee and customer satisfaction as noted above. Greenleaf (1977) states that the focus of servant leadership is on others rather than self and on understanding the role of the leader as servant. The servant leader, according to Russell and Stone (2002), takes the position of servant to his or her fellow workers and aims to fulfill the needs of others. Page and



Wong (2000) define servant leadership as serving others by working toward their development and well being in order to meet goals for the common good. Another definition that is evident in the servant leadership literature describes servant leadership as "distancing oneself from using power, influence and position to serve self, and instead gravitating to a position where these instruments are used to empower, enable and encourage those who are within one's circle of influence" (Rude, 2003 in Nwogu, 2004, p.2). Servant leaders trust followers to act in the best interests of the organization and focus on those followers rather than the organizational objectives (Stone, Russell & Patterson, 2004).

We propose that the growth in service firms and the demonstrated relationships between employee fulfillment and motivation, customer satisfaction and corporate financial performance, make the study of servant leadership especially timely. According to Laub (1999) and Parolini (2005), organizations that can create a healthy, servant-minded culture will maximize the skills of both their workforce and leadership. Servant leaders are influential in a non-traditional manner that allows more freedom for followers to exercise their own abilities (Russell & Stone, 2002), consistent with the qualities in the employee fulfillment model.

One criticism of servant leadership has been its lack of support from "published, well-designed, empirical research" (Northouse, 1997, p.245) and its reliance on examples that are mostly "anecdotal in nature" (Northouse, 1997, p. 245). Therefore, acceptance of the theory has not been strong enough to generate widespread acceptance (Russell & Stone, 2002).

This criticism is being addressed through the increased empirical study of servant leadership (Bryant, 2003; Drury, 2004; Laub, 1999; Nelson, 2003; Page & Wong, 2000; Parolini 2005; Patterson 2003; Stone, et al., 2004; Russell & Stone, 2002; Sendjaya, 2003; Sendjaya & Sarros, 2002; Smith, 2003; Winston, 2003). Wong and Page (2003) provide two reasons for this surge of interest in servant leadership: servant leadership is part of the larger movement away from command-and-control leadership toward the IT-based economy's participatory and process-oriented leadership style; and servant leadership appears to hold the promise of being an antidote to the corrupt-ridden corporate scandals of recent memory. Senge et al. (1994) also support this last reason with this statement, "In an era of massive institutional failure, the ideas of servant leadership point toward a possible path forward, and will continue to do so" (in Nwogu, p. 1). In order for progress to be made in the area of servant leadership research, studies must move beyond further theoretical development; adequate measurement is required as well. Sendjaya (2003) argues that rigorous qualitative and quantitative research studies on the constructs of servant leadership are the logical next step if the concepts are to be transformed into an intelligible whole. The number of empirical studies is increasing and includes dissertation research by Patterson (2003), Bryant (2003), Nelson (2003), and Smith (2003) among others.

This paper extends research conducted by Patterson (2003) and Barbuto and Wheeler (2006) which has begun to examine the "how" of servant leadership instead of the "what." They have done so by operationalizing servant leadership through description of the behaviors of servant leaders, as well as those factors that influence followers in addition to assessing their relationship to organizational performance. Besides understanding the leader's perception of himself or herself relative to his or her followers, we also need to understand the followers' perceptions of the servant leader. With followership as the essence of servant leadership, further research is clearly needed on the effect of a servant leader's actions on followers.

Hollander (1992) points out that followers accord or withdraw support to leaders, thereby contributing or not to that leader's success. They also play an important role in defining and shaping the leader's actions through their perceptions (with expectations and attributions) about



leader performance (Nwogu, 2004). When employees perceive their supervisors serve, empower, and cast vision to them, they will be more likely to experience the organization as one of servant leadership (Parolini, 2005).

As leaders look out for the interests of followers and the organization over personal interests, facilitate a mutual sharing of responsibility and power with followers, and include followers' feedback in developing the vision, it is more likely followers will perceive the leader and culture as servant oriented as defined by Laub (1999). Parolini (2005) identifies servant leadership as valuing and developing people, building relational and authentic community, and providing and sharing leadership.

