

## The Moderating Role of Servant Leadership of Selected Large Organisations in India Pertaining to Key Differences of Employees and Sectors

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### ABSTRACT

Leaders have very different ways of directing teams, divisions or even companies. Some are analytical, some charismatic and some go with their emotional intelligence. Different situations call for different types of leadership. Some require a sensitive negotiation while some would require an authoritative force. A person can have incisive mind, skilful training, years of experience but the leader still won't be good if he doesn't have emotional intelligence or an approach that engages followers in multiple dimensions (Example: relational, ethical, emotional and spiritual). It is an undeniable fact that there is a significant impact of leadership on the organisation worldwide and India is not an exception. A lack of coherence and clarity has been found around the construct.

The study is to investigate the moderating roles of servant leadership on large organisations in India. The study mainly focusses on the call for research on servant leadership and its moderating roles and impacts in large organisations in India. Servant leadership could fill in a new role, can be considered more of a life style than a leadership style. The paper also discusses all in all the holistic picture of how and where the literature has been and where it should go in the future.

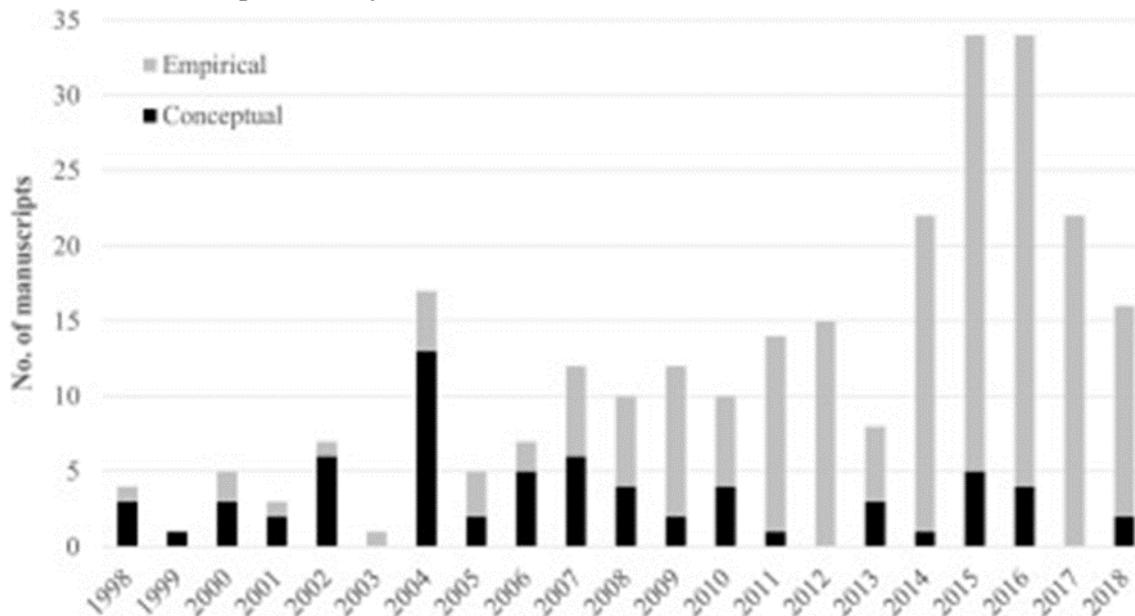
The purpose of this study is to identify the impact of servant leadership style on employee performance. A sample size of around 164 was used from different private and government organizations employees in India, using convenience sampling technique. A five-point Likert scale questionnaire was used to determine the impact of leadership style on employee performance. SPSS software was used in analysing the questionnaires. Demographic analysis, reliability test, descriptive analysis and regression analysis were presented.

**Key Terms:** Servant Leadership, Employee performance, Moderating Role, Large Organisations, Key sectors, leadership styles, Moderating roles

## INTRODUCTION

Leadership is evolving and evolution takes time and many needs from the leaders remain unfulfilled. The leaders are known closely and there is no difference between the leaders trading for large organisations with a globally mobile workforce. Leadership has been defined as the ability to influence a group towards the achievement of vision or set of goals. Early research efforts at isolating leadership traits resulted in number of dead ends. Servant leadership might be able to deliver an approach that can deal with challenges of the modern workplace while still delivering the needs of the followers. Servant leaders go beyond their own self-interest and focus on opportunities to help followers grow and develop. This might be why organisations that implement servant leadership continue to propel research into servant leadership. East Asian prototype is more like servant leaders. There are around 270 published articles, 205 empirical papers and 15 unpublished manuscripts since 1998 (Leadership Quarterly). The researches have made it evident that there is an impact of servant leaders on organisations. This research describes the moderating role of servant leadership on large organisations in India. The questionnaire was based to identify the relationship between leadership styles between different sectors. The questionnaire asked respondents to think of all the workers they have and rate the questions accordingly. The paper also discusses the scope of servant leadership and its impact on organisations in the future. The research tries to understand the impact of servant leadership style and its effects on employee performance in different organizations. It will be beneficial for leaders in an organization to understand servant leadership impacts and how employees can be motivated through moderating leadership styles.

