

SERVANT LEADERSHIP
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Good afternoon! It's a pleasure to speak to you this afternoon. I hope you are safe and healthy. These are certainly challenging times.

Today I would like to talk about something that is both very important and very Rotarian, and that is servant leadership. It is a great way to live the Rotary motto, "service above self."

The Modern Servant Leadership Movement

The idea that leaders should serve others is an idea that goes back thousands of years and can be found in a number of traditions. However, there is a modern servant leadership movement. It was launched in the United States in 1970 by Robert K. Greenleaf, who coined the words "servant-leader" and "servant leadership" in his classic essay, *The Servant as Leader*.

Greenleaf was born and raised in Indiana, and worked for AT&T for 38 years, from 1926 to 1964. During those years, AT&T had a million employees and was the largest or one of the largest corporations in the world. Greenleaf started at the bottom, by digging holes for telephone poles, and gradually rose through the ranks to become the Director of Management Research. It was his job to educate and train the leaders and managers of AT&T to be as *effective* as possible.

Greenleaf noticed that there were leaders who were focused on acquiring power and wealth for themselves, and there were leaders who were focused on serving others—their colleagues and customers. After 38 years of experience, he concluded that the most effective leaders were those who focused on serving others.

Greenleaf said that servant leadership starts with the desire to serve, not the desire to lead. Of course, there are many ways to serve. When a person with the desire to serve sees the opportunity to serve *by leading*, then that person accepts leadership responsibility and becomes a servant leader.

Greenleaf focused on growing people, because it is a triple win. When people grow, they benefit personally and professionally. Their capacity grows, so

the capacity of their organization grows. When the capacity of their organization grows, it can do things better, or do things it was never able to do before. So individuals benefit, the organization benefits, and those served by the organization benefit.

That's why Greenleaf said that the best test of servant leadership was this: "Do those served grow as persons? Do they, *while being served*, become healthier, wiser, freer, more autonomous, more likely themselves to become servants? *And*, what is the effect on the least privileged in society? Will they benefit or at least not be further deprived?"

The ultimate goal, for Greenleaf, was to make the world a better place. Servant-leaders help their organizations to become servant-institutions. Those servant-institutions truly serve their employees, customers, business partners, creditors, members, shareholders, communities, and society as a whole. As a result, the quality of our lives improves, and the world becomes a better place for everyone.

My experience is that there are two major models or ideas about leadership in the world. The dominant model is the power model. According to the power model, leadership is about acquiring and wielding personal power. The other model is the service model. The service model is about making a difference in the lives of others.

Servant-leaders live the service model of leadership. So a servant leader does not ask, "How can I get power? How can I make people do things?" The servant leader asks, "What do people need? How can I help them to get it? What does my organization need to do? How can I help my organization to do it?" Thus, rather than embarking on a quest for personal power, the servant leader embarks on a quest to identify and meet the needs of others. That's the mission of a servant leader: To identify and meet the needs of others.

Basically, this is about paying attention. It's about paying attention to your colleagues, and helping them get what they need to perform at their highest levels. It's about paying attention to your customers, and helping them get what they need, so they are happy, and your business is successful.

Servant leadership is not soft. Servant leaders can make hard decisions whenever necessary in order to serve others. Also, servant-leaders can exercise power. However, when they exercise power, they exercise it *with* others, not *over* others, and they exercise it *on behalf of* others, not for their own personal benefit.

To a servant-leader, power is only a tool, and usually not the most important tool. It is only a means and not an end.

Difference Focus, Different Motivation

Servant leaders can be political leaders, business leaders, non-profit leaders, coaches, friends, or neighbors. Servant leaders do most of the things that other leaders do— they articulate a vision, they manage, they communicate, and so forth. What sets servant leaders apart from other leaders is that they are focused on others, not just themselves, and they are motivated to make life better for others, not just for themselves. This difference in focus and motivation is what really distinguishes servant leaders, regardless of their titles, roles, or positions.

