The Need for Awareness of Servant Leadership in Business Schools

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Introduction

Every year, thousands of students graduate from business schools all over the world. These graduates become the leaders in multinational companies, business establishments and corporations. In recent years there have been many scandals and frauds in multinational businesses like Enron, WorldCom, Hollinger International, Marsh & McLennan and Satyam Computers Services Ltd. Experience has shown that these establishments crashed because the top leaders failed miserably in areas like honesty, humility, reliability and trustworthiness even though they were educated in reputed educational institutions.

The corporate scandal in the Satyam Computers Services Ltd, India shows how the lack of integrity and credibility can mess up everything and endanger the future of thousands of stakeholders of the company. Ramalinga Raju, the CEO of Satyam built up his company very fast and used fraudulent means to show that Satyam was a successful company. He accepted his failure when he found that he could not continue to commit frauds one after the other and also deceive others. Did Raju acquire all the needed management skills for the top position in his business school?

Ramalinga Raju obtained his Master of Business Administration degree from Ohio University in 1975. He was also an alumnus of Harvard Business School (Shafeeq, 2009). When he was the chairman of Satyam Computers, he inflated the financial statements when there was actually a loss, to continue to make Satyam Computers popular. However he resigned from the top position because he could not continue his fraudulent means any longer. He accepted his mistakes and confessed that he had mishandled money to the tune of $ 1.2 billion. The Central Bureau of Investigation (CBI) charged Raju and nine of his accomplices for skimming about $2.5 billion from the company (Lakshman, 2009).

The collapse in the so called successful career of Raju was mainly because of lack of credibility and integrity, and the failure of Raju to build the right type of leadership. He built a leadership based on his ability to manipulate people and accounts. He convinced others to cooperate with him in his unethical practices. Even though Raju had a sound education from one of the popular Business schools, something went wrong. He failed to maintain his integrity and fell into the trap of love for money and popularity, and fell down from his covetable position. His lifestyle and his way of covering up scandals point out that the business schools must rethink the way in which the leaders are trained for leadership positions all over the world. Jeffrey Skilling, who was the CEO of Enron and was charged for fraud was also a Harvard Graduate (Armstrong and Francis, 2008). Is there a need to reorganize the curriculum of these management schools by introducing areas of training which could prevent such frauds and scams?

Golden (1996) in her study on ethical teaching in secondary level concludes that teaching students about business ethics does improve their ethical decision-making skills. Crane (2004) based on a survey of business school students concludes that teaching ethics must be mandatory in Business Schools. Podolny (2009) the former Dean of Yale University and the former Professor at Harvard and
Stanford Business schools expressed the need for radical change in teaching in business schools. He wrote that business schools need to teach ethical principles in management training and insisted that it was one of the essential components of leadership. Albrecht et al also, (2008) writes that educators start teaching quality ethics and fraud courses, but these courses are still mostly elective and only some students opt for it. There is an immense need to introduce compulsory ethics teaching and integrate ethical practices in all programs of the business schools where future leaders are trained. What is leadership and what are the styles of leadership which are taught in business schools?

Leadership

Leadership is the ability to influence a group to achieve a vision or a set of goals (Robbins and Judge, 2007). Leaders, who lead the group to success, are to be models to the followers. There are mainly three styles of leadership. They are autocratic leadership, participative leadership and free rein leadership (Newstorm and Davis, 1998). Autocratic leaders centralize power and decision making in the leaders. Autocratic leaders take full authority and responsibility for decision making. They are primarily concerned with popularity, power and property. Newstorm and Davis (1998) write that the main disadvantage of autocratic type is that it does not create strong organizational commitment among employees that leads to low turnover and absenteeism rates. Participative leaders delegate authority. These leaders take decision based on consultation with the followers. This type of participative leadership is used widely in many organizations. Free rein leaders allow the group members to make decisions and they avoid power and responsibility. Generally leaders are called to exercise the right type of leadership style and practice depending on the situation. The management and the society at large pay a high cost when the right type of leadership style is not practiced. What is the important missing component or module in the training process which will motivate the leaders to practice the right style of leadership? Can the servant leadership concept practiced by many successful leaders all over the world be included in the curriculum of business schools for raising excellent and valuable leaders for the business establishments?

Servant Leadership

Servant leadership is a type of leadership which comes under the democratic style. Leader and servant are opposite terms. But the practice of servant leadership takes place when the characters of these two paradoxical terms are incorporated in leadership style. In servant leadership, a leader is called to serve the group members or followers when he leads the team. Servant leadership style has been practiced all over the world in many successful companies. But this type of leadership style is not included in the curriculum of most of the business schools. Is there a need to include servant leadership style as a component of training in the business schools?