Source: Leadership Quarterly



## LITERATURE REVIEW

According to Charn McAllister, Sherry Moss & Mark J Martinko (2019), recent trend in leadership research is to define a new style of leadership (e.g., authentic, ethical) and then demonstrate how following its principles can improve performance. As such, there has been an unending proliferation of leadership styles that have been espoused by researchers and practitioners alike. In fact, within the top six management journals over the past five years, 134 articles were found on leadership promoting at least 29 different leadership theories including “authentic,” “transformational,” “charismatic,” “ethical,” and “servant” leadership.

Cooper (2018) defined Servant leadership is about serving a higher purpose and if that higher purpose is recognized by everybody in the organization then, in effect, everybody is actually a servant to that purpose. Ansari (2010) emphasized that a number of researchers have investigated the leadership styles of managers across hierarchical levels in organizations. Fiedler (1967) contingency model proposes that effective group performance depends on the proper match between the leaders’ style and the degree to which the situation gives the leader control. R C Liden (2008) proclaimed that with confidence shaken in business leadership, interest has been increasing in development of leaders who set aside self-interest for the betterment of their followers and organizations. For an organization to achieve effectiveness, it is imperative that the unique talents of its employees be recognized, utilized and developed. In accordance to Greenleaf (1997) approach to leadership; servant leadership focusses on developing employees to their fullest potential in the areas of task effectiveness, community stewardship, self-motivation and future leadership capabilities. Greenleaf stated in his ground breaking essay for servant leadership entitled as, the servant as leader; 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. Greenleaf RK (1977)

Lord, Brown, & Freiberg (1999) proclaimed servant leadership as based on the premise that to bring out the best in their followers, leaders rely on one-on-one communication to understand the abilities, needs, desires, goals, and potential of those individuals. With knowledge of each follower's unique characteristics and interests, leaders then assist followers in achieving their potential. Campbell, 1992; Von Eron & Burke (1992) have shown that self-ratings of leadership performance are less able to predict actual performance than ratings by others, because leaders tend to rate themselves better than they really are. Manz & Sims (1987) contended that the relationships that form between leaders and followers are central to servant leadership. 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 can fulfil their potential and become self-motivated. According to Gardner, (1990) Excellent leaders must continually regenerate admirable values in organizations. Baggett & Batten (1997) concluded that the fundamental motivation for leadership should be a desire to serve. Spears (1995) proclaimed that the Indianapolis Business Journal recently announced that "Servant-leadership has emerged as one of the dominant philosophies being discussed in the world today." Fortune magazine has hailed it as a growing movement that "works like the consensus-building that the Japanese are famous for." As the New York Times explains it, "Servant-leadership deals with the reality of power in everyday life - its legitimacy, the ethical restraints upon it and the beneficial results that can be attained through the appropriate use of power."

Dan Cable (2018) have bluntly put that servant-leaders have the humility, courage, and insight to admit that they can benefit from the expertise of others who have less power than them. They actively seek the ideas and unique contributions of the employees that they serve. This is how servant leaders create a culture of learning, and an atmosphere that encourages followers to become the very best they can. Humility and servant leadership

do not imply that leaders have low self-esteem, or take on an attitude of servility. Instead, servant leadership emphasizes that the responsibility of a leader is to increase the ownership, autonomy, and responsibility of followers — to encourage them to think for themselves and try out their own ideas.

Servant leadership is an ideology serving people of an organisation in facilitating job targets, goals and motivating employees rather than gaining more power to own. It seems to be an unachievable style as it is time consuming but many companies have induced it in their style of working. A leader who emphasises interpersonal relations takes a personal interest in the needs of the employees and accepts individual difference among the members is an employee oriented leader. There are some universal aspects to servant leadership. A number of elements making up servant leadership regardless of the sectors. Research on servant leadership has made major contributions to our understanding of leadership effectiveness. They want leaders to be caring and understanding to carry out the organisations vision. Tests and interviews help identifying people with servant leadership qualities. Leaders adopt different leadership styles with the change in situations time and again.