That difference in focus and motivation is easiest to see, I think, in the decisions that people make every day. A power-oriented leader who sits down to make a decision asks a different set of questions than a servant leader. A power-oriented leader will ask questions like this: What decision will enhance my power? What decision will make me look good? What decision will be a great way to get ahead of my chief rival? What decision will improve my relationship with my boss? What decision will position me better for my next promotion? These are all power-oriented questions about the leader who is making the decision.

A servant leader asks a different set of questions. A servant leader asks: What are the most important needs we should be addressing? If we address this need, are we going to harm someone? If harm is likely, is there a way to mitigate it? What decision would be most consistent with the mission, values, and goals of my organization? What decision would best serve our customers? Those are different kinds of questions. They are not about the leader, they are about the organization and the people it serves.

And this is where the Rotary 4-Way Test fits so perfectly. The questions asked in the 4-Way Test are the questions that servant leaders *should* ask and *do* ask. You notice they are not questions about power, they are questions about how we treat other people. Are we truthful with them? Are we being fair to them? Are we building good relationships with them? Are we sharing the benefits—are we concerned that it be beneficial to all concerned? Those are the right questions for servant leaders.

Now when you ask these different sets of questions, you get different answers, and over time, the power-oriented leader and the servant leader move in different directions. The power oriented leader moves toward getting the things that *she or he*

wants personally, while the servant-leader moves toward getting the things that *other people need*. That's a big difference.

Servant Leadership Works

I love the fact that the idea of servant leadership grew out of Robert Greenleaf's experience in a large, competitive, for-profit business. He was making a practical observation about what worked best for the business. He knew that what worked best was servant leadership.

For centuries, servant leaders have provided anecdotal evidence of the effectiveness of servant leadership. We know that servant leadership principles are being implemented in the public, private, academic, military, and non-profit sectors. Of course, every organization has its own culture and applies servant leadership principles in its own way.

We know that for-profit companies that have implemented servant leadership principles have been financially successful. Many have been on the *Fortune* magazine list of "The 100 Best Companies to Work for in America." Those companies include Starbucks, The Container Store, Aflac, Synovus Financial, and both Southwest Airlines and TDIndustries, headquartered in Dallas. While surprising to some people, there are military leaders who promote servant leadership. They focus on taking care of their troops.

About twelve years ago, leadership scholars began to conduct empirically rigorous studies of servant leadership in the workplace. The results have been very positive.

For example, research has shown that servant leaders facilitate effective teamwork. Servant leadership may enhance both job performance and commitment to the organization. Servant-leaders may inspire followers to serve the community in which the organization is embedded. Research has revealed that employees of servant-leaders are more helping and creative than those working with leaders who scored lower on servant leadership. Servant leadership has been shown to be positively related to employee job satisfaction.

Back in 2012, Dr. Suzanne Peterson and her colleagues studied 126 chief executive officers in technology organizations in Silicon Valley. They interviewed the CEOs at length, and then classified them as founders, narcissists, or servant leaders. They found a positive relationship between servant leadership and firm

performance. Companies led by servant leaders generated better financial results than companies led by founders or narcissists. The researchers said that CEOs could improve their firms' performance if they adopted more inclusive forms of leadership, such as servant leadership, that take into account a broader number of stakeholders and that are more other-focused.

There are studies now being prepared for publication in academic journals that conclude that servant leadership is good for all stakeholders, including shareholders, because servant leadership increases the profitability of for-profit corporations. Dr. Bob Liden, a professor of management at the University of Illinois at Chicago, will be publishing research that he and his team have conducted in South Korea. The study showed that as servant leadership goes up, profits go up. Other scholars have seen similar results in their research on businesses here in the United States.

Why Does Servant Leadership Work?

So, anecdotal evidence and empirical research make it clear that servant leadership works. But why does it work?

Well, why wouldn't it work? Think about it. Servant leaders identify and meet the needs of others. They identify and meet the needs of their colleagues so they can perform at their highest levels. They identify and meet the needs of their customers so that they will be truly served. Colleagues perform well, and customers get what they need. Why wouldn't that work? When you think about it, it's pretty simple.

