

# **Servant Leadership and its Implications for Organisational Management in the Furniture Décor Industry: A Case Study**

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## **ABSTRACT**

An analysis of servant leadership theory, strengths and weakness reveals that while servant leadership fosters organizational growth, individual development, and values, it does not resolve goal conflict and remains a soft approach. Of the leadership theories, servant leadership was introduced recently and is in line with the environmental changes of the organization. Servant leadership is a combination of two words, 'servant' and 'leader' and can be defined as the role of the leader who focuses on doing voluntary work for others with altruistic ethics, makes members, customers, and local communities a priority, and makes a commitment to satisfying their needs. This paper, reviews existing research on servant leadership and diagnoses if servant leadership is a useful concept for management implementation in select organisations. The study revealed that while the concept is indeed useful, successful management requires a blend of leadership styles to sustain job satisfaction and output performance as businesses today are undergoing rapid transition in both technology as well as human resources.

**KEY WORDS** Servant leadership, leadership, employee satisfaction, management style

## **INTRODUCTION**

Servant Leadership is a leadership philosophy first espoused by Greenleaf in his 1970 essay, "The Servant as Leader." He states that servant leaders are servants first and leaders later. As such people have a natural inclination to serve, they aspire to lead. This is in sharp contrast to the traditional leaders who aspire to lead to assuage an unusual power drive or to acquire material possessions (Nayab 2011).

Leadership researchers and writers such as Bass (2000), Blanchard (2002) have mooted the idea that servant leadership should be considered by the leaders of today's organizations. Some writers have specifically recommended servant leadership as a way to counterbalance ego and redirect power in a prosocial manner (Sashkin&Sashkin 2003), for serving and developing others (Greenleaf 1970; Stone, Russell, & Patterson 2003), and for the good of the organization (McCann, Graves & Cox 2014 ).

Organizational leaders are seeking ways to increase worker commitment and satisfaction. Theories of job satisfaction and organizational commitment have implications for how leaders relate to followers in an organization. For example, if job satisfaction is a by-product of meeting different motivational needs within the employee (French, Rayner, Rees& Rumbles 2011) then motivation and power become important aspects of a leadership style. Therefore, leaders who value job satisfaction must consider management's view of the nature of man and Maslow's (1954) need hierarchy. French et al. (2011) summarize these related issues by stating that no one approach motivates all employees; therefore, it is vital that organizations promote a variety of leadership practices. The servant leadership is a leadership style that is positively related to job satisfaction, which is defined as a pleasurable or positive emotional state resulting from the appraisal of one's job and job experiences. More recently, these views have been strongly supported and replicated in the studies of McCann et al. (2014), Kim, Kim & Choi (2014), Lisbijanto&Budiyanto ( 2014), and Guillaume, Honeycutt, & Savage-Austin (2013).

This paper presents the findings of a study conducted with key personnel from the furniture manufacturing and international décor design firms regarding their experiences and perceptions of servant leadership.

## **LITERATURE REVIEW**

### **Servant Leadership**

The concept of servant leadership is not new to organisations (Sendjaya&Sarros 2002; Greenleaf 1977) and it has been described as a fundamental timeless principle (Covey 1977).

*“The servant-leader is servant first... It begins with the natural feeling that one wants to serve, to serve first. Then conscious choice brings one to aspire to lead. That person is sharply different from one who is leader first, perhaps because of the need to assuage an unusual power drive or to acquire material possessions...The leader-first and the servant-first are two extreme types. Between them there are shadings and blends that are part of the infinite variety of human nature (Greenleaf 1970).”*

Servant leadership is both a leadership philosophy and set of leadership practices. Traditional, autocratic leadership generally involves the accumulation and exercise of power by one at the top of the organisation. By comparison, the servant-leader shares power, puts the needs of others first and helps people develop and perform as highly as possible in the interest of the organisation. Servant leadership is

based on the democratic principle that belief in human dignity, value and authority of the leaders stemmed from his subordinates (Spears 1995).