Origin of Servant Leadership

The concept of servant leader was reported by many thinkers even two thousands years ago. Lao-tsu, a Chinese philosopher, who lived in sixth century B.C., advocated selflessness and non-directive leadership. He wrote The Tao Te Ching, a strategic treatise on servant leadership:

The greatest leader forgets himself and attends to the development of others.

Good leaders support excellent workers.
Great leaders support the bottom ten percent. Great leaders know that the diamond in the rough is always found “in the rough.” (Ching, 2008).

Chanakya wrote in Arthashastra in 4th century B.C., that the (leader) shall consider as good, not what pleases himself but what pleases his subjects (Muniapan, 2008).

Jesus Christ of Nazareth in the first Century A.D., taught His disciples, “But he who is greatest among you shall be your servant” (Matt. 23:11; New King James Version of the Holy Bible, 1982). He also taught that, “And whoever of you desires to be first shall be slave of all” (Mark 10:44; NKJV). Many leaders all over the world appreciate the leadership concept proposed by Jesus because Jesus modeled His teaching on servant leadership by washing the feet of His disciples. While Jesus was with His disciples in the Upper Room, Jesus laid aside His garments, took a towel and washed the feet of all His disciples. After washing their feet, He said, “If I then, your Lord and Teacher, have washed your feet, you also ought to wash one another’s feet, for I have given you an example, that you should also do as I have done to you (John 13:14,15; NKJV).

The concept of Servant leadership


Hesse’s novel was the story of a journey of a group of people to a far away monastery where they hoped to find spiritual truth and actualization. Leo was the main character in the story. He accompanied the group as their cheerful servant. He helped them in many ways in their journey. When Leo disappeared from them, the group quickly fell apart, and the journey ended without success.

After many years of searching, the narrator of the story met Leo again in a religious order that had sponsored the original journey. There he met Leo, and was surprised when he knew that Leo was the head of the order, its guiding spirit, and a great and noble leader. After reading this story, Greenleaf concluded that the central meaning of this novel was that the great leader had to first of all get the experience as a servant to others, and that this simple fact is central to his or her greatness (Spears, 1996). True leadership emerges from those whose primary motivation is a deep desire to help others.

Definition of Servant Leadership

Greenleaf (1970) describes the need for a new kind of leadership model – a model which puts serving others as number one priority. Servant-leadership emphasizes increased service to others, a holistic approach to work, promoting a sense of community, and the sharing of power in decision making.

Greenleaf (1970) defines servant leadership in The Servant as Leader,

“It begins with the natural feeling that one wants to serve, to serve first. Then conscious choice brings one to aspire to lead. …The difference manifests itself in the care taken by the servant-first to make sure that other people’s highest priority needs are being served. The best test, and difficult to administer, is: 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 servant-leader leads others after experiencing and understanding the position of the followers whom he is called to lead. He could very easily empathize with the followers and lead them considering their strengths and weaknesses because he has already experienced their practical problems. He will be aware of the problems of the followers and will listen and understand their suggestions. His leadership style will not incorporate autocratic and authoritarian style of leadership. He cares for the people and wants them all to be successful (Friedman, 2009). At its core, servant-leadership is a long-term transformational approach to life and work - in essence, a way of being – that has the potential for creating positive change throughout our society (Spears 2004).

Attributes of a Servant Leader

After some years of carefully considering Greenleaf’s original writings, Spears (2004) has extracted the following set of characteristics as central to the development of servant-leaders:

i. Listening: Listening intently and receptively to what others say.

ii. Empathy: Striving to understand and empathize with others. People need to be accepted and recognized for their special and unique spirits.

iii. Healing: Possessing the ability of healing the emotional hurts of one self and others.

iv. Awareness: Possessing awareness and self-awareness. Awareness aids one in understanding issues involving ethics and values.

v. Persuasion: Having the power of persuasion; influencing others by convincing them, not coercing them.

vi. Conceptualization: Servant-leaders seek to nurture their abilities to “dream great dreams.” The ability to look at a problem (or an organization) from a conceptualizing perspective means that one must think beyond day-to-day realities. Possessing the knack of being able to conceptualize and to communicate ideas.

vii. Foresight: Having foresight; which includes the ability to learn from the past and to have a vision of the future.

viii. Stewardship: Seeing themselves as stewards (as individuals whose main job is to serve others).

ix. Commitment to growth of people: Being firmly dedicated to the growth of every single employee.

x. Building Community: A commitment to building community in the institutions where people work.