The development of a servant leader culture occurs when followers are the recipients of servant leadership behaviors. The followers reciprocate for the support received by engaging in behaviors that benefit their leaders and fellow members, such as citizenship behaviors (Ehrhart, 2004). They are also more likely to develop high leader-member exchange (LMX) relationships in their work groups (Liden, Wayne, Zhao, & Henderson, 2008). Because servant leaders focus on building the leadership potential in followers (Greenleaf, 1977; Liden et al., 2008), subordinates may take on informal leadership roles in their groups, helping to meet the needs and desires of fellow group members. By training leaders in these styles, organizations may help foster productive leader—subordinate relationships in large or diverse groups. "Servanthood" (Liden, 2008; p. 163) thus builds a working climate that generates feelings of employee empowerment, resulting in better performance.

In addition to positive performance outcomes, organizations that value servant leaders promote the metamorphoses of followers into servant leaders themselves thereby creating a culture of servant leadership. Employees who use this leadership model in organizations may be more committed to organizational values and maintain high-performance levels (Wayne, Shore, & Liden, 1997). In fact Greenleaf (1977) initially proposed that servant leaders develop followers into servants who are autonomous moral agents who themselves continue to develop others into servants. Greenleaf clarified that servant leaders develop followers to grow them as persons, to become wiser, healthier, freer, more autonomous, and more likely to become servants themselves.

Formal theory and research designed to test the claimed strengths of servant leadership is still at a nascent level, however (Liden, et. al, 2008). It is important that we develop a better understanding of such multi-level issues as how can servant leadership be enacted at both the individual and group-levels to influence key outcomes, such as performance or organizational success (Schriesheim, Neider, & Scandura, 1998; Yammarino, Dionne, Chun, & Dansereau, 2005). Whether the pervasiveness of servant leader behaviors across all followers in a work group influences each individual's commitment to the organization and performance in that organization is still to be determined.

Smith et al. (2004) suggest that transformational and servant leaders operate from distinct motives and missions to create distinct cultures. They describe servant leaders as being motivated by "an underlying attitude of egalitarianism" (p. 85) where individual growth and development are goals in and of themselves. This motivation creates a distinct culture that is spiritually generative. This study examines whether the incorporation of servant leadership at the strategic management levels of an organization engenders a culture of servant leadership at lower levels of management. According to Hamilton (2008), several positive outcomes can be observed at servant-led organizations, including the following:



- mission and value focus;
- creativity and innovation;
- responsiveness and flexibility;
- commitment to both internal and external service;
- respect for employees; employee loyalty; and
- celebration of diversity.

There is, however, no empirical evidence to support these assumptions. Joseph and Winston (2005, p. 16) have also claimed that servant-leadership has the potential to improve an organization's productivity and financial performance; however, they cite references that lack any empirical evidence to support their claim (Andersen, 2009).