### **Characteristics of Servant Leadership**

To further define Greenleaf's paradigm shift, Spears (2004) identified ten characteristics of a servant-leader:

- **Listening:** Servant leaders must listen to verbal and non-verbal signals and interpret what the others are saying. In addition, the servant leader must listen to their inner thoughts and feelings and interpret them (Spears 2004:2). Successful people understand the immense value of being a good listener as it enables leaders to obtain information and find meaning in what is being said. However, during crisis situations, listening and consultative processes may have to be suspended in favour of issuing specific orders as the situation demands.
- **Empathy:** Servant leaders personally know each employee and appreciate that everyone has something productive to offer. According to Spears (2004: 3) the most successful servant-leaders are those who have become skilled empathetic listeners. However, in the evolving organisation it is very difficult to assume the good intentions of co-workers and colleagues because of competition and the need to climb the corporate ladder.
- **Healing:** "Servant-leaders recognize that they have an opportunity to help make whole those with whom they come in contact" (Spears 2004:3). There is no better way to forge relationships with others than by helping them overcome obstacles and become productive employees of the organisation.
- **Awareness:** Servant leaders should "view most situations from a more integrated, holistic position." "Awareness is a disturber and an awakener. Able leaders are usually sharply awake and reasonably disturbed" (Spears 2004:3). Leaders who are aware of the organisational climate especially the moral and ethical issues are better able to ascertain conflicts of interest and provide support to all employees.
- **Persuasion:** The servant leader should rely "on persuasion, rather than on one's positional authority, in making decisions within an organization." The technique of convincing rather than coercion should be used. This is in contrast to the "authoritarian model" of leadership. "The servant-leader is effective at building consensus within groups" (Spears 2004:3). A servant-leader would very often have to discard persuasion, a core characteristic, and recommend corrective or appropriate discipline as befits the situation in a dynamic business environment. Leaders who ignore the principles of teamwork and persuasion restrict the ability to lead and erode individual performance (Brewer 2010).
- **Conceptualization:** "The ability to look at a problem or an organization from a conceptualizing perspective means that one must think beyond day-to-day realities" (Spears 2004:3). The servant leader is organic and has the rare ability to create, plan and manage future situations because of his keen foresight. However, the danger here is unplanned change (Kim, Kim & Choi 2014).

- **Foresight:** "A characteristic that enables the servant-leader to understand the lessons from the past, the realities of the present, and the likely consequence of a decision for the future" (Spears 2004: 3). The servant leader should establish vision and direction and delegate decisions on how to reach the goals. The attributes of conceptualisation and foresight may evoke resistance in employees more especially when ad hoc changes are introduced frequently in tandem with a changing business environment (Kim, Kim, & Choi 2014).
- **Stewardship:** "A commitment to serving the needs of others. It also emphasizes the use of openness and persuasion, rather than control" (Spears2004:4).A servant leader will have to discard the characteristic of openness to maintain confidentiality and the integrity of the organisation's core values and beliefs, for legal reasons and for the protection of others, more often than not.
- **Commitment to the growth of people:** The servant- leader is "deeply committed to the growth of each and every individual within his or her organization." An example is "taking personal interest in the ideas and suggestions from everyone, encouraging worker involvement in decision making" (Spears 2004:4). This trait, while building a trust relationship also encourages communication and sharing of ideas.
- **Building community:** A servant-leader should "seek to identify some means for building community among those who work within a given institution" (Spears 2004: 4). The emphasis is on empowerment in order to promote teamwork and reflect organisational togetherness. In addition, it involves trust and accountability.

The servant leaders listen to, respond to and support employees. In effect, the ten characteristics of an effective servant leader is a question of fundamental moral character and trust. A high trust level among employees gives an organization an agility to respond to the constantly changing business environment without having to hassle with constant internal resistance to change (Kim, Kim & Choi 2014: 1134).

Servant leadership can manifest positive changes in dynamic organisations (Brewer2010: 7). They remove barriers and obstacles, which would prevent employees from growing as individuals and performing well in the workplace. They see to it that personal and professional growth are readily available to employees. A servant leader embraces people-building and development, not people protections-giving care and support while upholding the company's expectations of employee performance and productivity (Lisbijanto&Budiyanto 2014).