Russell and Stone (2002) have identified a practical list of twenty attributes of servant leaders on the basis of review of literature. They classified nine of these twenty attributes as functional attributes. The nine functional attributes of servant leadership are vision, honesty, integrity, trust, service, modeling, pioneering, appreciation of others and empowerment. These are the operative qualities,
characteristics, and distinctive features belonging to leaders and are observed through specific behaviors of leaders in the workplace.

Russell and Stone (2002) also identified eleven accompanying attributes of servant leadership that supplement and augment the functional attributes. These eleven accompanying attributes are communication, credibility, competence, stewardship, visibility, influence, persuasion, listening, encouragement, teaching and delegation. If the students of business schools acquire these twenty attributes of servant leadership in their academic studies, it is no wonder that they will excel in their leadership position and surpass other leaders.

Models of Servant Leadership

N.R. Narayana Murthy, the founder of Infosys in India, is a practicing servant leader. He is currently the non-executive Chairman and Chief Mentor of Infosys (Management Profiles, 2010). He was the CEO of Infosys for 21 years, from 1981 to 2002. Under his leadership, Infosys was listed on NASDAQ in 1999. He has also led key corporate governance initiatives in India. His approach to the staff is always nurturing and supportive, not coercive. He practiced and advocated a very strong value system (Karmali, 2000). After stepping down as CEO in 2002, he has broadened his scope of activities to social services as well as promoting India globally.

At the World Economic Forum on January 31, 2005, Murthy stood out among other panelists at a session by defining a business leader as one whose biggest responsibility was to seek the truth, communicate that truth to other stakeholders and live by that truth (Bhattacharya, 2005). He further explained the importance of values by stating that the "softest pillow in the world was a clear conscience" (Bhattacharya, 2005). Murthy is a man with a vision. He exhibits qualities like trust, modeling, simplicity, credibility, integrity, honesty and competence. All multinational companies need leaders like Murthy who was a born servant leader from a humble background.

There are many other examples of historical servant leaders who possessed many of the characteristics of servant leadership. Mahatma Gandhi, Mother Teresa, Abraham Lincoln, Martin Luther King, Jr., and Jesus of Nazareth are well known examples of servant leaders. Their names are remembered because they affected the nations and the lives of thousands of people because they practiced servant leadership in their leadership positions. What will happen if our management schools produce leaders who will live what they teach others to do? Will they be able to impact others in their leadership positions?

Models of Servant Leadership in Companies

An increasing number of companies have adopted servant-leadership as part of their corporate philosophy or as a foundation for their mission statement.

Spears (2004) gives a list of a number of companies that either include the principle of servant leadership in their mission statement or corporate philosophy. His list contains firms such as the Toro Company (Minneapolis, Minnesota), Synovus Financial Corporation (Columbus, Georgia), ServiceMaster Company (Downers Grove, Illinois), the Men’s Wearhouse (Fremont, California), Southwest Airlines (Dallas, Texas), and TD Industries (Dallas, Texas).
Here are some examples of successful companies which practiced servant leadership and became very successful and flourished.

i) Wal Mart

Wal-Mart is a company which practices the concept of “servant-leadership.” (walmartstores, n.d.) The concept of servant leadership in Wall Mart insists that all managers must put the needs of their employees and colleagues first. Sam Walton, the leader of this company knew that the key to success comes by serving the people that served the organization. So Walton insisted that managers must respond to any request for help, even if it means delaying their own work. This concept stems from Sam Walton’s oft-stated belief that “if you take care of your people, your people will take care of the customer and the business will take care of itself.” (Berqkdahl, 2004)

Regarding the Wal Mart’s legacy of trust, one of the qualities of servant leadership, Saxena H. R. (2009) writes that Warren Buffet in one of his recent annual reports following the acquisition of Mc-Lane Distribution from Wal-Mart, said, “Berkshire Hathaway did not do any diligence during the acquisition process. They knew that everything would exactly be in conformity with Wal-Mart’s philosophy.” The acquisition was completed in less than a month which otherwise would have taken anything from six to eight months with huge validation and substantiation costs. This process of changeover took place based on trust, which is one of the leading qualities of servant leadership.

ii) Southwest Airlines Co.

Herb Kelleher is the Founder of Southwest Airlines Co. and served as Executive Chairman from March 1978 to May 2008. He was the President and CEO from September 1981 through June 2001. Kelleher has been identified as the best CEO in America by Fortune magazine. Kelleher, a servant leader, emphasized that people take themselves lightly, but their jobs seriously. As an example of service to those he led, Kelleher spent holidays loading baggage with ground crews. Kelleher (1997) believed that the best leader must be the best server. He did not lead by controlling, but by being as servant leader.

