Chapter 1: Introduction

1.1: Conceptual Framework

Leadership has fascinated many students in history. This is not surprising. After all “Everything rises and falls on Leadership” (Maxwell, 2007). Many theories on Leadership have emerged over a period of time. Some of them are Great Man theory (Carlyle, 1888), Trait theory (Galton, 1869), Behavioral theory (Lewin, Lippitt & White, 1939) Contingency theory (Fiedler, 1957), Situational theory (Hersey & Blanchard, 1969), Functional Theory (McGrath, 1962), Transactional Theory (Burns, 1978) and Transformational Theory (Burns, 1978). The behavioural theories were bolstered by the works done at the Ohio State University and University of Michigan. Along with the theories on Leadership, the Leader behaviour was also studied in depth. The leader behaviour came to be known as the Leadership Style. Historically, many Leadership Styles have been propounded and studied. They include Charismatic, Autocratic, Persuasive, Consultative, Democratic and Delegative, and Coaching styles (Lewin et al, 1939; Tannenbaum & Schmidt 1957; Goleman, 2000). The search for excellence in leadership has continued all through. Aspects of excellent leadership have continued to evolve over the period of time (Mintzberg, 1969; Khandwalla, 1962; Collins, 2001; Maxwell, 2008; Barney, 2010 etc). Leadership has gone through many eras, and might be in an Integrative era right now (King, 1990).

Power has been used and misused in leadership in different ways. Power concentrated at the top has the potential to be misused as well as correctly used. In the Classical literature and scriptures (Indian and western) we come across leaders (Emperors, Kings, High Priests, Commanders, Captains, Chiefs etc) misusing power. It is such misuse of power that prompted Abraham Lincoln to opine that “Nearly everyone can stand adversity, but if you want to test a person’s true character, give him power”. T.S Eliot said that “Half of the harm that is done in the world is caused by people who have power and want to feel important”. It is in this context the term Power Elite has been used (Mills, 1956). This term captured the essence of union of the military, economic, and state power. This included the theories of Marx, with his overemphasis on the capitalist as the only holder of power, Liberals, who saw the politician as the
head of the system, and those who viewed warlords as the dictators of the system. It also drew attention to the interwoven interests of the leaders of the military, corporate, and political elements of society and suggested that the ordinary citizen is a relatively powerless subject, prone to manipulation by those entities.

Leaders have been cautioned regarding the misuse of Power since long. In His message to the disciples, Jesus Christ said: "You know that the rulers of the Gentiles lord it over them, and their high officials exercise authority over them. Not so with you. Instead, whoever wants to become great among you must be your servant, and whoever wants to be first must be your slave—just as the Son of Man did not come to be served, but to serve, and to give his life as a ransom for many." (The Holy Bible, Matthew 20:25-28). Lao Tzu, the founder of Taoism is quoted to have said, "I have three precious things which I hold fast and prize. The first is gentleness, the second is frugality, and the third is humility which holds me from putting myself before the others." Indian scriptures had advocated subtle and selfless use of power for the benefit of others (Dasgupta, 2001; Mishra, 2001; Chakraborty, 2001).

Over the years, the concept of power flowing from Top to Bottom started to change. The Bottoms-up model of authority, where the power was not necessarily at the top, was recommended (Barnard, 1938). Instead of the power-over mindset, leaders were asked to adopt the power-with mindset (Follet, 1949). Socialised power was proposed to be more advantageous to organisations than Individualized/Personal power (McClelland & Burnham, 1995).

Our world has taken a decisive tilt towards a competitive market economy. The goal of the business is to maximize profits at any cost. Is it desirable for them to strive for 'goodness', in terms of spirituality, ethics, compassion, corporate social responsibility, and philanthropy, and not just profit maximization? Further, is it possible for the corporations to be both greedy and good? Is it possible for the business world to create a human civilization based on efficiency, productivity & innovation and that is also humane and caring in nature? These questions led many leaders and organisations to incorporate the concepts of spirituality, altruism and ethics into leadership (Ciffrino, 1959; Conger, 1994; Khandwalla, 2008; Cuilla, 1998; Singh, 2001; Sendjaya, 2005; Sharma, 2010 etc).
The search for a leadership form which uses power appropriately and has elements of spirituality, altruism and ethics, led to the emergence of the concept of **Servant Leadership**. Servant Leadership, simply put, is leading by serving. This style focuses on the physical, emotional and growth needs of team members.