Theory-building research over several years has provided insight into potential characteristics of servant leaders. The identification of these characteristics provides the distinguishing elements that Russell and Stone (2002) claim are necessary in order to move this theory into the empirical realm. Spears began to develop a description of unique servant leader characteristics in 1999. He identified the following ten functional attributes of servant leaders: listening, empathy, healing, awareness, persuasion, conceptualization, foresight, stewardship, growth of people, and community building as a basis for a servant leadership model. Both Nwogu (2004) and Russell and Stone (2002) refined Spears' (1995) model, proposing a nine-characteristic model with the following attributes: vision, honesty, integrity, trust, service, modeling, pioneering, appreciation of others, empowerment, and delegation. They also added several other characteristics: communication, credibility, competence, stewardship, visibility, influence, persuasion, listening, encouragement, and teaching. Servant leadership is a concept that can potentially change organizations and societies because it stimulates both personal and organizational metamorphoses. If it is a different type of leadership, however, it should possess distinctive characteristics and behaviors; research thus far remains ambiguous on these points (Russell & Stone, 2002). Now the task is to establish the traits, characteristics, and behaviors of genuine servant leaders through empirical study. Each attribute of servant leadership needs research to clarify the character and importance of the attribute. Valid research might also alter the list of functional and accompanying attributes of servant leadership. Researchers should not only refine the characteristics of genuine servant leadership but also take the next step of analyzing the impact of servant leadership on organizations (Russell & Stone, 2002). Our study examines whether servant leader characteristics can be modeled within an organization with the result of their incorporation into the leader behaviors of other managers. In addition to the lack of empirical work that examines the concept of servant leadership itself, other limitations in this area have been cited by other researchers. Liden et al. (2008), for example, stated that one of the limitations of their study was the common organizational membership of the supervisors which may have affected the findings of between-group differences. Mayer et al. (2008) also discuss their concerns with the use of a single source for the evaluation of servant leader behaviors and recommend the collection of data from multiple organizations to address this issue. They also suggest that future research use data from multiple sources and a subject pool of working adults.

Until now, however, the lack of a valid instrument to measure the servant leader construct has limited the empirical work that needs to be done in this area. Recently, Barbutto and Wheeler (2006) developed an instrument to specifically measure servant leader characteristics as a cohesive whole. They initially tested for 11 characteristics of servant leaders, incorporating Spears (1995) for 10 of them and adding their own item, which they named "calling" (2006). They



defined calling as “a desire to serve and willingness to sacrifice self-interest for the benefit of others” (p.300). The other 10 characteristics are: listening, empathy, healing, awareness, persuasion, conceptualization, foresight, stewardship, growth, and community building. The final instrument measures five factors derived from these characteristics: Altruistic calling, emotional healing, wisdom, persuasive mapping, and organizational stewardship.

These characteristics are defined as follows by Barbuto and Wheeler (2006):

- Altruistic calling is a leader’s deep-rooted desire to make a positive difference in others’ lives. Because the ultimate goal is to serve, leaders high in this attribute will put others’ interests ahead of their own and diligently work to meet followers’ needs.
- Emotional healing describes a leader’s commitment to and skill in fostering spiritual recovery from hardship or trauma. Leaders who use emotional healing are highly empathetic and great listeners. They create environments that are safe for employees to voice personal and professional issues.
- Wisdom is a combination of awareness of surroundings and anticipation of consequences. Leaders who have this attribute are adept at picking up cues from the environment and understanding their implications.
- Persuasive mapping is the extent to which a leader uses sound reasoning and mental frameworks. Leaders who score high in this characteristic are persuasive, offering compelling reasons to get others to do things.
- Organizational stewardship describes the extent that leaders prepare an organization to make a positive contribution to society through community development, programs, and outreach. These leaders also work to develop a community spirit in the workplace, one that is preparing to leave a positive legacy.

We have extended this research into the for-profit context using the Barbuto and Wheeler instrument (2006) to measure servant leader characteristics. The rater version of this instrument had coefficient alphas ranging from .82 to .92 for the subscales; therefore, it had sufficient internal reliability for our study. Our hypotheses are as follows:

H1—Mid-level managers who report to servant leaders will exhibit above-average levels of servant-leader characteristics themselves.

H2—There will be no differences in the observations of servant-leader characteristics according to worker age, years of experience, or level of education.

#### **IV. Research Design**

This research study used Barbuto and Wheeler’s (2006) Servant Leader Questionnaire to assess mid-level service managers of three high-performing automobile dealerships to determine whether they were considered by their employees to exhibit servant-leader behaviors. This is one of few empirical studies of this model in the for-profit market. We also measured demographic variables (gender, age, education, and length of service) to determine whether perceptions of the managers were affected by any of these factors.

##### *A. Subjects*

Subjects were mid-level managers and their employees at three automobile dealerships identified by their manufacturers as high-performing in their region and dealership size. All three dealerships represented different manufacturers. These dealerships sell exclusive brands whose



customers are among the more demanding in this market due to the cost and image of these automobiles. The leaders of these high-functioning service corporations achieve outcomes indicative of their ability to effectively manage their employees.