Of course, there are specific leadership practices that help servant leaders to be effective. For example, in my own writing and speaking, I talk about self-awareness, listening, changing the pyramid, developing your colleagues, coaching not controlling, unleashing the energy and intelligence of others, and foresight. Those are seven practices that I consider to be *key* practices.

Beyond the key practices, there are attitudes and practices that help servant leaders to be effective. I'd like to talk about three of them. First, servant leaders have positive assumptions about people in the workplace, and draw out their best. Second, servant leaders go beyond extrinsic motivation to emphasize intrinsic motivation, which supports higher levels of performance. Third, servant leaders promote meaning at work, a very important intrinsic motivator. I see these three attitudes and practices as important foundations for success. So let's look at each

of these ideas.

Theory X and Theory Y

First, let's talk about Theory X and Theory Y. Years ago, Douglas McGregor was a Professor of Management at MIT. In 1960 he published his classic book, *The Human Side of Enterprise*, a book that I highly recommend. McGregor noted that our assumptions about people affect how we try to lead them. He coined "Theory X" and "Theory Y" to describe two sets of assumptions about people in the workplace.

Theory X assumptions are that most people dislike work and will avoid it if they can. Because they don't like work, most people must be coerced, controlled, or threatened with punishment to get them to work toward the achievement of organizational objectives. Most people want to be directed, and want to avoid responsibility. They have little ambition. They just want to be secure.

Theory Y assumptions are very different. Theory Y assumptions are that work is as natural as play or rest. The threat of punishment is *not* the only way to get people to work. People will exercise self-direction and self-control in working toward organizational objectives when they are committed to them. Commitment to objectives is a function of the rewards associated with their achievement, and those rewards can be intangible. Most people learn not only to accept but to seek responsibility. A lot of people have the capacity to exercise a relatively high degree of imagination, ingenuity, and creativity in solving organizational problems.

Servant leadership works well because servant leaders have Theory Y assumptions about people at work. They respect their colleagues, believe in their potential, and help them to contribute their best work. Of course, if a colleague cannot or will not perform, that colleague will have to find happiness elsewhere. But servant leaders begin with Theory Y assumptions and they work hard to draw out the best in their colleagues.

Motivation and High Performance

Another reason that servant leadership works well is that servant leaders focus on intrinsic motivation. People who are intrinsically motivated perform better than those who are extrinsically motivated.

We all know the difference. Extrinsic motivation is about what you *have* to

do, not what you *want* to do. The task needs to be done, but it is not fun, interesting, fulfilling, or meaningful. Managers therefore offer incentives or threats of punishment to get the task done. They tell people that if you do *this*, you will get *that*. And *that* is a reward not related to the work itself.

Intrinsic motivation is the opposite. It is about what you *want* to do, not what you *have* to do. People are intrinsically motivated when they do something because it is fun, interesting, fulfilling, or meaningful. When you are intrinsically motivated, the work itself is your reward.

One of the most-read articles in the history of the *Harvard Business Review* was an article by Frederick Herzberg published in 1968 titled: “One More Time: How Do You Motivate Employees?” Herzberg argued that some factors are “hygiene factors” and others are “intrinsic motivators.”

Hygiene factors are company policy and administration, supervision, relationship with the supervisor, work conditions, salary, relationships with peers, personal life, relationships with subordinates, status, and security. These factors are the primary cause of extreme *dissatisfaction* on the job. Employers need to get these factors right so that employees will not be *dissatisfied*.

However, more and better hygiene factors will not produce extreme satisfaction—only intrinsic motivators will do that. Those intrinsic motivators include achievement, recognition, the work itself, responsibility, advancement, and growth. The hygiene factors and intrinsic motivators are *not* the opposite of each other; they represent different needs. They are both important. However, if you want high levels of performance, your colleagues need to be *intrinsically* motivated.

In his research, Dr. Kenneth W. Thomas identified a sense of meaning as an important intrinsic reward at work. Meaning at work turns out to be a huge bottom-line issue that gets comparatively little attention.