The idea of Servant as a Leader is not new. Wikipedia (2009) states “Chanakya or Kautilya, the famous strategic thinker from ancient India, wrote about servant leadership in his 4th century B.C. book Arthashastra: "the king [leader] shall consider as good, not what pleases himself but what pleases his subjects [followers], the king [leader] is a paid servant and enjoys the resources of the state together with the people". The concept of “Servanthood” was espoused in *The Holy Bible*, by Jesus Christ. History indicates that Jesus’ idea of Servant Leadership was difficult for most of his followers to emulate. Most of his later day followers chose the traditional Leadership models of power and authority. Servanthood was often seen as a lofty but unrealistic ideal, possible only for a few. In the secular realm it was dismissed as servitude (Sims, 1997). However, some leaders recognized its power to transform human experience. Servanthood integrated the religious and secular dimensions of life and work in a fresh understanding of leadership and power that is modeled on Jesus as the consummate "servant leader." One of the early Christian leaders who practiced Servanthood was St Augustine who said “For you I am a bishop, but with you I am a Christian. The first is an office accepted; the second is a gift received. One is danger; the other is safety. If I am happier to be redeemed with you than to be placed over you, then I shall, as the Lord commanded, be more fully your servant” (Sims, 1997, p.3).

This concept became a corporate term, and came to be known as Servant Leadership in the 1970s. As per this view, Servant Leadership is explained as; “The servant-leader is a servant first. It begins with the natural feeling that one wants to serve. Then conscious choice brings one to aspire to lead. The best test is: Do those served grow as persons; do they, while being served, become healthier, wiser, freer, more autonomous, more likely them selves to become servants?” (Greenleaf, 1977)

Attempts have been made to extend this concept beyond individuals and to institutions. “One of the great dreams is for the good society made up of predominantly serving institutions that shape its character by encouraging serving
individuals and providing scope and shelter for large creative acts of service – by individuals and groups” (Greenleaf, 1972). Governments often impose upon society a bureaucracy that is oppressive and corrupting. Business Institutions are often manipulated as financial pawns for short-term gain with little regard for social consequences or even for the long-term good of the firm. In case of educational institution, once the goal was to provide continuity for a culture in which freedom and rationality would prevail. This has given way to preparation for narrow professional careers. Hence there is a need to build more caring institutions that practice the concepts of servant leadership (Greenleaf, 1972).

The first known application of Servant Leadership in the Corporate world occurred in TDIndustries, led by it’s then CEO Jack Lowe Sr.. TDIndustries is a Fortune 500 company. According to Fortune magazine’s annual survey, TDIndustries Ltd. has been one of the top ten companies to work for in America for several years. It was also listed among the 100 best companies to work for in America (Levering & Moskowitz, 1993). Jack Lowe Sr, the CEO of TDIndustries picked up copies of the article Servant as a Leader and distributed it to all his employees. Jack Lowe Jr, who succeeded Jack Lowe Sr as the CEO continued the application of Servant Leadership in the organisation (Frick, 2004). Jack Lowe stated; "Trustworthiness which requires character and competence, can only flourish with leadership that trusts, supports and encourages. At TD we call that Servant Leadership" (Spears, 2001).

Further to this a number of other organisations have also succeeded by applying Servant Leadership principles. For example, in Tomah Veterans Administration (VA) Medical Centre, Servant Leadership Development Programme transformed the hospital culture and improved the quality rankings from below 100 to 4th Rank. In Tomah Area School District, its application changed the culture of negativity, cooperation improved, and divisions between administrators, faculty and staff narrowed. In Peaberry, a coffee shop in Wisconsin it improved the community feeling among the employees and all staff demonstrated personal involvement in the quality of food, while in Community Restoration Ministries (CRM), a faith based ministry in a coloured settlement of Clarke’s Estate in Cape Town it brought a lot of healing and restoration to people ravaged by a deadly civil war (Frick, 2009). Organisations
representing varied industrial sections, namely; a construction contracting firm, a building material supplier, a fresh fruit farm and supplier, an insurance firm, a grocery store chain, a producer of breakfast sausage and Italian sausage, a turf and landscape maintenance equipment manufacturer and an electrical service and construction company, have implemented Servant leadership and succeeded as well (Glashagel, 2009).