The criteria that manufacturers use to distinguish top-performing automobile dealerships vary, but generally are based on customer satisfaction and sales volume. Included in customer satisfaction are satisfaction rates, based on customer surveys, for sales and service that exceed dealership regional and size averages. Additionally, sales goals for vehicles and parts must be met. Finally, all dealership departments must meet or exceed training requirements set by the manufacturer. All three dealerships used in the study were identified as top-performing dealerships (in the top 10 percent of their category) in the United States in the year preceding the study. Two of the dealerships were identified by their manufacturer as being the best in the United States for customer service for their respective brands.

There were a total of 59 respondents for all three dealerships. The average number of years with the current employer was 5.8, with a minimum of one year and a maximum of 24 years. Ages ranged from a minimum of 19 to a maximum of 81, with a mean of 38 years. The mode for highest educational level completed was high school. As is the norm in automobile dealerships, the majority of subjects, 91 percent, were male. Due to the low number of subjects for each individual dealership, we used an ANOVA to determine whether there were any significance between subject differences based on organizational membership. The ANOVA, performed for the factors of age, number of years with current employer, and highest educational level completed was not significant. Therefore, all other analyses were performed for the entire subject pool.

### *B. Interviews*

Qualitative interviews were conducted a priori in order to determine whether there were main themes that reflected the senior leader's "servant leader" orientation. Three strategic-level leaders were interviewed—one at each of the automobile dealerships in the study. Questions were developed based on the servant leader literature to extract responses that would provide in-depth knowledge of the leaders' interactions with their employees. Examples of questions are "Who is your role model for your leadership style?," "How is training done?," "What tools and help do the employees need?"

Their responses were recorded and then interpreted by each rater to determine common themes. These themes were categorized by each rater and then compared to the characteristics of servant leaders as provided by the literature (Russell and Stone, 2002; Spears, 1995). These themes and their associated characteristics from the literature are presented in Table 1. Because the interviews revealed behaviors and attitudes consistent with servant leadership, it was deemed appropriate to proceed with the distribution of the Servant Leader Questionnaire (Barbuto & Wheeler, 2006).



**Table 1: Servant Leader Traits Provided by Study Participant Leaders**

<b>Servant Leader Traits*</b>	<b>Interview Data on Common Behaviors</b>
Modeling behavior, stewardship	Leading by example
Honesty, trust, integrity, credibility	Earning people's trust
Appreciation of others	Respecting people – employees and customers
Concern for growth of people, community building, delegation, teaching	Making employees part of the team – including them in education, training, events, promote from within
Empowerment of employees, encouragement	Let people resolve issues themselves so that they feel empowered
Listening , communication	Communicating to employees, making sure that people understand their jobs

\*Russell and Stone (2002), Spears (1995), Nwogu (2004), Barbuto and Wheeler (2006)

### *C. Surveys*

Each employee received the appropriate version(s) of the questionnaire which were distributed by the investigators to ensure a complete sample. The survey was approved by the Human Subject Review Board of the university. Each questionnaire packet included a consent form as well as a postage-paid envelope addressed to the investigators.

All subjects completed an employee (rater) version of the Servant Leader Questionnaire voluntarily during a two-week period. The response rate for all employees was 27 percent. Subjects who were also identified as managerial completed the manager (self) version of the Servant Leader Questionnaire over the same time period. Due to a low response rate among the managers, these data were not included in the analyses.

### **V. Results**

Table 2 shows the descriptive statistics for the study variables, including subject characteristics and the five servant leader factors. The means for each of the five servant leader factors had values above the arithmetic mean of 2.5, ranging from a low of 2.8 to a high of 3.45.