### **Servant leadership and organizational development**

Based on the characteristics of servant leadership, the major strength of servant leadership theory is its contribution to organizational development. The servant leader deviates from the traditional leadership style of dominating subordinates and telling them what to do, and rather empowers subordinates and inspires them to perform (Lisbijanto&Budiyanto 2014; McCann et al. 2014). The servant leadership acts proactively to set the way, and inspire the subordinates to follow. Such inspiration

leads to collective efforts, the results of which turn out to be more than the sum of individual efforts (McCann et al. 2014).

According to Deming (Nayab 2011) the most valuable currency of any organization is the initiative and creativity of its members. Every leader has the solemn moral responsibility to develop these to the maximum in all his people. This is the leader's highest priority. This is exactly what servant leadership attempts to promote in organisations. Unfortunately, many times this form of leadership is misconstrued as weak and unassertive, and in search of spiritual values in contemporary managerial practices (Nayab 2011; Eicher-Catt 2005).

The servant leadership framework places great importance on empowerment through teamwork and relationship building (Russell & Stone 2002: 152). Each person in the team plays different roles at different times based on their expertise rather than by their rank or title. According to Nair (1996: 59) as long as power dominates our thinking about leadership, we cannot move towards a higher standard of leadership. Enabling each member to play a significant role generates an infectious energy that helps organizations fulfil their goals and mission, especially during periods of transformation.

While servant leadership gives primary importance to individual needs and aspirations, and tries to make employees perform organizational needs through inspiration, it does not always work to effectively resolve conflict issues related to individual-organization fit. In many instances there are many cases of unresolved conflicts that hamper organisational performance because of the soft approach of servant leadership (Russell & Stone 2002; Drury 2004; Brewer 2010). In evolving organisations situated in dynamic changing environments, shared leadership using different leadership styles will be more appropriate for effective performance (Mason 2013). As organisations evolve to become larger, management structures become more complex with the need to focus on a management matrix.

### **Servant leadership and employee development**

Various writers espouse servant leadership as a valid, modern theory for organisational development. A close analysis of servant leadership theory attributes show that the major strength of the servant leadership style is its contribution to the all-round development of the employee (Russell & Stone 2002; Brewer 2010; Guillaume et al. 2013).

Servant leaders do not push down the organizational goals on the employee. They rather take time and effort to help subordinates understand their strengths, weaknesses, beliefs and values, and identify their potential for increased organisational performance and job satisfaction (Jones 2012) something that they could never attain on their own. The servant leader, thereby, helps employees attain physical and intellectual vitality and fitness, allowing them to lead a balanced life thereby increasing employee satisfaction and organisational commitment which are key elements in determining organisational performance (Rehman 2012).

The servant leader always looks at the good in others and remains patient and forgiving (Nair 1994). They see things from others perspective, exhibit patience, and show empathy. Such qualities being what most people seek from their leaders, servant

leadership creates strong loyalty and inspiration that helps organizations develop and retain human assets (Guillaume et al. 2013). However, the servant leaderships thrust on human resource development would fall flat on its face when market pressures force the organization to downsize.

A major servant leadership criticism relates to its soft approach unsuited to a competitive environment. The servant leader lags behind leaders following other leadership styles in a competitive environment (Nayab 2011). Further, the 'serving' and 'inspiring' qualities is likely to lead to situations where accountability, responsibility and ownership become diluted.

Servant leadership remains moored in social and ethical considerations and achieves power by fostering the development of value-based management. The servant leader includes the employees in the decision making process, and empowers them to act, making servant leadership a form of democratic leadership (Jones 2012).

## **RESEARCH QUESTION**

This paper attempts to answer the following research question:

How effective is servant leadership in an ever changing, highly competitive business environment?