## **Understanding Leadership Styles**

The various Leadership Styles to be understood in order to be able to review the findings

### **1. Autocratic Leadership**

The Autocratic Leadership Style, also known as an Authoritarian Leadership is a style where the leader makes absolute use of his power. The leader imposes the decisions based purely on his/her personal judgements and opinions, without encouraging any inputs from fellow workers. Autocratic leadership, also known as authoritarian leadership, is a leadership style characterized by individual control over all decisions and little input from group members.

Autocratic leaders typically make choices based on their ideas and judgments and rarely accept advice from followers. Autocratic leadership involves absolute, authoritarian control over a group.

### **2. Participative Leadership**

Participative Leadership, also known as Democratic Leadership is a contrast leadership style, compared to Autocratic Leadership.

### **3. Bureaucratic Leadership**

A Bureaucratic Leader is the one for whom needs of the organisation are at his/her priority. This style of leadership highly stresses on hierarchy, rules and regulations of the company, leaders are generally rigid, and the employment procedure is normally merit-based

#### **4. Charismatic Leadership**

Charismatic Leadership is when the leader influences fellow colleagues by his/her own force of personality. Having a great communication skill, listening skill, being

compassionate, mature and self-monitored are few of the main characteristics applied by a charismatic leader, to motivate followers and get the work done.

#### **5. Action-oriented Leadership**

An action-oriented leadership involves leading by examples. The leader performs the task by himself/herself as a driver for the subordinates to perform equally well and achieve the goals and hence action-oriented leaders are also known as prime-achievers of the organisation.

#### **6. Democratic leadership**

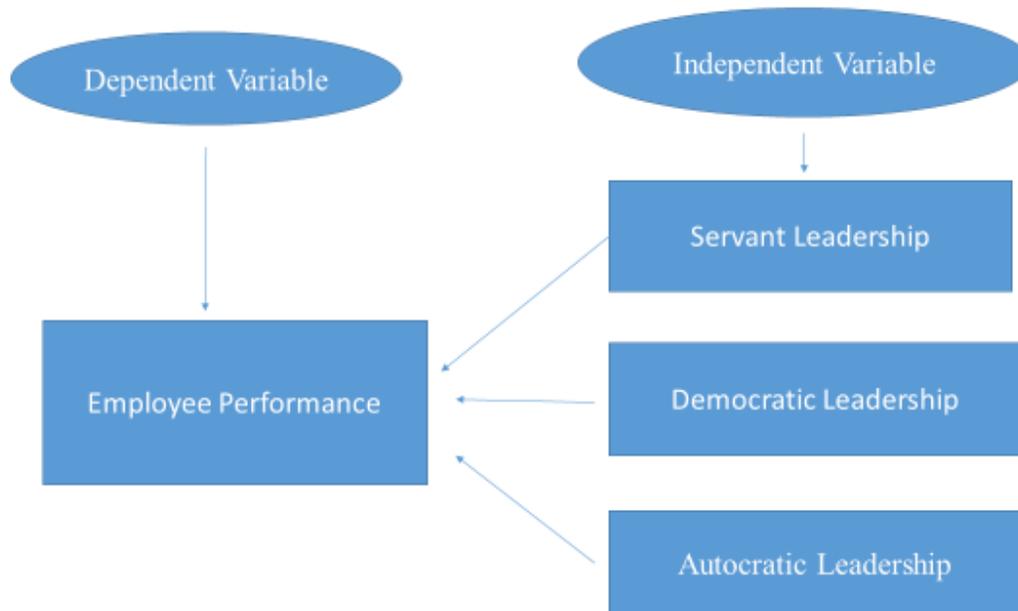
Democratic leadership, also known as participative leadership or shared leadership, is a type of leadership style in which members of the group take a more participative role in the decision-making process. This type of leadership can apply to any organization, from private businesses to schools to government.

#### **7. Servant Leadership**

Servant leadership is an ideology of serving people of an organisation in the best possible way to facilitate them in achieving job targets, rather than gaining more powers for oneself. This particular style of leadership takes a lot of trust-building with the leader which can be time consuming and is normally considered to be unachievable but however, companies like Marriot International have valued servant leadership.

The aim of this study is to provide an insight into leadership styles practiced by Indian corporate leaders and compare it with the findings of servant leadership and employee performance.

## Conceptual Framework:



## Problem Statement:

To assess the moderating role of servant leadership in large organisations.