Over the years, Servant Leadership got established as a distinctive leadership principle. It was found to be different and distinctive when compared to Transformational Leadership (Graham, 1991). It was also noted as different from Leader member Exchange (LMX) (Ehrhart, 2004). A Servant leader was found to be close to the Socially oriented Transformational Leader (Bass, 1997), who morally uplifts the followers. Leadership Attributes and characteristics associated with Servant Leadership began to be proposed and crystallised (Spears, 1998; Spears, 2001; Laub, 1999). “The Servant Leadership concept is a principle, a natural law, and getting our social value systems and personal habits aligned with this ennobling principle is one of the greatest challenges of life” (Covey, 2004).

A view suggested that the concept of Servant Leadership has emerged from India. It has been argued that Servant Leadership is clearly inspired by an “eastern” (meaning Indian) concept of duty and leadership. Duty or Right Action (dharma in Sanskrit), a fundamental concept in an “eastern” (meaning Indian) approach to one’s relationship with others, complements the notion of “servant leadership” with its focus on one’s duty to others and is in stark contrast to the western focus on rights (Pruzan, 2004).

The early proponents of Servant Leadership were not in favour of “measuring” Servant leadership attributes. The focus was on experiential understanding of the concept. It was believed that if servant leadership was reduced to a collection of admirable qualities and learned skills that were displayed in organisational settings, it was all too easy to forget that servant leadership was, first about deep identity (Frick, 1998). Another apprehension was that we may feel guilty and frustrated for not measuring up to this set of leadership ideals and that we may even project these ideals onto others; expecting them to do what we could not attain ourselves. Due to
this, most of the early writings on Servant leadership have been based on anecdotal observations, personal testimonies and reflections.

However, a body of researchers argued against this view and attempted measuring Servant leadership attributes. A Servant Organizational Leadership Assessment (OLA) scale, which assessed the presence or absence of the Servant Leadership Characteristics in an organisation was developed (Laub, 1999). This instrument facilitated assessment of Servant Leadership across hierarchical levels - top leaders, managers and people in the workforce. High standards required pursuit of excellence as well as monitoring progress. Hence and the need was established for a strong research base for the topic to kindle further academic interest (Page & Wong, 2000). The fact leadership characteristics can be measured has been established some time back (Clark, Clark & Campbell, 1992) and inventory of leadership questionnaires have been compiled (Knott & Schwartz, 1996). Based on these, many scales to measure Servant Leadership were arrived at, some of them being; Self assessment model for measuring Servant leadership attributes (Page & Wong, 2000), multilevel assessment tool (Liden, Wayne, Zhao & Henderson, 2008) and Servant Leadership Behaviour Scale (Sendjaya, Sarros, & Santora, 2008).

Leadership research over the past few decades has suggested that the relationships employees develop with their leaders are critical for understanding the way in which employees fulfill their potential and become self-motivated (Manz & Sims, 1987). The relationship between Leader behaviour, Organizational climate and thus the performance of the organisation has been established (Litwin & Stringer, 1968). Transformational leadership has a significant impact on various organisational aspects (Bass & Avolio, 1994). This is achieved through keeping the workforce (or employees) motivated and focused on the goals of the organisation. This is true for Servant Leadership as well. Servant Leadership was found to have a positive impact on employees. Servant Leadership was noted to impact employee’s trust, team commitment, effectiveness, organisation citizenship behaviour, morale, performance and community citizenship behaviour (Dannhauser, 2007; Ehrhart, 2004; Winston, 2004; and Liden et al, 2008). Significant relationship exist between perceptions of
servant leadership and overall and intrinsic job satisfaction of the employees (Hebert, 2003; Drury, 2004).