Southwest commenced service with three airplanes in 1971. Today the company operates a fleet of more than 545 airplanes performing over 3,100 flights per day. Kelleher’s Company has been profitable for 37 consecutive years and has never furloughed an Employee. In an industry notorious for low morale, Southwest Airlines presents a classic case of bestowing trust and reaping benefits (Kashyap, 2009).

iii) TD Industries

TD Industries, one of the earliest practitioners of servant-leadership in the corporate setting, is a heating and plumbing contracting firm that has consistently ranked in the top ten of Fortune magazine’s 100 Best Companies to Work in America (Spears 2004). The founder, Jack Lowe Sr., came upon the novel The Servant as Leader in the early 1970s and distributed copies of the novel to his employees (Cooper, Trammell and Cooper, 2006). The workers were asked to read through the book and then to gather in small groups to discuss its meaning and this exercise incorporated the belief that managers should serve their employees, which became an important value for TD Industries. Spears (2004), writes that even today, any TDPartner who supervises even one person must go through training in
servant-leadership. In addition he writes that all new employees continue to receive a copy of The Servant as Leader, and TDIndustries has developed elaborate training modules designed to encourage the understanding and practice of servant-leadership.

iv) Herman Miller Furniture

Max De Pree is the former CEO of Herman Miller Furniture, a Fortune 500 company in Zeeland, Michigan. De Pree is also the author of two books on leadership, Leadership Is an Art and Leadership Jazz. In the second book Leadership Jazz, he writes, “I enjoy jazz and one way to think about leadership is to consider a jazz band. Jazz band leaders must choose the music, find the right musicians and perform—in public. But the effect of the performance depends on so many things—the environment, the volunteers playing in the band, the need for everybody to perform as individuals and as a group, the absolute dependence of the leader on the members of the band to play well. What a summary of an organization. A jazz band is an expression of servant leadership. The leader of a jazz band has the beautiful opportunity to draw the best out of the other musicians. We have much to learn from jazz-band leaders, for jazz, like leadership, combines the unpredictability of the future with the gifts of individuals” (De Pree, 1992, p.8, 9).

Max De Pree was a practicing servant leader. The De Pree Center was founded in 1996 by Samuel T. Reeves in honor of his good friend and fellow board member Max De Pree. He did so in recognition of the profound influence Max has had upon him and those with whom Max worked and to continue his legacy.

Servant-leadership is also increasingly in use in both formal and informal education and training programs abroad (Spears, 2004). Leadership and management programs in colleges and universities should include servant-leadership within the syllabi in any one of the courses. It has to be made compulsory in the curriculum so that every manager is exposed to the basic teaching and practice of servant leadership. Servant-leadership truly offers hope and guidance for a new era in human development, and for the creation of better, more caring institutions (Spears, 2004).

Conclusion

There is lot of criticism now that the business schools have failed to teach executives the correct models of management. But in the survey in Harvard Business Review of ranking the performance of 1999 CEOs from 1205 companies based on certain measures, it was found that having an MBA degree helps a CEO to perform well (Hansen, Ibarra and Peyer, 2010). Based on regression analysis of CEOs from companies based in Germany, Britain, France, and the United States, where reliable information on degrees is available (1,109 CEOs in total), the researchers have found that 32% of CEOs who had an MBA ranked, on average, 40 places better than the CEO’s without an MBA. Even in the beleaguered financial sector, the MBAs tended to rank better than non-MBAs. Thus education does have a positive effect on leaders.

Podolny (2009) states that in the Harvard Business School, in the course on leadership, the teaching of leadership is still about the big picture – not about the details, where such key challenges as the ability to stick to values and make ethical decisions come into play.

There is a great need for a shift from quantitative methods to qualitative techniques in teaching in
business schools. Podolny (2009) further argues that academics capable of teaching soft skills such as leadership, values, and ethics are in a distinct minority at most business schools. They conduct research in qualitative methods and publish papers in different kinds of journals. They need to be encouraged and they can only incorporate servant leadership qualities in the students. This effort must be taken in all business schools to produce holistic leaders.

Through internal training, research and education in the field of servant leadership, many multi national companies are practicing the concept of servant leadership and prospering. Servant leaders are the need of the hour. In India and abroad, students need to learn servant leadership in addition to other skills. Hence servant leadership concept must be incorporated in the curriculum of business schools. If the future leaders of the companies learn this concept of servant leadership in business schools and practice it, the business establishments, companies and corporations all over the world would become successful and flourishing enterprises.

References


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