Common sense tells us that if you find meaning in your work and you are intrinsically motivated, you will be able to do more, and do it better, for longer. Dr. Adam Grant, a professor at the Wharton School, explored this issue in his research. He separated prosocial motivation and intrinsic motivation to study their effects (if any) on each other. He defined prosocial motivation as the desire to benefit or help others—to serve a greater purpose. He said that intrinsic motivation comes from interest in the work or the enjoyment of doing the work.

Dr. Grant studied 140 workers at a telephone call center and 58 employees at a fire department. He focused on the issues of persistence, performance, and productivity. Those are all desirable things. Grant concluded that employees display higher levels of persistence, performance, and productivity when they experience prosocial motivation and intrinsic motivation together.

Well, that matches what Greenleaf said about servant leadership. Greenleaf said that servant leadership starts with the desire to serve, to benefit others. That's the prosocial motivation. Greenleaf also emphasized growth and meaning. That's the intrinsic motivation. When you put the two together, you get the result that Grant proved in his research—higher levels of persistence, performance, and productivity.

Meaning at Work

Servant leaders know that meaning is an intrinsic motivator, so they do their best to enhance meaning at work. Meaningful work was central to Greenleaf's business ethic. He said: "the work exists for the person as much as the person exists for the work. Put another way, the business exists as much to provide meaningful work to the person as it exists to provide a product or service to the customer." That business ethic turns out to be very practical in terms of employee performance, commitment, and satisfaction.

How important is meaning at work? Well, Catherine Bailey and Adrian Madden interviewed 135 people in the United Kingdom who work in a variety of occupations. They published their results in an article in the *MIT Sloan Management Review* titled "What Makes Work Meaningful—Or Meaningless." They said that the research shows that meaningfulness is more important to employees than *any other aspect of work*. It is more important to employees than pay and rewards, opportunities for promotion, or working conditions.

This is not just some kind of warm and fuzzy thing. The researchers agreed with Grant's findings. They said that meaningful work can be highly motivational, leading to improved employee performance, commitment, and satisfaction. Those are things we want to promote—improved performance, commitment, and satisfaction. Those are things that affect the bottom line.

Because meaning is so important, servant leaders do whatever they can to create an environment in which meaning is enhanced for their colleagues. Servant-

leaders find meaning in the work of others and share that meaning with them. Servant-leaders seek to redesign work to make it more meaningful.

One leader who focused on purpose and meaning as a way of lifting her colleagues and her company was Cheryl Bachelder. Bachelder was the CEO of Popeyes Louisiana Kitchen from 2007 to 2017. The restaurant chain had \$2.4 billion in sales and 2,187 restaurants in 27 countries. Sales and profits had been declining for years. But six years after Bachelder assumed leadership, sales had climbed 25%, market share had grown from 14 to 21%, profitability was up by 40%, and the stock price was up 450%. The improvement was dramatic.

In her book, *Dare to Serve*, Bachelder said that one important step she took was to invite the company's leaders to develop a personal purpose that gave meaning to their work. She said that it was the leader's responsibility to bring purpose and meaning to the work of the organization. Popeyes conducted workshops that took team members through several exercises regarding their life experiences, values, strengths, and action plans. Bachelder said that the leaders at Popeyes who had an action plan for their personal purpose were having more impact on the business. She concluded that personal purpose leads to sustained superior performance.

So the modern servant leadership movement was launched by a businessman who concluded that servant leaders were more effective and got better business results than power-oriented leaders. We have anecdotal evidence and empirical research that demonstrate that servant leadership works well for all stakeholders. There are key practices that help servant leaders to be effective. Servant leaders also hold Theory Y assumptions, promote intrinsic motivation, and enhance the meaning and purpose that help people to perform at their highest levels.

Conclusion

I'd like to close by saying that I think servant leadership is what most of us would just call *good* leadership. I believe that we need many, many more servant-leaders in our organizations and communities. We'll have more servant-leaders if we establish the service model as *the* accepted standard of leadership. We'll have more servant leaders if we teach our young people about the service model. And we'll have more servant-leaders if we continue to demonstrate the service model in each of our own lives. That, after all, is at the core of the Rotary tradition. Our commitment to service can assure a strong future for our families, our organizations, and the nation we love... Thank you!