Individuals who received valued rewards from an exchange partner, were motivated to reciprocate with contributions of similar value, up to a certain point (Blau, 1964). When leaders nurtured self-efficacy and self-motivation and stressed community involvement, employees in turn became more committed to organizational values (Shamir, House, & Arthur, 1993). This concept of Organisational Commitment (OC) has received attention from researchers and has been found to be linked with leadership behaviour (Liden, Wayne & Sparrowe, 2000). On-the-Job Performance (OJP) and Community Citizenship Behaviour (CCB) were other aspects that were found to be uniquely related with Servant Leadership (Liden et al, 2008).

The present study extends this particular approach on this theme. It attempts to crystallise a measurement scale for Servant Leadership in the Indian context. This work also attempts to study the correlations and impacts of Servant leadership on employees. The study proposed a conceptual model to define the relationships between Servant Leadership (SL) and the dependent variables i.e., On-the-Job Performance (OJP), Organisational Commitment (OC), Community Citizenship Behaviour (CCB). It also explored variations across demographic variables. Measurements and analysis are carried out based on this model.

Our education system, especially the Management development programs in India might, to large extent, be responsible for the lack of character based leadership in India (Chakraborty, 2001). The term character has not been much used in the academic endeavour. Most of the Management development programs are often focuses on skills, e.g. leadership skills, communication skills, counseling skills, negotiating skills, etc., overlooking the fact that sharp skills or slick behaviour do not make up for distorted values or lack of character. ‘Character’ ethic and ‘personality’ ethic are different (Covey, 1992). Present day education system tends to strengthen the notion that all values are relative. It often gets manifested in the following notion among its proponents:

- ‘a sense of guilt is a wasteful emotion’
• 'greed is not an appropriate word, insatiety is more to the point'
• 'what is wrong about selfishness?'
• 'humility is nothing but servility'
• 'gratitude is a weakening sentiment'
• 'respect for age is feudal' and so on

A view suggests the transformation of management education system in India. This view suggests that India needs a leadership that might be titled as rajarshi – (Raja + Rishi, or the King + Saint). Leadership consciousness could be lifted above the Self centered approach towards the Self fulfilling sacred/spiritual one (Chakraborty, 2001).

This study attempts to explore an approach of leadership that has a potential to live up to the ideals of such an elevated approach. This could contribute to the development of character based leadership.

1.2: Scope of the study

The Non Profit sector, also popularly known as the NGOs, has gained substantial significance in the world and has come to be known as the Third sector (Kramer, 2000). Nonprofit sector consists of those entities that are organised for public purpose, are self governed, and do not distribute surplus revenues as profits. Nonprofit organisations are independent of Government and business, although they may be closely related to both (Boris & Steuerle, 2006). These are private, nongovernmental organizations that do not aim to maximize profits for distribution to their owners or controllers; but that do have some service objectives to members, user, or other beneficiaries (Ben-Ner, 1994; Theuvsen, 2004).

This sector now has considerable significance in the affairs of the world as it seeks to address various humanitarian, environmental, economic, religious and other causes. Modern democracies are unlikely to function without a third sector as it attempts to bridge the gap between government and the people (Taylor, 1995). The major subcategories of nonprofit organizations are Charities, Foundations, Social welfare organizations, professional and trade associations (Herman, 2005; Powell & Steinberg, 2006). Nonprofits are dedicated to a specific cause or mission. Today NGOs are the fastest growing sector. 90% of the Nonprofits in America today came into existence after 1950 (Hall, 2005). However, it is difficult to generalize the NGO
sector due to complexities involved. NGOs have the widest scope and scale, ranging from informal grassroots organisations with no employees, and no assets to big organisations with thousands of employees or members. Red Cross, Friends of the earth, Amnesty International, World Vision, Save the Children etc are well known names in the NGO sector. In the 1990s, the ten largest development and relief International NGOs, had a combined expenditure of more than US Dollar 3 billion (Anheier & Themudo, 2005). A combination of factors such as interdisciplinary characteristics, the distinctive nature of NPOs, the complexity of their operations, their relationships with their environment, the difficulties of defining boundaries of their activities and determining what is and what is not an NPO, have posed incessant challenges before scholars to explore the sector further (Boris & Steuerle, 2006).