## **METHODOLOGY**

A complex phenomena such servant leadership is best explored by the qualitative research method which seeks a better understanding of the concept and its implications for business organisations. The researcher, therefore, deemed it important to explore the process rather than the outcomes which would provide valuable insights into this phenomenon, in keeping with anti-positivism or interpretism (Sekaran & Bougie 2013).

### **Sampling**

According to Sekaran and Bougie (2013) interviewing a small group of respondents who are likely to be knowledgeable and informative about their business experiences, and what their realities are regarding the phenomenon is feasible. Hence, six respondents, selected through judgemental sampling, were interviewed regarding the phenomenon under investigation. Three companies dealing with furniture manufacture and interior décor were selected using judgemental sampling. The interviewees were selected on the basis of their corporate management experiences in different levels of the organisational hierarchy. The sample comprised of two CEOs from the Furniture Industry, one with 60 years of experience and the other with 30 years of experience, a Managing Director of an International Interior Decorating Company with 35 years' experience and one Factory Foreman with 30 years' experience and two artisans. Judgemental sampling was chosen as this method ensured that the sample unit with knowledge and experience about the research phenomenon were selected (Quinlan 2011).

### **Data Collection and Analysis**

Prior to the interview, the researcher developed a trust relationship with the participants so that they would be confident and willing to share their experiences without fear, to produce useful knowledge (Quinlan 2011).

During the course of the interview, the researcher made detailed notes concerning the original comments, observations, and feelings regarding servant leadership. The researcher was guided by the interview guide. Where applicable and necessary, company records were analysed with specific reference to leadership, job satisfaction and performance. The small sample size facilitated manual content analysis. The data was deconstructed and then reconstructed and grouped together around the core question and theme of the study (Quinlan 2011).

1. Does the current business environment allow for active implementation of servant leadership in its entirety?
2. How effective is servant leadership within the current business environment? Does it lead to job satisfaction?
3. What are some of the challenges when managing a diversified workforce?

### **Limitations**

The non-probability sampling design, which is not generalizable was a limiting factor.

## **RESULTS AND DISCUSSION**

Touted by many managerial elite and organisational theorists as revolutionary thinking, the concept of servant leadership is gaining popularity in recent times as a superior alternative to traditional leadership (Eicher-Catt 2005; McCann et al. 2014). The servant leadership model identifies and addresses the requirements of employees ahead of individual considerations, ultimately leading to the growth of the employees as opposed to the needs of the manager (Jones 2012). The attributes of servant leadership characterised by being a good listener, self-awareness, empathy, stewardship, healing and conceptualisation enable the leader to better understand his employees' needs and maximises their potential for the benefit of the organisation. Several current empirical studies on servant leadership and job satisfaction clearly demonstrate a significant relationship between the two and lend sustainable credibility to the studies of Greenleaf postulated in 1970 (Lisbijanto&Budiyanto 2014, McCann et al. 2014; Guillaume et al. 2013; Brewer 2010).

### **Theme 1 Business Environment**

**Question:** *Does the current business environment allow for active implementation of servant leadership in its entirety?*

All respondents were unanimous in their decision that while servant leadership is an excellent management style, it cannot be implemented in its entirety because of the nature of the diversified workforce in a rapidly changing business environment. According to the respondents, it is difficult for organisations to identify leaders who are ready for change at all times. This challenge is accentuated by changing technology, economic changes, and demographic changes as well government

interventions. For managing change, the respondents believe that a blend of servant leadership with transformational leadership is necessary.

**Question:** *How effective is servant leadership within the current business environment?*

The CEO with over 60 years of business experience exclaimed that it is very difficult to use the soft management approach all the time with all staff. It is necessary at times to lay down the law and at other times to step back and allow the staff to work on their own. This type of leadership style compares favourably with Mason's (2013: 305) self-organising leadership style.

The factory foreman believed that when working with labourers, whose educational level and attention span are limited, the servant leadership concept does not work. The two artisans concurred with the views of the foreman. In fact one of them indicated that he works best under continuous supervision and, therefore, does not mind the "hard approach". Total quality management on the factory floor means that staff have to be continually reminded, mentored and monitored to satisfy cost-effective production requirements and meet delivery dates. This view was supported by both the managing Director and CEOs, that blue collar workers need more support and supervision because of the complexity of their jobs which entails the use of heavy machinery.