**Table 2: Descriptive Statistics for Servant Leader and Demographic Factors**

	N	Min.	Max.	M	SD
Organizational Stewardship	59	1.80	4.00	3.18	.56
Emotional Healing	59	1.50	4.00	2.80	.71
Persuasive Mapping	59	1.60	4.00	3.02	.59
Wisdom	59	1.60	4.00	3.45	.52
Altruistic Calling	59	1.75	4.00	3.13	.54
Highest Level of Education	58	1	4	2.14	1.33
Years with Current Employer	55	1	24	5.72	5.96
Age	56	19	81	37.70	14.23

Table 3 shows the correlation matrix for the study variables. There was no significant correlation between the variables of age, highest level of education, or years with current employer. The five servant leader factors were significantly correlated.

**Table 3: Correlation Matrix for Servant Leader and Demographic Factors**

Variables	Yrs. with current employer	Age	Highest level of Ed.	OS	EH	PM	W
Age	.164						
Highest level of Ed.	.263	-.106					
Organizational Stewardship	-.036	-.259	-.056				
Emotional Healing	.082	-.015	.143	.537**			
Persuasive Mapping	.002	-.070	.166	.645**	.531**		
Wisdom	.004	-.070	.122	.456**	.457**	.453**	
Altruistic Calling	.029	-.010	-.162	.491**	.395**	.288*	.547**

\*Correlation is significant at the .05 level (2-tailed).

\*\*Correlation is significant at the 0.01 level (2-tailed).

We then compared coefficient alphas for the Barbuto and Wheeler (2006) study to our study. This instrument uses 28 questions to measure levels of the five servant-leader characteristics. The results are in Table 4.



**Table 4: Comparison of Coefficient Alphas for Servant Leader Factors**

Servant Leader Factor	Coefficient Alphas (Barbuto and Wheeler)	Coefficient Alphas (Current study)
Organizational Stewardship	.89	.80
Emotional Healing	.91	.85
Wisdom	.92	.83
Altruistic Calling	.82	.84
Persuasive Mapping	.87	.81

To test Hypothesis 1, that mid-level managers who report to servant leaders will exhibit above-average levels of servant-leader characteristics themselves, we used the Barbuto and Wheeler (2006) instrument as noted previously. The means for all five factors were above 2.5, ranging from 2.8 to 3.4, indicating that all subjects in this study possess above-average levels of the servant-leader characteristics. These mid-level managers exhibit behaviors to their followers that are consistent with those of the high-level leaders of their organizations. Therefore, Hypothesis 1 is supported.

In order to test Hypothesis 2, that there will be no differences in the observations of these characteristics according to worker age, years of experience, or level of education, we used ANOVAs. The results are in Table 5, Panels A, B, and C.

**Table 5: Panels A, B, C ANOVAs for Servant Leader Characteristics**

Panel A – Years with Current Employer					
Variables	Sum of Squares	df	Mean Square	F	Sig.
Organizational Stewardship	2.870	16	.179	.522	.918
Emotional Healing	2.870	16	.179	.522	.918
Wisdom	4.374	16	.273	1.026	.454
Altruistic Calling	4.261	16	.266	.924	.551
Persuasive Mapping	4.457	16	.279	.742	.734
Panel B – Highest Level of Education					
Variables	Sum of Squares	df	Mean Square	F	Sig.
Organizational Stewardship	.544	3	.181	.566	.640
Emotional Healing	.690	3	.230	.441	.724
Wisdom	.641	3	.214	.771	.515
Altruistic Calling	.829	3	.276	.941	.427
Persuasive Mapping	.935	3	.312	.881	.457
Panel C – Age					
Variables	Sum of Squares	df	Mean Square	F	Sig.
Organizational Stewardship	12.142	32	.379	1.781	.077
Emotional Healing	17.496	32	.547	1.312	.252
Wisdom	9.840	32	.308	1.366	.221
Altruistic Calling	11.215	32	.350	1.727	.088
Persuasive Mapping	11.399	32	.356	1.086	.425



There were no significant differences among subjects based on highest level of education, number of years with current employer, or age; therefore, Hypothesis 2 was supported

## VI. Discussion

Our results support the contention that the modeling of servant leadership by strategic level managers can create an organizational culture in which servant leaders develop among lower-level managers. Servant leadership can provide a successful alternative to other leadership styles such as autocratic, performance-maintenance, transactional, or transformational. This is seen in the exemplary performance of the organizations used in this study. The luxury automobile market requires a high level of commitment by all employees in order to be successful. The products themselves are expensive to purchase and maintain; therefore, individuals who buy them expect the very best service and satisfaction.