**H1:** Servant leadership style has positive impact on employee performance

## RESEARCH OBJECTIVE & QUESTIONS

- To know the impact of servant leadership style on employee performance.
- To do a comparative analysis of employee performance and satisfaction with servant leaders.
- To understand the focus area of servant leadership.
- To know that the changes that are suggested are less emotionally challenged and more towards benefitting the company.
- To categorize servant leaders on the basis of employee motivation and performance.
- To know the recent advancement in servant leadership that various organisations have adopted to improve employee growth.
- What are the outcomes if there is effective servant leadership style?
- To what extent is servant leadership style effective in the near future?

## RESEARCH METHODOLOGY

### Research Design:

Research Design is a framework for research and the research approaches could be classified into three categories of research which are Exploratory, Descriptive and Causal. This study is conducted with explanatory research as the study needs to investigate the impact of servant leadership on employee performance. The explanatory research design involves formulating of the hypothesis and collecting the data to achieve the objectives.

Quantitative method has been used as employee performance is measured with different leadership style for the study. It will help in analysing the information statistically to achieve its objectives.

### Data Collection:

The most suitable data collection method for this study is through questionnaires. So, primary data will be collected by senior management leaders of large organisations in terms of questionnaires based on five-point Likert Scale. The Likert scale format is: 1) Agree 2) Neutral and 3) Disagree

The development of the questionnaires is based on the following variables: servant leaders and employee performance. Servant leadership pertaining to factors such as generosity, humility, supportive attitude, caring and understanding, while employee performance is compared with democratic, autocratic and servant leadership styles.

**Table 1 Items included in measurement scale**

VARIABLES	FACTORS
Servant Leadership	Generosity
	Humility
	Supportive
	Caring
	Understanding
Employee Performance	Democratic leadership
	Autocratic leadership
	Servant leadership

Democratic Leadership	Advice
	Decision Making
	Consultation
	Involvement
	Shared
Autocratic Leadership	Assessed by Leader
	Rewards
	Policies
	Punishments
	Orders and Procedures

Based on various studies several variables have been adopted in this study to measure the employee performance impact. Questionnaires were distributed to a total of 250 senior managers using convenience sampling method from different organisations and sectors such as marketing heads, administration heads, human resource heads, managers having minimum 5-10 years of experience and more.

However only 187 respondents were received. 23 respondents did not complete the questionnaire, which gives a total of 164 valid responses. Hence, a total of 65.6 percent valid response rate.

### Accessibility and Ethical Issues

Consent of the involving parties was taken before carrying out the investigation. The researcher ensures no revelation of the identity or other personal information. The researcher made sure no violation of responses arose.

### Data Analysis

This study involved quantitative approach using statistical tools to evaluate the collected data, facts and figures.

SPSS (Statistical Package for the Social Sciences) has been deployed to conduct meaningful conclusions.

Demographic Analysis, Descriptive Analysis, Data Analysis was conducted by using SPSS to determine the impact of servant leadership on employee performance in large organisations.

## Demographic Analysis

Demographic analysis is a statistical technique used to develop and measure the dynamics and dimensions of the population.

### Demographics of Respondents:

**Functional department:** Most of the respondents are from all the functional areas. **Tenure:** The years of experience varies and starts with lowest 5 – highest 20 years of experience of senior & middle level management.

The educational level bifurcation of senior and middle level managers was quantified in terms of their graduation, post-graduation and diploma degrees, making the data more reliable in terms of knowledge and experience of their hierarchical positions.

The demographic analysis of this research was measured by gender, age, work experience and Job position.

Gender was categorised into males and females: 140 males and 24 females.

Age was grouped into 21 – 30, 31 – 40, 41 – 50, and 51 & above. The frequency of the respondents is 3, 73, 78 and 10 respectively.

The Job position category was grouped as Middle-level Management (5 - 10 years of work experience) Senior Management (10 + years of work experience); with the frequency of 20 and 144 respectively.

**Table 2 Educational Level**

Hierarchy	Post Graduate	Graduate Degree	Diploma
Senior Level	45.83%	29.94%	24.23%
Middle Level	33.34%	54.16%	12.5%

**Table 3 Demographic analysis**

	<b>Variables</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
<b>Gender</b>	Female	24	14.6	14.6
	Male	140	85.4	100
<b>Age</b>	21 - 30	3	1.8	1.8
	31 - 40	73	44.5	46.3
	41 - 50	78	47.6	93.9
	50 and above	10	6.1	100
<b>Job Position Level</b>	Middle Management (5 - 10 years of work experience)	17	10.4	10.4
	Senior Management (10 + years of work experience)	147	89.6	100