There are a large number of NGOs operating in India. Some of them are part of large international organisations, but a vast majority of them are small organisations making an impact locally. NGOs have played a key role in Rural and community development in India (Alliband, 1983; Tripathi, Kala, Mishra, & Patni, 1991)

By the very nature of the activities, NGOs would seem to the ideal place for practicing Servant Leadership percepts. The early proponents of Servant Leadership knew that, this model of leadership is suited for the NGO sector, along with other sectors. This is so, since Servant Leadership combines the best elements of leadership with service to others. Hence this could be the beginning of a revolution among community leadership groups, not-for-profit organizations and elsewhere (Spears, 1994). NGOs do not work for bottom line and this is a natural fit for the Servant Leadership setting. Servant leadership theory aligns well with philanthropic activities whereby philanthropists become servant donors (Burkhart & Spears, 2001; Keller, 2007). However there are only a handful of empirical studies done on this combination of Servant Leadership and Leadership in NGOs. The principles of servant-leadership can be integrated into the operations of different organizations and those organizations can be successful in fulfilling their respective missions (McCann, 2006). A climate for servanthood known as "normative collective servant-leadership behavior" exists in Social organisations. All organisational members play a central role in shaping this climate and culture. There is a big opportunity for social
enterprise leaders to grow into more complete model servant leaders (Klamon, 2006).

This study attempts to find out if Servant Leadership is actually practiced in NGOs.

Measurement of outcomes of NGOs is still in a nascent state. In business, the effectiveness of leadership can easily be measured using the economic indicators of revenue, profitability earnings per share (EPS) etc. State run services, on the other hand may have state policies and frameworks. The case of NGO sector is not so straightforward. How does one infer whether the leadership of an NGO is effective or not? How does one really measure the effectiveness of an NGO? Distinctive features of the voluntary organizations make the effect of such work difficult to evaluate. A number of studies have suggested that over the last two decades nonprofit organizations have faced increased pressure to measure, their activities in order to demonstrate their competency, to achieve legitimacy, and to obtain funding. The demand for quantification is typically understood as a recent pressure for NPOs. Ultimately one should be interested in whether an NGO is able to meet a public need (Boris & Steuerle, 2006). Many studies have established the challenges and difficulties involved in measuring the impact of NGOs (Tassie, Murray & Cutt, 1998; Flynn & Hodgkinson, 2001; Cobb, 2001 etc). Hence this study focuses on the employee aspects of the NGOs rather than the impact measurements.

This study rests on the premise that NGOs have a big part to play in the development of a nation, and Servant Leadership has a potential to play a role in motivating the employees of NGOs to be much more impactful. This study therefore focuses on the application of Servant leadership in Indian Humanitarian NGOs

1.3: Research Approach

A conceptual model linking Servant Leadership (SL) nature of relationship with employee parameters like On-the-Job Performance (OJP), Organisational Commitment (OC), and Community Citizenship Behaviour (CCB) was proposed for the study. Different demographic variables of organisations as well as employees were incorporated in the conceptual model. Based on the Literature review and the conceptual model, research objectives were crystallised. Hypotheses were formulated focusing on differences, relationships and impact. This study is a quantitative study. A
questionnaire validated in the international context by Liden et al (2008) was chosen as a base. This questionnaire was then modified and adapted to Indian context. Final questionnaire contained 21 items for SL, covering seven dimensions, three items for OJP, seven items for OC and seven items for CCB. A number of demographic variables were added to the instrument. Validated instrument was then posted on a website and data collection was done online. Humanitarian NGOs operating in India were approached for responses. Responses were obtained from 369 respondents employed in 39 NGOs. The collected data was analysed using descriptive statistics as well as inferential statistics. Correlation, Regression, Mediation Analysis, and Structural Equation Modeling (SEM) were done to get insights in to the data collected. Analysis was carried out to find prevalence of SL. It also focused on understanding differences across various sub groups. Correlation analysis and regression analysis was also carried out to ascertain relation and impact of independent variable on dependent variable.

Conclusions have been drawn based on results and analysis. Implications for Leadership development among NGOs are offered. The study suggests directions for future research as well.