The servant-leader characteristics with the highest means were in the areas of wisdom, organizational stewardship, and altruistic calling. The items within wisdom focus on the leader's knowledge of the industry and the organization. Certainly, in order for an individual to be considered a good leader, he or she must be trusted to be knowledgeable and competent about the business—this aspect was the most highly rated by the employees. Organizational stewardship incorporates aspects of knowledge about the organization as well as ability to link organizational with personal goals in an ethical manner. The concept of integrity, then, has value to followers—they want a leader who cares about them as well as the organization. This factor includes moral and ethical behavior; therefore, a leader should be someone who can be trusted to do the “right thing” by people and the organization. Altruistic calling includes a tenet that is central to servant leadership—the leader puts the needs of followers ahead of his or her needs. This factor also includes consideration of the organization making a positive difference in society, echoing the concept in organizational stewardship that success should not be achieved at the cost of ethics and moral standing in the community or industry. These three factors incorporate behavioral aspects that are intertwined with the ideals of the followers for a corporate model that values knowledge, social responsibility, and the development of individuals.

Servant leadership has been effective within the three companies that participated in this study. The top service ratings at each of these companies add to increased business through customer loyalty. Since service income is a large contributor to the bottom line in the automotive dealership industry, leadership style is clearly an important factor to growth in net profit through promotion of a culture that increases this income.

No significant differences were noted in the perceptions of the leadership style of the managers based on employee age, length of time with the company, or level of education. These results suggest that servant leadership should be effective for most, if not all, employees. The employees of these organizations considered the behaviors that are characteristic of this leadership model to be relevant and desirable. Our results also indicate that senior leaders who exhibit servant-leader behaviors may be able to encourage other organizational leaders to use this style, resulting in consistency of expectations for employees through a consistent organizational culture. In a demanding, high-performance industry, employees seek leadership that will engender organizational success. Employees' personal achievements are related to those of the company; therefore, if a leader can positively influence them to perform at higher levels, they, in turn, will benefit from the organization's success.



## VII. Limitations and Conclusions

We were able to empirically test the servant-leader model in three high-performing organizations whose employees are expected to perform their duties at a very high level. This was a unique opportunity to examine the theory in a non-laboratory setting. There were limitations, however, in that we did examine only one industry. Therefore, our results may not be generalizable to other types of for-profit environments. In addition our sample size was somewhat small, although the coefficient alphas were consistent with those in the Barbuto and Wheeler (2006) study.

In summary the servant-leader model offers a positive alternative to other leadership theories, moving the concept of leadership to one that encompasses behaviors that are effective while also providing a supportive environment for human development. The ability to measure the constructs of this theory consistently among organizational contexts is seen through this current study. We analyzed this model in for-profit environment organizations with proven achievement in customer service, a key contributor to success in today's economy. Clearly, servant leaders can be successful in a competitive, for-profit, service organization. This leadership theory should be studied empirically in other environments to determine whether external or internal factors exist that could impact its effectiveness. Also, further examination of the main components of servant leadership, particularly trust, valuing of others and ethical conduct could further expand important knowledge relating to employee empowerment and productivity. The review of servant-leader practices of other for-profit and not-for-profit organizations may continue to increase our understanding of servant-leader behaviors and the degree to which they promote positive work cultures and enhanced organizational performance. As noted by Russell and Stone (2002), power should not dominate our conceptualization of leadership because it prevents movement toward a higher standard of leadership; service should be at the core in order to promote the success of other organizational members, thereby contributing to positive outcomes for all concerned.

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