**Reliability Test**

Cronbach’s alpha criteria for establishing the internal consistency reliability is: Excellent ( $\alpha > 0.9$ ), Good ( $0.7 < \alpha < 0.9$ ), Poor ( $0.5 < \alpha < 0.6$ )

**Table 4 Cronbach’s Alpha**

<b>Variables</b>	<b>No of questions</b>	<b>Cronbach’s Alpha Value</b>
Overall	21	0.836
Democratic	5	0.500
Autocratic	5	0.721
Servant Leadership	5	0.901
Employee Performance	6	0.803

Based on the above table, the overall Cronbach’s Alpha value is 0.836. Which shows that the data has a good reliability in internal consistency. Servant Leadership has the highest Cronbach’s alpha value (0.901), which shows the highest reliability in terms of internal consistency of 5 questions. Autocratic has the second highest Cronbach’s Alpha value (0.721), which also means that the data is highly reliable. Democratic has the lowest Cronbach’s Alpha value (0.500), which means that the data has poor reliability.

## Descriptive Analysis

Descriptive analysis helps you understand the data and the variables are ranked by referring them to the values of standard deviation and mean.

The highest values of the standard deviation from mean will indicate the independent variables which does highest impact on dependent variables.

**Table 5 Descriptive statistics**

	<b>N</b>	<b>Mean</b>	<b>Standard deviation</b>
<b>Employee Performance</b>	164	1.6939	0.34552
<b>Democratic Leadership</b>	164	2.4040	0.00999
<b>Autocratic Leadership</b>	164	2.4160	0.01473
<b>Servant Leadership</b>	164	2.8609	0.76156
<b>N</b>	164		

As per the above table, servant leadership style has the higher mean value in comparison to the employee performance mean. The democratic leadership style has lowest mean value is corresponding to 2.4040 and standard deviation value of 0.00999 indicating poorly correlating with employee performance. Autocratic leadership style mean value is 2.4160 and standard deviation is 0.01473 indicating fairly correlated with employee performance. Servant leadership style has highest mean value of 2.8609 and standard deviation of 0.76156, showing that employee performance is highly correlated with servant leadership style.

## Regression Analysis

**Table 6 Regression analysis**

<b>Model</b>	<b>Multiple R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Standard Error</b>	<b>Observations</b>
1	0.015662217	0.000245305	-0.00592602	2.512321746	164

- a) Predictors: Servant Leadership
- b) Dependent Variable: Employee Performance

According to the above table, the adjusted R-square value is 0.00024 which shows that the model is not a good fit model as the rule of thumb for a good fit is minimum R-square value of 0.60.

## CONCLUSION

On the basis of the results, servant leadership style has a significant impact on employee performance. It indicates that when servant leadership is applied in organisations, employee performance would increase.

Hence, large organisations must be encouraged to adopt servant leadership style and involve mid-level managers in decision making process. Innovation, team work and creativity must be encouraged so that it keeps the hierarchy level managers motivated.

It should be understood that the employees are the most important asset in the organisation and employee performance highly depends on the leadership style.

The study would increase the awareness among the organisations. The study would provide them with a clear holistic picture of their standing and the scope for the further improvement. The study would also help to get a clear idea about the impact of servant leadership on their job performance and personal growth, if any.

Hence, attention must be provided to this leadership style to make employees more motivated and oriented towards organisation's goals. The study has found leaders are capable of having profound personalities and pitching in with self-interest of their employees.

The study finds senior employees who have supported less experienced employees and have shown self interest in making them grow. Attributes that have made possible for leader behaviour to make outcomes. There has been understanding and trust of intentions. There is a consideration in investing in employees and train them for formal courses, workshops, coaching and mentoring. The degree of confidence, trust and respect subordinates have in their leader turned out to be immense. Studies testing overall validity of the research finds considerable parts of the leadership style in sectors.

## LIMITATIONS

A little research to confirm these conclusions as the data is related to India and not globally. Understanding, caring is a primary attribute associated with servant leadership; breaking it can have serious adverse effects on group's performance.

As the sample selected is from 250 employees limiting to actual 164 respondents, it cannot justify the impact of servant leadership style on employee performance because a large number of population cannot be studied with this sample.

Thus, this limitation explains the hurdles a researcher might face in concluding the investigation and fulfilling the objectives being more accurate. The upcoming research can be conducted with inclusion of more and varied variables.

The future research can ensure a larger number of sample size in different industries and broader sectors. Furthermore, expansion of the model can be done if the researcher includes the turnover rates, experience with the superiors, and work commitments.

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