The CEO of the International InteriorDecorating Company and the Managing Director believed that several attributes of servant leadership can be practised in office environments with white collar workers where the servant leader continually strives to help subordinates reach their optimum by supporting, inspiring and applauding their achievements. However, subordinates need to be responsible enough not to misconstrue such caring relationship and support for weakness and not giving the attention, priority or urgency to organisational goals as they deserve (Nayab 2011).

**3. Does servant leadership lead to job satisfaction?**

All the respondents agreed that the attributes of a servant leadership style will certainly promote job satisfaction. However, they believe that in the current economic crisis, irrespective of the leadership style, having a permanent job together with a living salary contributed to job security and contentment. The factory foreman as well as the artisans emphasised that the task of the employees is to maximise profitability and as long as they are given the correct directions amidst a secure, working environment and quality leadership, they will work happily. However, the CEO's cautioned that such staff may become complacent which may lead to mediocrity in job performance.

**Theme 2 Challenges of Servant Leadership**

Question: *What are some of the challenges when managing a diversified work force?*

According to the respondents, gaining competitive advantage as well as innovation implies that organisations have to constantly recruit the best talents and more often than not foreign employees are hired because they have the necessary requisite skills.



Managing employees with diversified cultures and work ethics requires pragmatic leadership which disciplines organisational life according to prescribed rules for job engagement. According to the CEO's as well as the Managing Director, a democratic leadership style is best suited initially; thereafter, certain attributes of servant leadership; for example, listening, empathy, persuasion and stewardship become meaningful for collective decision making and gaining trust (Kim, Kim & Choi 2014). However, the factory foreman pointed out that no two employees require the same level of supervision and management at any given time, because employees develop differently and are at different stages of development; hence, leaders need to remember when empowering employees, one size does not fit all.

The factory foreman agreed that it is important to have a trust relationship with all the employees to avoid conflict situations where the goals and values for staff conflict with those of the organisation. According to the CEO of the International firm, the greatest challenges of working with a diversified workforce is adaptation of current work culture as opposed to their home work-culture. The longer it takes for staff to adapt to the host organisation's culture, the chances of conflict arising will be more prevalent. Such a situation is likely to lead to unresolved cases of individual goals and values that conflict with the organizational goals and values and leads to organizational goals remaining unfulfilled (Nayab 2011).

The respondents believed that the servant leader's commitment to building community among the team members might not go down well with all team members, many of whom would have their own personal lives and wish to keep work and family life separate. This servant leadership style will work best when everyone in the organization is committed to the concept, and has certain core skills and behaviours. The CEO with 60 years of experience believed that in the present economic situation, fraught with high staff turnover and retrenchments, servant leadership alone, will not satisfy business and organisational goals because servant leadership is not a quick fix solution and the real benefits of servant leadership will only become apparent in the long run.

## **CONCLUSION and FUTURE RESEARCH**

An analysis of some previous researches reveals that while servant leadership is highly idealistic, it nevertheless, leads to job satisfaction.

The biggest problem with servant leadership is how frequently it is misunderstood. Often, people think this means that the leader is to be subservient and weak, operating from a position of artificial humility and abdicated power. To be a servant leader requires a mind-set and other-orientation that some leaders simply are not prepared for, so that makes it a disadvantage in the minds of some. The qualities a servant leader must be able to consistently exhibit include empathic listening, self-awareness, emotional intelligence, commitment to building and developing people, and interpersonal communication skills.

This study demonstrates that while servant leadership is important for job satisfaction, job security and a liveable wage are more important than the type of

leadership employed to get the job done. Further, the servant leadership concept is more successful in white collar jobs than with labourers.

Future research on this topic should use a mixed methodology that incorporates both qualitative and quantitative methods with a larger sample comprising of managers and their subordinates in different industries.

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